



STATE OF RHODE ISLAND
 DEPARTMENT OF BUSINESS REGULATION
 DIVISION OF INSURANCE
 1511 PONTIAC AVENUE, BUILDING 69-2
 CRANSTON, RI 02920

IN THE MATTER OF:

 CRAIG A. MARTIN

 and

 JUSTIN M. COOTS

 RESPONDENTS.

DBR No.: 2019-IN-014

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 STATE OF RHODE ISLAND
 INSURANCE DIVISION

CONSENT ORDER REGARDING CRAIG A MARTIN

Whereas the Department of Business Regulation (“Department”) issued an Order to Show Cause Notice of Hearing, and Appointment of Hearing Officer (the “Order”) against Respondent Craig A. Martin and Justin M. Coots on February 24, 2020;

Whereas Respondent Craig A. Martin (“Respondent”) and the Department’s Division of Insurance (“Division”) conducted a Pre-Hearing Conference on March 13, 2020 and subsequently held numerous status conferences discussing the Order;

Whereas Respondent was subject to a revocation Order issued on March 17, 2017 in which his public insurance adjuster license was revoked; and

Whereas counsel for Respondent and the Department have met and conferred on numerous occasions to discuss the matters contained herein;

It is hereby agreed between the Department and Respondent to resolve the allegations set forth in the Order dated February 24, 2020 and to address activities undertaken by Respondent on or before the date of the Order without further administrative proceedings.:



1. There are numerous activities that only a licensed public insurance adjuster (or someone exempt from such licensure) can undertake and that a licensed public insurance adjuster is not allowed to assign to others. The Division has published this previously in Insurance Division Bulletin 2019-6.

- a. Only a licensed public insurance adjuster can advertise or solicit public insurance adjuster services.
- b. Only a licensed public insurance adjuster can coordinate a claim including arranging for and discussing benefits available under a contract of insurance (i.e., alternative living expenses, holdback depreciation, etc.).
- c. Only a licensed public insurance adjuster can negotiate or effect the settlement of an insurance claim.
- d. Only a licensed public insurance adjuster can provide an evaluation of an insurance claim, give advice regarding an insurance claim, or advocate on behalf of a customer in the adjustment of an insurance claim.
- e. Only a licensed public insurance adjuster can prepare an insurance claim for their customer.
- f. Only a licensed public insurance adjuster can discuss anything with an insurer that would be considered negotiating or determining the benefits available under a contract of insurance on behalf of their customer.
- g. Only a licensed public insurance adjuster can engage in discussions with an insurer to determine if a loss is covered.



- h. Only a licensed public insurance adjuster can discuss anything with an insurer that would be considered negotiating or determining the benefits available under a contract of insurance on behalf of their customer.
2. Respondent acknowledges the above list and agrees that is not authorized to undertake those activities himself, or be assigned those activities by any other individual.
3. Respondent acknowledges that soliciting during a loss occurring event is a violation of insurance division regulation 230-RICR-20-50-4, and that soliciting a property owner on the premises during the investigation by the fire investigators is a violation of R.I. Gen. Laws § 23-28.2-11(c).
4. Respondent accompanied licensed public insurance Justin M. Coots (“Coots”) as Coots solicited a public insurance adjuster contract on July 24, 2019 in Warwick, RI while the fire investigators conducted their investigation of fire.
5. Respondent accompanied Coots as Coots solicited a public insurance adjuster contract on July 24 and 25, 2019 in Pawtucket, RI while the fire investigators conducted their investigation of fire.
6. Respondent did negotiate the terms under an insurance contract with an insurance company on behalf of a public insurance adjuster client on September 17 and 20, 2019.
7. Respondent engaged with insurers on behalf of Coot’s public insurance adjuster clients.
8. Martin was not licensed as a public insurance adjuster and that he was aware of that fact prior to the Department bringing this action.
9. By conducting business for which a license is required, Respondent caused Coots to violate 230-RICR-20-50-4.11(A)(17) (“A public adjuster shall not permit an unlicensed



employee or representative of the public adjuster to conduct business for which a license is required.”).

Impermissible Fee Splitting

10. Respondent acknowledges that 230-RICR-20-50-4.11(A)(2) prohibits him from splitting any commissions or fees with any licensee. Respondent is allowed to be compensated for performing some services related to the public insurance adjuster business that are not prohibited as described in paragraph 1 above (“No public adjuster shall split any commission, service fee or other valuable consideration for performing adjusting services to any person unless that person is required to be licensed under R.I. Gen. Laws Chapter 27-10.”).

11. Respondent affirms that he and Coots did not have a fee-sharing arrangement documented in writing before the Division brought this action. Respondent understands that any compensation he receives from Coots may not amount to a sharing of fees between Respondent and Coots.

12. Respondent may receive payment for services rendered from any licensed public insurance adjuster, but that payment shall not be based on a percentage of what the licensed public insurance adjuster receives from their public insurance adjuster clients or amount to a commission split.

Authority

13. R.I. Gen. Laws § 42-14-16(a) gives the Director authority over “any person or entity conducting any activities requiring licensure under title 27,” with provisions thereunder authorizing the assessment of fines and the issuing of Cease and Desist Orders.

14. R.I. Gen. Laws § 27-10-12(a) lists several grounds for suspension or revocation of a Claim Adjuster’s license, including the following:



(2) “Violating any insurance laws, or violating any regulation, subpoena, or order of the insurance commissioner.”

(8) “Using... dishonest practices; or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.”

15. R.I. Gen. Laws § 27-10-1.2(a) also prohibits individuals from holding themselves out as a “public... adjuster in this state unless the person is licensed in accordance with this chapter.”

16. R.I. Gen. Laws § 23-28.2-11(c) prohibits any “insurance adjusters, contractors, and restoration companies from engaging in any solicitation or inspection or any physical presence on any premises under investigation until twenty-four (24) hours after... the municipal fire department... releases control of the premises back to its legal owner(s).”

17. 230-RICR-20-50-4.11(A)(2) prohibits fee splitting between public adjusters and unlicensed individuals by stating that “No public adjuster shall split any commission, service fee or other valuable consideration for performing adjusting services to any person unless that person is required to be licensed under R.I. Gen. Laws Chapter 27-10.”

Based on the foregoing, Respondent and the Department have determined to resolve this matter without instituting further administrative proceedings and hereby agree to the following resolution:

1. Respondent is ORDERED to Cease and Desist from acting as a public adjuster. This prohibition includes:
 - a. Soliciting public adjuster contracts;
 - b. Negotiating on behalf of consumers with insurance companies or others;
 - c. Preparing an insurance claim on behalf of another;



- d. Discussing the benefits available under a contract of insurance on behalf of a consumer; and
 - e. Providing advice related to an insurance contract or claim.
2. Respondent admits and acknowledges the facts identified above and that those facts represent violations of Rhode Island laws and regulations.
 3. Respondent agrees to pay an administrative fine to the Department within thirty (30) days of seven thousand dollars (\$7,000) to resolve this matter.
 4. Respondent agrees that any allowable work he performs on behalf of any licensed public insurance adjuster is to be supervised by that licensee as the holder of the public insurance adjuster license.
 5. Respondent agrees to not assist a licensed public insurance adjuster to help solicit a public insurance adjuster client during a loss-producing occurrence.
 6. Respondent agrees to not assist in the solicitation of public insurance adjuster clients by a licensed public adjuster physically on the premises until after the state or municipal fire official turn the building back over to the owner.
 7. Respondent agrees to not assist a licensed public insurance adjuster in negotiating coverages under an insurance contract with an insurance company.
 8. Respondent agrees to not split any commissions or fees with licensed individuals.
 9. Respondent agrees to not maintain any financial accounts with any licensed individuals that would give him access to their funds.
 10. Waiver of Hearing and Appeal. By agreeing to resolve this matter through the execution of this Consent Order, Respondent knowingly and voluntarily waives any right to an



administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 *et seq.*

11. Enforcement. If Respondent fails to comply with any term or condition of this Consent Order within any applicable time period set forth herein, Respondent will be in violation hereunder and the Department shall be entitled to immediately to take enforcement or other action in accordance with applicable law.

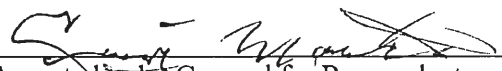
12. Compliance; Other Laws. Compliance with the terms of this Consent Order does not relieve Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Department or any other governmental agency.

Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients this 3rd day of November 2022.

Department of Business Regulation

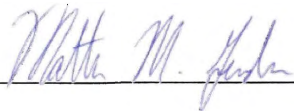
Craig A. Martin

By its Legal Counsel,


Assented to by Counsel for Respondent

Matthew M. Gendron, Esq.

Michael J. Lepizzera Jr., Esq.





Recommended by:



Date: November 4, 2022
Catherine Warren, Esq.
Hearing Officer



ORDER

I have read the Consent Order as agreed to by and between the parties in the above captioned matter and I hereby take the following action:

Approve

Reject

Dated: 11/28/2022

Elizabeth Kelleher Dwyer, Esq.

Director

NOTICE PURSUANT TO R.I. GEN. LAWS § 42-35-12

THIS CONSENT ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO RHODE ISLAND GENERAL LAWS TITLE 42, CHAPTER 35. AS SUCH, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MAY BE COMPLETED BY FILING A PETITION FOR REVIEW OF SAID COURT. HOWEVER, RESPONDENT UNDERSTANDS THAT BY WAIVING ITS RIGHTS TO A COMPLETE HEARING AND AGREEING TO THIS CONSENT ORDER, THE ABOVE RIGHTS ARE WAIVED. IF ANY TERMS OF THIS CONSENT ORDER ARE VIOLATED, RESPONDENT’S LICENSE SHALL BE SUBJECT TO SUSPENSION OR REVOCATION.

CERTIFICATION

I hereby certify on this 28th day of November, 2022, that a copy of the within order was sent by first class mail, postage prepaid to:

<p>Craig A. Martin 43 Hopkins Avenue Johnston, RI 02919</p>	<p>Michael J. Lepizzera, Jr., Esq. (#4995) 117 Metro Center Blvd Suite 2001 Warwick, RI 02886</p>
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And by Electronic Delivery via Email Address: Craig.jbpoa@bluetie.com; Elizabeth.Dwyer@dbr.ri.gov; Catherine.Warren@doa.ri.gov, MLepizzera@leplap.com Matthew.Gendron@dbr.ri.gov; and Rachel.Chester@dbr.ri.gov.