



News Release

Maryland Insurance Administration

Larry Hogan, Governor Boyd K. Rutherford, Lt. Governor
Kathleen A. Birrane, Commissioner Jay Coon, Deputy Commissioner

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Maryland Insurance Administration issues fraud and licensing violation orders against five people, four companies

BALTIMORE – The Maryland Insurance Administration has issued civil administrative orders carrying penalties of nearly \$500,000 against five individuals and four companies for insurance fraud and for acting as public adjusters without a license, Maryland Insurance Commissioner Kathleen A. Birrane announced.

The Administration noted that while most home repair and restoration services are honest and reliable, there are dishonest and predatory actors that lure homeowners into unnecessary or inflated repairs by suggesting that those repairs are covered by insurance, and then offer to act for the homeowner in negotiations with the insurer in violation of state licensing laws and often to the detriment of the consumer. Reports of these activities often follow disasters or storms and have certainly spiked during the pandemic.

After detailed investigations, the Administration has imposed a combined \$480,000 in administrative penalties in three administrative orders issued on February 17, 2021. The orders were issued against:

- David Dallmer, a Pennsylvania resident, and Cornerstone Building & Restoration, LLC, a Virginia company licensed to do business in Maryland. They were found to have violated eight provisions of Maryland insurance law relating to public adjusting activities, as well as insurance fraud.

The Administration investigated Dallmer and Cornerstone in connection with home repairs submitted as insurance claims that were flagged by the special investigation units in two separate insurance companies. The MIA's investigation showed that Dallmer and Cornerstone were advising and purported to represent the homeowners in connection with those insurance claims, activities that require an individual to be licensed as a public adjuster. Dallmer is no longer licensed to act as an adjuster in Maryland, and Cornerstone has never held a license. Both have faced administrative action in other states for similar activities.

Dallmer and Cornerstone hold themselves out as insurance specialists on social media

and advertising and encourage homeowners to engage them with the promise to get “free replacement through your homeowners insurance coverage.” Cornerstone further encourages claims by effectively covering the homeowner’s out-of-pocket deductible by paying the homeowner amounts equivalent to the deductible to place lawn signs on the property, an illegal practice.

The Administration has ordered Dallmer and Cornerstone to discontinue insurance-related business in Maryland. Dallmer was fined \$60,000 and Cornerstone was fined \$120,000.

- Xpress Exterior Design, LLC, a company incorporated in Maryland, and Joseph Zacot, a Maryland resident and employee of Xpress, were sanctioned for eight violations of Maryland insurance law, including operating as public adjusters without a license. Additionally, investigators confirmed through video evidence that Zacot purposely damaged shingles on a homeowner’s roof to support a storm damage insurance claim.

The Administration has ordered Xpress and Zacot to discontinue any insurance-related business in Maryland. Xpress has been fined \$20,000, and Zacot has been fined \$10,000.

- In the third case, Sam S. Juma, David Lee, James Park, Royal Public Adjusters, LLC, and Halo Construction and Restoration were penalized by the Administration after an investigation resulting from six fraud referrals by insurance companies. The Administration has revoked the licenses of Chicago-based Juma and Royal Public Adjusters, LLC for, among other things, allowing Halo, a Rockville company, and its owner, Lee to operate Royal’s public adjusting business in Maryland, although neither Halo nor Lee hold public adjusting licenses themselves. The Administration also sanctioned the parties for failing to disclose their financial affiliation and other deficiencies in disclosures and contract terms.

For that violation and others, in addition to revoking the public adjuster licenses of Sam S. Juma and Royal Public Adjusters, LLC, the Administration ordered the individuals and companies to discontinue its insurance related operations in Maryland. An administrative penalty of \$90,000 was imposed jointly and severally against Lee and Halo and \$5,000 against Park, Juma and Royal were jointly and severally assessed a penalty of \$175,000.

Commissioner Birrane made it clear that the Hogan administration’s efforts to protect Maryland insureds from claim predators has not slowed down because of the pandemic: “If anything, our teams have been extra vigilant in assuring that homeowners are not induced into filing questionable claims through fraudulent practices.” She also advised that other companies remain under investigation.

“Public adjusters exist to represent the homeowner, often after significant damage to their home, to coordinate repairs needs and costs and manage the claim process with the insure on behalf of the homeowner,” Birrane said. “Public adjusters are trained and experienced professionals who

have to be licensed by the administration and who must follow strict rules related to disclosures, contract terms, and conflicts of interest with the MIA rigorously enforces.”

In addition, “honest contractors help homeowners assess damage, make repair damages, and share information with insurers – but they don’t exaggerate or mischaracterize loss, kick-back fees, or take over the claim negotiations,” she said. “[The MIA has created a guide](#) for consumers to help them understand the roles that advisors and vendors play after a property loss, including when someone needs to be licensed and what rules they have to play by.”

Birrane warned consumers that “if someone shows up at your door, saying they are going to get you a new roof after a hail storm, or get your insurance company to replace your aging deck – think twice and do your homework.”

The Parties in each of the cases have 30 days from the date of the order to request an evidentiary hearing if they wish to contest the orders or the penalties.

Special Note: The Maryland Insurance Administration remains fully operational during the COVID-19 emergency. If you would like to file an insurance complaint, please use our online portal: <https://enterprise.insurance.maryland.gov/consumer/ConsumerPortalWelcomePage.aspx>

About the Maryland Insurance Administration

The Maryland Insurance Administration is an independent State agency charged with regulating Maryland’s \$28.5 billion insurance industry. For more information about the Insurance Administration, please visit www.insurance.maryland.gov or follow us on Facebook at www.facebook.com/MDInsuranceAdmin, Twitter at [@MD_Insurance](https://twitter.com/MD_Insurance), LinkedIn at www.linkedin.com/company/maryland-insurance-administration or Instagram at [@marylandinsuranceadmin](https://www.instagram.com/marylandinsuranceadmin).

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