



**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**

**CONSENT ORDER REGARDING JUSTIN M. COOTS**

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

Whereas Respondent Justin M. Coots (“Respondent”) and the Department’s Division of Insurance (“Division”) conducted a Pre-Hearing Conference on March 13, 2020;  
and

Whereas Respondent currently holds a Rhode Island license as a public insurance adjuster, Rhode Island number (#3000544784) with a first active date of 05/10/2019 and currently has an expiration date of 03/31/2023.

It is hereby agreed between the Department and Respondent that:

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 coordinate a claim including arranging for and discussing benefits available under a contract of insurance (i.e., alternative living expenses, holdback depreciation, etc.).
  - b. Only a licensed public insurance adjuster can negotiate or effect the settlement of an insurance claim.
  - c. 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.
  - d. Only a licensed public insurance adjuster can prepare an insurance claim for their customer.
  - e. 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.
  - f. Only a licensed public insurance adjuster can engage in discussions with an insurer to determine if a loss is covered.
  - g. 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 to only undertake these activities himself and will not assign others to take these actions.



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 solicited a public adjuster insurance contract on July 24, 2019 in Warwick, RI while the fire investigators conducted their investigation of fire.

5. Respondent solicited a public adjuster insurance contract on July 24 and 25, 2019 in Pawtucket, RI while the fire investigators conducted their investigation of fire.

6. Respondent solicited a public insurance adjuster contract on December 1, 2019 in Pawtucket, RI during the loss occurring event.

7. Craig A. Martin ("Martin") previously held a Rhode Island public adjuster's license (#1082927), with a first active date of 02/18/1993, which was revoked by Order of the Director of the Department on 03/17/2017. Martin does not meet any of the exemptions from licensure contained in R.I. Gen. Laws § 27-10-2.

8. Respondent knew that 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. Respondent allowed Martin to engage with insurers on behalf of Respondent's public insurance adjuster clients.

10. By allowing Martin to conduct business for which a license is required, Respondent violated 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**

11. Respondent has attested that he and Martin did not have a fee-sharing arrangement documented in writing before the Division brought this action. Respondent understands that any compensation he pays Martin may not amount to a sharing of fees between Respondent and Martin. Respondent may pay Martin for services rendered, but that payment shall not be based on a percentage of what Respondent receives from his public insurance adjuster clients.

12. Respondent acknowledges that 230-RICR-20-50-4.11(A)(2) prohibits him from splitting any commissions or fees with Martin, however, Respondent is allowed to compensate Martin for performing some services related to his 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.”).

### **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 will be allowed to maintain his Public Insurance Adjuster license, but will need to renew it in the normal course of business in 2023.
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 two hundred and fifty dollars (\$250) to resolve this matter.
4. Respondent agrees that any work he does assign to Martin or any others will be supervised by Respondent as the holder of the public insurance adjuster license.



5. Respondent agrees to not allow any unlicensed individuals act in his place on behalf of his public insurance adjuster clients when a license is required.
6. Respondent agrees to not solicit a public insurance adjuster client during the progress of a loss-producing occurrence and to not solicit public insurance adjuster clients physically on the premises under investigation by fire officials for twenty-four (24) hours after the fire official turns the building back over to the owner.
7. Respondent agrees to not split any commissions or fees with unlicensed individuals.
8. 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.*
9. 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.
10. 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.

[Intentionally Blank]



Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients this 14th day of ~~August~~ 2021.  
September

Department of Business Regulation

Justin M. Coots

By its Legal Counsel,

Assented to by Counsel for Respondent

Matthew M. Gendron

Kevin B. Salvaggio, Esq.

Recommended by:

Date: 9/20/21

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: 09-21-2021

Elizabeth M. Tanner, 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 21st day of Sept, 2021, that a copy of the within order was sent by first class mail, postage prepaid to:

Justin M. Coots 200 HEROUX BLVD UNIT 1804 CUMBERLAND, RI 02864	Kevin B. Salvaggio, Esq. (#6385) 117 Metro Center Blvd Suite 2001 Warwick, RI 02886
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And by Electronic Delivery via Email Address: [Justin.Coots@gmail.com](mailto:Justin.Coots@gmail.com);  
[Elizabeth.Dwyer@dbr.ri.gov](mailto:Elizabeth.Dwyer@dbr.ri.gov); [Catherine.Warren@doa.ri.gov](mailto:Catherine.Warren@doa.ri.gov), [ks6@cox.net](mailto:ks6@cox.net),  
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*Diane L. Paravisini*