

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 122471
)	
AMERICAN DREAM HOME)	
IMPROVEMENT, INC. d/b/a AMERIPRO)	
ROOFING OF IOWA)	
)	
MICHAEL J. GRAY)	SUMMARY CEASE & DESIST
DOB 10/09/XXXX)	ORDER
)	
CHARLES D. KATAN)	
DOB 12/29/XXXX)	
)	
Respondents.)	

On June 19, 2024, Enforcement Attorney Colin Grace, on behalf of the Iowa Insurance Division (“Division”), submitted a Petition for Summary Cease and Desist Order and a Statement of Charges in the above-captioned matter.

NOW THEREFORE, the Commissioner of Insurance, Douglas M. Ommen, pursuant to the provisions of Iowa Code chapters 505, 507A, 507B, and 522C, does hereby make and issue the following findings of fact, conclusions of law and order to cease and desist (“Order”):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapters 507A—Unauthorized Insurers, 507B—Insurance Trade Practices, and 522C— Licensing of Public Adjusters, pursuant to Iowa Code § 505.8.
2. American Dream Home Improvement, Inc. d/b/a AmeriPro Roofing of Iowa (“AmeriPro”) is an Illinois corporation, incorporated on April 17, 2017, with a home office

located at 3041 Woodcreek Drive, Downers Grove, IL 60515. AmeriPro's registered agent is Michael J. Gray, with a registered address of 5233 Grand Avenue Unit C, Davenport, Iowa 5287.

3. AmeriPro is registered with the Iowa Department of Inspections, Appeals & Licensing as a roofing contractor under Registration No. C123434. AmeriPro's registration was issued on September 20, 2023, and expires on November 3, 2024. The registered contractor is listed as Mike Gray, with an address of 3040 S Finley Rd, Ste 200, Downers Grove, Illinois 60515.

4. Neither AmeriPro, nor any of its officers, employees or agents, are registered with, and/or approved by, the city of Greenfield as a Solicitor, Peddler, or Transient Merchant per Greenfield Municipal Code Chapter 122 and Ordinance #430 enacted on January 3, 2022.

5. AmeriPro does not, and never has, held a public adjuster license in the state of Iowa.

6. Upon information and belief, Michael J. Gray ("Gray") is an individual with a last-known residence address of 21611 Wolf Rd, Frankfort, IL 60423. Gray is the founder and current CEO of AmeriPro. Gray is ultimately responsible for all aspects of AmeriPro's business, including AmeriPro's business practices, the content on its website, and the conduct of AmeriPro employees. Gray is not, and never has been, licensed as a public adjuster in the state of Iowa.

7. Upon information and belief, Charles D. Katan ("Katan") is an individual with a last-known residence address of 1995 White Pole Rd, Casey, IA 50048. Katan is an employee of AmeriPro. Katan is not, and never has been, licensed as a public adjuster in the state of Iowa.

8. AmeriPro, Gray and Katan are hereinafter referred to collectively as "Respondents."

9. Pursuant to Iowa Code § 505.28, Respondents consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B, 522B, and 522C.

10. From on or about May 21, 2024, to present, Respondents engaged in acts and practices within the state of Iowa that constitute cause for a summary cease and desist order pursuant to

Iowa Code §§ 507A.10(2)(a), 507B.6A(1), and 522C.6(3)(c); probation, suspension, revocation, or refusal to issue public adjuster licenses to Respondents pursuant to Iowa Code § 522C.6(1); and civil penalties or other relief against Respondents under Iowa Code chapters 505, 507A, 507B, 522C, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

11. Neither AmeriPro, nor any of its officers and employees, have ever been licensed in the state of Iowa as public adjusters.

Advertisements for Public Adjuster Services on the AmeriPro Website

12. As of the date of this filing, AmeriPro maintains a website for its business with an address of <https://www.ameriproroofing.com/> (“AmeriPro Website”). AmeriPro also maintains a Facebook page entitled “AmeriPro Roofing – Des Moines” (“AmeriPro DSM Facebook Page”).

13. The AmeriPro Website contains references and offers that create the impression that AmeriPro provides public adjuster services and is lawfully authorized to do so.

14. The webpage entitled “Filing a Roof Replacement Insurance Claim” includes a 10-step guide for AmeriPro customers to file their insurance claims. It advises the following:

- a. Under Step 1, that the customer should contact AmeriPro prior to filing their insurance claim;
- b. Under Step 2, that during the initial conversation with the insurer’s adjuster, the customer should answer the insurer’s adjuster’s questions truthfully but not “go into great detail” because the AmeriPro representative “can help you fill out the forms accurately.”

- c. Under Steps 3 and 4, that the customer should schedule the insurer’s adjuster inspection “after [their] scheduled inspection from the AmeriPro restoration specialist” and thereafter provide the details of the visit to AmeriPro.
- d. Under Step 5, that the customer should meet with the AmeriPro representative where “[AmeriPro] will perform [their] inspection, make a detailed estimate, and have [the customer] sign a contract choosing us as [their] designated contractor.” This section goes on to state:
 - i. **“In order for [AmeriPro] to act as your advocate with the insurance company adjuster**, we’ll need to have already performed a complete roof damage inspection and have a contract with you so we can act as your official representative with the insurance company.” (emphasis added); and
 - ii. “[I]f you have an AmeriPro expert do a full inspection before the insurance adjuster arrives, **we can deal with the insurer for you and make sure you get all the necessary work paid for in full before the job starts.**” (emphasis added).
- e. Under Step 6, that AmeriPro will attend the insurance company adjuster visit “to show [AmeriPro’s] professional inspection report to the insurance adjuster” and that “This is the most effective way to get full reimbursement for the entire restoration project.”
- f. Step 8 advises customers that they might receive a phone call from the insurance company quoting a price that differs from AmeriPro’s estimate, but “[d]on’t worry if this happens because we will be working with your insurer to make sure that there is a price agreement on the entire scope of repairs before the job begins.”

- g. Under Step 10, after repair materials arrive, the customer should contact their AmeriPro representative so they can verify that the customer has everything necessary to complete the repairs. Step 10 also states “The rep will also pick up your insurance estimate, the first check, and any deductible payment.”
 - h. The last paragraph of the page states in relevant part “Remember, your goal in a roof replacement situation is to get the best possible settlement from your insurer...”
15. The webpage entitled “Roof Damage & Insurance Claims” includes the following relevant statements:
- a. “Navigating the insurance claim process for roof damage can be time-consuming and stressful!”
 - b. “AmeriPro Roofing is experienced in managing the insurance claim process”
 - c. “Denied by your insurance? Click here to see how AmeriPro can help!”
 - d. Under a section labeled “What should I do after a storm?” it recommends “Choose a roofing contractor with insurance expertise.”
 - e. Under a section labeled “Denied By Your Insurance?” it states “If you have had your claim denied by your insurance company, we’re here to help! Our Customer Solutions team works for you by advocating with your insurance company to make sure you get the coverage you need. The best part? There’s no additional cost for this service when working with AmeriPro!”
 - f. Under the section “how can AmeriPro Roofing help with my insurance claim?” it states “We will meet with your insurance company to assist with the claim process.”
16. The webpage entitled “AmeriPro Stands Up For Their Customers” includes a customer testimonial attributed to A.L., an Indiana customer. The testimonial states, in relevant part,

“Initially my insurance rejected our claim but the AmeriPro representative said, ‘That isn’t good enough,’ and requested another inspection. The second inspection, he marked all the damaged areas for the insurance inspector to see and my claim was approved. From the start, I knew that AmeriPro would fight for me and that’s exactly what they did.”

17. The webpage entitled “Your Local Roofing Company Professionals in Des Moines” states in relevant part “AmeriPro Roofing has been helping homeowners navigate the insurance claims process for 20+ years with over 150,000 happy homeowners nationwide and counting.” The webpage also includes a customer testimonial attributed to J.S. stating in relevant part “[AmeriPro] handled all of the negotiations with the insurance [company].” These statements also appear on the webpage entitled “Your Local Davenport Roofing Company Professionals.”

18. Each of the individual webpages described above include a disclaimer in small print stating “AmeriPro Roofing is a Nationally Certified General Contractor. We do not offer or contract public adjusting services. We work for you to restore your home.”

19. The webpage entitled “FAQS About Our Home Contracting Services” states in relevant part, “Our experts are ready and willing to serve you. We have the experience and knowledge to answer your questions and provide detailed suggestions – we can even assist you with related claims or coverages with your insurance company.”

20. On August 14, 2023, AmeriPro posted to the AmeriPro DSM Facebook Page that “If you have seen hail in the last year you could qualify for new roofing/siding paid for by your insurance. Send us a [direct message] if you would like a free no obligation property inspection.”

AmeriPro Roofing Contract

21. At all times relevant hereto, AmeriPro used a form contract entitled “AmeriPro Roofing Contract” to enter into an agreement with at least three Iowa consumers to provide public adjusting services in tandem with storm damage repair.

22. Under the AmeriPro Roofing Contract, AmeriPro performs repair work for an amount certain. The AmeriPro Roofing Contract allows for payment from either the customer’s own funds or the proceeds from the customer’s insurance claim. However, when the payment comes from insurance benefits, the customer assigns the claim proceeds to AmeriPro. On page 2 of the contract, under paragraph 15, it provides:

IF THE WORK TO BE COMPLETED BY AMERIPRO ROOFING DOES RELATE TO A CLAIM ON HOMEOWNER’S INSURANCE POLICY, PAYMENTS ARE TO BE MADE FOR BOTH DEDUCTIBLE AND THE FIRST FULL ACTUAL CASH PAYMENT CHECK FROM INSURER FOR THE WORK TO BE COMPLETED BY AMERIPRO ROOFING UPON DELIVERY OF MATERIALS, AND BALANCE UPON COMPLETION OF WORK, THIRTY DAYS NET.

23. Under the AmeriPro Roofing Contract, the customer authorizes “any insurance company, mortgage company, or lender involved with the property address listed above to issue all payments jointly and release all documentation to AmeriPro Roofing.” The customer also gives “express consent” to AmeriPro “to discuss property damage with my insurer and provide all information as permitted by law.”

24. The AmeriPro Roofing Contract does not include the following notice required by Iowa Code § 515.137A(3)(c):

YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER YOUR INSURANCE POLICY. PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING. THE ITEMIZED DESCRIPTION OF THE WORK TO BE DONE SHOWN IN THIS ASSIGNMENT FORM HAS NOT BEEN AGREED TO BY THE INSURER. THE INSURER HAS THE RIGHT TO PAY ONLY FOR THE COST TO REPAIR OR REPLACE DAMAGED PROPERTY CAUSED BY A COVERED PERIL.

AmeriPro Operations in Greenfield, Iowa Following Tornado

25. On May 21, 2024, Greenfield, Iowa was impacted by severe weather, including but not limited to a tornado. The tornado and severe weather caused extensive property damage throughout Greenfield and other Iowa areas. Iowa Governor Kim Reynolds authorized a disaster proclamation for fifteen counties impacted by this severe weather, including Adair County, where Greenfield is located.
26. On May 21, 2024, the mayor of Greenfield issued Emergency Proclamation 2024-02 pursuant to his authority under Iowa Code § 372.14(2). The proclamation declared that “until further notice contractor license fees for paid contracting work done on tornado damaged properties will be set at \$100.”
27. On May 24, 2024, the President of the United States, Joseph R. Biden, issued a disaster declaration for all the affected areas pursuant to a request from Governor Kim Reynolds.
28. Under Greenfield Municipal Code Chapter 122 and Ordinance #430, any person engaging in soliciting, peddling and/or engaging in the business of a transient merchant must first obtain a license from the city of Greenfield.
29. Under Greenfield Municipal Code section 122.02, the definition of “solicitor” includes any person “who solicits or attempts to solicit from house to house or upon the public street . . . any order for goods, services, subscriptions, or merchandise to be delivered at a future date.”
30. Under Greenfield Municipal Code section 122.02, the definition of “transient merchant” includes any person engaged in “temporary or itinerant merchandising business and in the course of such business . . . operates out of a vehicle that is parked anywhere within the City limits.”
31. Under Greenfield Municipal Code section 122.04, solicitors, peddlers and transient merchants must fill out an application setting forth the applicant’s name, permanent and local

address, and business address if any. The application must also include the applicant's employer, the employer's address, the nature of the applicant's business, the last three places of such business, and the length of time sought to be covered by the license.

32. Under Ordinance #430, enacted on January 3, 2022, applicants must also obtain a criminal history background check from the Iowa Division of Criminal Investigation within one year from the date of the requested license, and provide evidence that the applicant has filed a bond with the Secretary of State in accordance with Chapter 9C of the Iowa Code.

33. AmeriPro employees, including but not limited to Katan, traveled to Greenfield in the days following the disaster to offer their construction services to Greenfield residents whose residential and commercial properties were damaged in the disaster.

34. As of the date of this filing, neither AmeriPro nor any of its officers, employees or agents have submitted an application for a transient merchant license, obtained a criminal history check, or provided evidence that they have filed a bond with the Iowa Secretary of State.

35. At least one AmeriPro employee, Katan, is providing customers and potential customers in Greenfield with the AmeriPro Roofing Contract. Customers wishing to secure AmeriPro's repair services are being required to agree to and sign the AmeriPro Roofing Contract.

36. On May 21, 2024, AmeriPro and Iowa consumer and Greenfield resident B.B. entered into an AmeriPro Roofing Contract. The contract is signed by both parties. Katan signed on behalf of AmeriPro.

37. On May 30, 2024, Katan solicited Iowa consumer and Greenfield resident K.D. for roofing repair services. Katan knocked on K.D.'s door and told him that he had roof damage, and then informed K.D. that he would start the claim and get it handled. AmeriPro and K.D.

then entered into an AmeriPro Roofing Contract. The contract is signed by both parties. Katan signed on behalf of AmeriPro.

38. On June 4, 2024, K.D. and K.D.'s insurance agent, Bill Yount ("Yount"), spoke to Division Consumer Advocate Sonya Sellmeyer. K.D. advised that he was not aware of the damage to his roof before Katan knocked on his door and did not believe that Katan had inspected the roof before claiming there was damage. K.D. and Yount advised that they would be cancelling the AmeriPro Contract.

39. On or about June 4, 2024, Yount called Katan and advised that K.D. wanted to cancel the AmeriPro Roofing Contract. Katan agreed to cancel the contract.

III. CONCLUSIONS OF LAW

COUNT I

Unlicensed Public Adjuster

40. Iowa Code § 507A.5 provides that "[a] person or insurer shall not directly or indirectly perform any act of doing an insurance business as defined in this chapter except as provided by and in accordance with the specific authorization by statute."

41. Under Iowa Code § 507A.10(2)(a):

Upon a determination by the commissioner that a person or insurer has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or a rule adopted or order issued under this chapter, the commissioner may issue a summary order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the decision, and directing the person or insurer to cease and desist from engaging in the act or practice or to take other affirmative action as is in the judgment of the commissioner necessary to comply with the requirements of this chapter.

42. Under Iowa Code § 507A.10(1):

Upon a determination by the commissioner, after a hearing conducted pursuant to chapter 17A, that a person or insurer has violated a provision of this chapter, the commissioner shall reduce the findings of the hearing to writing and deliver a copy of the findings to the person or insurer, may issue an order requiring the person or

insurer to cease and desist from engaging in the conduct resulting in the violation, and may assess a civil penalty of not more than fifty thousand dollars against the person or insurer.

43. Iowa Code § 507A.3(1)(e) defines engaging in the business of insurance as “[t]he doing of any kind of insurance business specifically recognized as constituting the doing of an insurance business within the meaning of the statutes relating to insurance.”

44. Acting as a public adjuster constitutes the doing of insurance business within the meaning of Iowa Code § 507A.3(1). *See* Iowa Code § 522C.6(3)(b) (authorizing penalties for acting as an unlicensed public adjuster pursuant to Iowa Code chapter 507A).

45. Iowa Code § 522C.4 provides that a “person shall not operate as or represent that the person is a public adjuster in this state unless the person is licensed by the commissioner in accordance with this chapter.” *See also* Iowa Admin. Code r. 191—55.3.

46. Under Iowa Code § 522C.2(6) a “person” includes an individual or business entity.

47. Iowa Code § 522C.2(7) defines “public adjuster” as “any person who for compensation or any other thing of value acts on behalf of an insured by doing any of the following:

(a) Acting for or aiding an insured in negotiating for or effecting the settlement of a first-party claim for loss or damage to real or personal property of the insured.

(b) Advertising for employment as a public adjuster of first-party insurance claims or otherwise soliciting business or representing to the public that the person is a public adjuster of first-party insurance claims for loss or damage to real or personal property of an insured.

(c) Directly or indirectly soliciting business investigating or adjusting losses, or advising an insured about first-party claims for loss or damage to real or personal property of the insured.”

48. Under Iowa Code § 522C.6(3)(c):

If a person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or any rule adopted or order issued pursuant to this chapter, the commissioner may issue a summary order that includes a brief statement of findings of fact, conclusions of law, and policy reasons for the order,

and that directs the person to cease and desist from engaging in the act or practice constituting the violation and that may assess a civil penalty or take other affirmative action as in the judgment of the commissioner is necessary to assure that the person complies with the requirements of this chapter as provided in chapter 507A.

49. Under Iowa Code § 522C.6(3)(b), “a person who, after hearing, is found to have violated this chapter by acting as a public adjuster without proper licensure may be ordered to cease and desist from engaging in the conduct resulting in the violation and may be assessed a civil penalty according to the provisions of chapter 507A.”

50. Respondents are not nor ever have been licensed as public adjusters in the state of Iowa.

51. Respondents are and have been operating as public adjusters in the state of Iowa.

52. AmeriPro acted as an unlicensed public adjuster by publishing offers and statements on AmeriPro’s website that create the impression that AmeriPro provides public adjusting services and is lawfully authorized to do so. The AmeriPro Website includes at least seventeen references to providing public adjuster services, or explicit offers to provide such services, between six different webpages. One webpage provides a detailed ten-step guide to consumers on filing their claims order to best support AmeriPro’s claim negotiations with insurance companies. The AmeriPro Website includes testimonials from former customers indicating that AmeriPro had negotiated their claims with their insurance company. The AmeriPro DSM Facebook Page posted an offer to evaluate storm damage for potential insurance coverage. *See 33 Carpenters Constr., Inc. v. State Farm Life & Cas. Co.*, 939 N.W.2d 69, 81 (Iowa 2020) (statements on a roofing contractor’s website that the contractor would “meet personally with your insurance adjuster, as an ADVOCATE on YOUR behalf, and discuss the work that needs to be completed to repair your home to its original beauty and value” constituted engagement in the business of a public adjuster under Iowa law).

53. AmeriPro and Katan acted as unlicensed public adjusters by soliciting K.D. at his door for AmeriPro's services, offering to initiate and handle K.D.'s insurance claim, and entering into an AmeriPro Roofing Contract with K.D., the provisions of which allow AmeriPro to negotiate the claim on K.D.'s behalf.

54. AmeriPro and Katan acted as unlicensed public adjusters by entering into an AmeriPro Roofing Contract with B.B. the provisions of which allow AmeriPro to negotiate the claim on B.B.'s behalf.

55. Gray, as the owner of AmeriPro, is responsible for all aspects of AmeriPro's business, including approving its advertising, directing employee conduct, and ultimately receiving compensation in the form of profits generated from the AmeriPro Contract.

56. Respondents knew or should have known that operating as a public adjuster without a license constitutes violations of Iowa Code §§ 507A.5 and 522C.4. The AmeriPro Website includes multiple disclaimers on its website stating they "do not offer or contract public adjusting services." These disclaimers demonstrate that AmeriPro is aware that they are not lawfully authorized to offer or provide public adjusting services.

57. Respondents knew or should have known that Iowa law prohibits residential contractors from negotiating insurance claims on behalf of insureds in connection with repair work. *See* Iowa Code § 103A.71(3).

58. Respondents' acts and practices violated Iowa Code §§ 507A.5 and 522C.4, subjecting Respondents to a summary order directing Respondents to cease and desist from engaging in such acts or practices, the imposition of a civil penalty, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 507A.10(2)(a) and 522C.6(3)(c); and subjecting Respondents to an order requiring them to cease and desist from

engaging in such acts or practices, the imposition of a civil penalty, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8, 507A.10(1), 522C.4, and 522C.6.

COUNT II
Violation of Standards of Conduct for a Public Adjuster

59. Iowa Code § 522C.3 empowers the Commissioner to adopt rules regarding standards of conduct for public adjusters.

60. Under Iowa Code § 522C.6(3)(c), any person may be subject to a summary cease and desist order and the imposition of a civil penalty for violating Iowa Code chapter 522C or any rules promulgated pursuant to that chapter.

61. Under Iowa Code § 522C.6(3)(c):

If a person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or any rule adopted or order issued pursuant to this chapter, the commissioner may issue a summary order that includes a brief statement of findings of fact, conclusions of law, and policy reasons for the order, and that directs the person to cease and desist from engaging in the act or practice constituting the violation and that may assess a civil penalty or take other affirmative action as in the judgment of the commissioner is necessary to assure that the person complies with the requirements of this chapter as provided in chapter 507A.

62. Iowa Administrative Code rule 191—55.17(3) provides that “a public adjuster shall not permit an unlicensed employee or representative of the public adjuster to conduct business for which a license is required under this chapter or Iowa Code chapter 522C.”

63. Gray and AmeriPro acted as public adjusters in directing and/or allowing AmeriPro employees to provide public adjusting services, and retaining profits generated therefrom.

64. Gray violated the standards of conduct for public adjusters by permitting AmeriPro and its employees to act as public adjusters without public adjuster licenses in publishing offers and

statements on AmeriPro’s website that create the impression that AmeriPro provides public adjusting services and is lawfully authorized to do so.

65. AmeriPro and Gray violated the standards of conduct for public adjusters by permitting an unlicensed employee, Katan, to act as a public adjuster without a public adjuster license.

66. AmeriPro and Gray’s acts and practices violated Iowa Code § 522C.6, subjecting AmeriPro and Gray to a summary order directing Respondents to cease and desist from engaging in such acts or practices, the imposition of a civil penalty, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 522C.6(3)(c); subjecting Gray to probation, suspension, or revocation of his insurance producer license, subjecting AmeriPro and Gray to the imposition of a civil penalty, an order requiring them to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8 and 522C.6.

COUNT III
Violations of Standards for Public Adjuster Contracts

67. Iowa Code § 522C.3 empowers the Commissioner to adopt rules regarding standards for public adjuster contracts.

68. Under Iowa Code § 522C.6(3)(c), any person may be subject to a summary cease and desist order and the imposition of a civil penalty for violating Iowa Code chapter 522C or any rules promulgated pursuant to that chapter.

69. Iowa Administrative Code rule 191—55.14(1) requires that all public adjuster contracts contain the following:

- a. The name, address, associated business entity, and public adjuster license number of the public adjuster negotiating the contract;

- b. The title of the contract as “Public Adjuster Contract”;
- c. Attestation language stating that the public adjuster is fully bonded;
- d. A description of the compensation the public adjuster is to receive for services, and a detailed explanation of how the amount is to be specifically calculated based on the services provided by the public adjuster.

70. Iowa Administrative Code rule 191—55.14(5)(a) prohibits any public adjuster contract from including terms that allow the public adjuster’s fee to be collected when money is due from the insurer, but not paid, or that allows a public adjuster to collect the entire fee from the first check issued by an insurer.

71. Under Iowa Code § 522C.6(3)(c):

If a person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or any rule adopted or order issued pursuant to this chapter, the commissioner may issue a summary order that includes a brief statement of findings of fact, conclusions of law, and policy reasons for the order, and that directs the person to cease and desist from engaging in the act or practice constituting the violation and that may assess a civil penalty or take other affirmative action as in the judgment of the commissioner is necessary to assure that the person complies with the requirements of this chapter as provided in chapter 507A.

72. The AmeriPro Roofing Contract, wherein AmeriPro agrees to provide public adjuster services, constitutes a public adjuster contract under Iowa Code chapter 522C.

73. The AmeriPro Roofing Contract violates the standards for public adjuster contracts under Iowa Administrative Code rule 191—55.14(1) in several respects:

- a. It lacks the name, address, associated business entity, and public adjuster license number of the public adjuster negotiating the contract;
- b. It is not titled “Public Adjuster Contract”;
- c. It lacks an attestation that AmeriPro is fully bonded;

- d. It lacks a description of the public adjuster services AmeriPro was to provide, aside from the representations that AmeriPro would “discuss” claims with the insurer.
- e. It provides no detailed explanation of how the amount AmeriPro receives for providing public adjuster services is to be specifically calculated based on the services provided by the public adjuster.

74. The AmeriPro Roofing Contract violates the standards for public adjuster contracts under Iowa Administrative Code rule 191—55.14(5)(a) by not just allowing, but requiring, that the customer pay AmeriPro 100% of the first check issued by the insurer.

75. AmeriPro and Katan violated Iowa Code chapter 522C by entering into the AmeriPro Roofing Contract with K.D. in violation of Iowa Administrative Code rule 191—55.14. Gray violated Iowa Code chapter 522C by allowing Katan to enter into the contract.

76. AmeriPro and Katan violated Iowa Code chapter 522C by entering into the AmeriPro Roofing Contract with B.B. in violation of Iowa Administrative Code rule 191—55.14. Gray violated Iowa Code chapter 522C by allowing Katan to enter into the contract.

77. Respondents’ acts and practices violated Iowa Code § 522C.6, subjecting Respondents to a summary order directing them to cease and desist from engaging in such acts or practices, the imposition of a civil penalty, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 522C.6(3)(c); and subjecting Respondents to the imposition of a civil penalty, an order requiring them to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8 and 522C.6.

COUNT IV
Unfair Trade Practice
Residential Contractor Acting as a Public Adjuster

78. Under Iowa Code § 507B.3 “a person shall not engage in this state in any trade practice which is defined in this chapter as, or determined pursuant to section 507B.6 to be, an unfair method of competition, or an unfair or deceptive act or practice in the business of insurance.”

79. Iowa Code § 507B.2(1) defines a “person” as any individual, “and any other legal entity engaged in the business of insurance, including insurance producers and adjusters.” This definition does not distinguish between an insurer’s adjusters and public adjusters.

80. Iowa Code chapter 507B does not define the “business of insurance.” Rather, the definition of “business of insurance” is found under Iowa Code § 507A.3(1)(e): “The doing of any kind of insurance business specifically recognized as constituting the doing of an insurance business within the meaning of the statutes relating to insurance.”

81. Acting as a public adjuster constitutes the doing of insurance business within the meaning of Iowa Code § 507A.3(1). *See* Iowa Code § 522C.6(3)(b) (authorizing penalties for acting as an unlicensed public adjuster pursuant to Iowa Code chapter 507A).

82. Iowa Code § 507B.6 empowers the Commissioner to find that certain conduct constitutes an unfair trade practice regardless of whether it meets one of the enumerated definitions of unfair trade practices under Iowa Code § 507B.4. Further, the Commissioner’s regulatory authority is “extremely broad,” and licensing statutes relating to insurance should be liberally construed. *In the matter of Diamond*, Division Case No. 96975, 2019 WL 5677529, at 35 (Iowa Ins. Div., Oct 23, 2019); *Burns v. Bd. of Nursing of State of Iowa*, 528 N.W.2d 602, 604 (Iowa 1995).

83. The Commissioner has previously held that “the prohibition of unfair acts and practices in Iowa Code § 507B.3 includes acts and practices that offend public policy as established by law and are likely to cause substantial injury to insurance purchasers.” *In the Matter of Mark S. Diamond*, Division Case No. 96975, 2019 WL 5677529, at *38

84. Iowa Code § 507B.6A(1) provides:

Upon a determination by the commissioner that a person or insurer has engaged, is engaging, or is about to engage in any act or practice constituting a violation of this chapter or a rule adopted or order issued under this chapter, the commissioner may issue a summary order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the decision, and directing the person or insurer to cease and desist from engaging in the act or practice or to take other affirmative action as is in the judgment of the commissioner necessary to comply with the requirements of this chapter.

85. Iowa Code § 103A.71(3) prohibits residential contractors from representing or negotiating insurance claims on behalf of an owner or possessor of residential real estate.

86. Performing, offering to perform, or advertising to perform acts that fall under Iowa Code § 103A.71, which places limitations on residential contractors, is an unfair trade practice.

87. AmeriPro and its employees and officers are and have been residential contractors within the meaning of Iowa Code § 103A.71 at all relevant times hereto.

88. AmeriPro committed an unfair trade practice by acting as an unlicensed public adjuster in publishing offers and statements on AmeriPro’s website that create the impression that AmeriPro provides public adjusting services and is lawfully authorized to do so in violation of Iowa Code § 522C.4.

89. AmeriPro and Katan committed an unfair trade practice by acting as unlicensed public adjusters when they entered into an AmeriPro Roofing Contract with K.D.

90. AmeriPro and Katan committed an unfair trade practice by acting as unlicensed public adjusters when they entered into an AmeriPro Roofing Contract with B.B.

91. Gray is ultimately responsible for directing the conduct of AmeriPro and all its employees and knew or should have known that Katan's conduct violated Iowa Code §§ 103A.71(3) and 522C.4.

92. Respondents' acts and practices violated Iowa Code §§ 507B.3 and 507B.4, subjecting Respondents to a summary order directing Respondents to cease and desist from engaging in such acts or practices, the imposition of a civil penalty, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 507B.6A(1); subjecting Gray and Katan to suspension or revocation of their insurance producer licenses, subjecting all Respondents to the imposition of a civil penalty, an order requiring Respondents to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8 and 507B.7.

COUNT V
Unfair Trade Practice
Violations of the Insured Homeowners' Protection Act

93. The Insured Homeowner's Protection Act governs post-loss assignment of benefits contracts. Iowa Code § 515.137A.

94. Under Iowa Code § 515.137A(3)(c), a post-loss assignment of benefits contracts must include a statement that the residential contractor has made no assurance that the claimed loss will be fully covered and include a specific-language notice in capitalized fourteen point font.¹

¹ The required language for the notice is the following: "YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER YOUR INSURANCE POLICY. PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING. THE ITEMIZED DESCRIPTION OF THE WORK TO BE DONE SHOWN IN THIS ASSIGNMENT FORM HAS NOT BEEN AGREED TO BY THE INSURER. THE INSURER HAS THE RIGHT TO PAY ONLY FOR THE COST TO REPAIR OR REPLACE DAMAGED PROPERTY CAUSED BY A COVERED PERIL." See Iowa Code § 515.137A(3)(c).

95. Contracts that violate the Insured Homeowner's Protection Act are void under Iowa law, and entering such a contract constitutes an unlawful practice under Iowa Code § 714.16 defining consumer frauds. Iowa Code § 515.137A(5); *see 33 Carpenters Constr., Inc.*, 939 N.W.2d at 80 (citations omitted).
96. Violating the Insured Homeowner's Protection Act constitutes an unfair trade practice.
97. The AmeriPro Roofing Contract constitutes a post-loss assignment of rights or benefits contract subject to the requirements of Iowa Code § 515.137A.
98. The AmeriPro Roofing Contract violates the Insured Homeowner's Protection Act because it does not include the specific-language notice required under Iowa Code § 515.137A(3)(c).
99. AmeriPro and Katan committed an unfair trade practice by entering into an AmeriPro Roofing Contract with K.D.
100. AmeriPro and Katan committed an unfair trade practice by entering into an AmeriPro Roofing Contract with B.B.
101. Gray is ultimately responsible for the provisions of the AmeriPro Roofing Contract, directing the business practices of AmeriPro, and directing the conduct of AmeriPro employees. Gray knew or should have known that AmeriPro and Katan's conduct violated Iowa Code §§ 507B.3 and 515.137A.
102. Respondents' acts and practices violated Iowa Code §§ 507B.3 and 515.137A, subjecting them to a summary order directing them to cease and desist from engaging in such acts or practices, the imposition of a civil penalty, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 507B.6A(1); and subjecting Respondents to the imposition of a civil penalty, an order requiring them to cease and desist from

engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8 and 507B.7.

COUNT VI
Unfair Trade Practice
False Advertising

103. Iowa Code § 507B.4(3)(b)(1) prohibits “false information and advertising” as an unfair method of competition and/or an unfair or deceptive act or practice. This practice includes:

Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to the business of insurance or with respect to any person in the conduct of the person’s insurance business, which is untrue, deceptive, or misleading.

104. AmeriPro committed an unfair trade practice by publishing references and offers on its website that create the impression that AmeriPro provides public adjusting services and is lawfully authorized to do so. Despite disclaimers to the contrary, the AmeriPro Website contains over seventeen references to, or explicit offers to provide, public adjuster services despite not holding a public adjuster license.

105. Gray, as an officer and owner of AmeriPro, is ultimately responsible for the content of AmeriPro’s advertising on its website and knew or should have known that these statements were untrue, deceptive, or misleading.

106. Respondents’ acts and practices violated Iowa Code §§ 507B.3 and 507B.4, subjecting Respondents to a summary order directing Respondents to cease and desist from engaging in such acts or practices, the imposition of a civil penalty, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 507B.6A(1); and

subjecting Respondents to the imposition of a civil penalty, an order requiring Respondents to cease and desist from engaging in such acts or practices, the imposition of costs of the investigation and prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8 and 507B.7.

IV. POLICY REASONS

107. The role of a public adjuster is to assist the insured in negotiating a fair settlement of an insurance claim. A public adjuster's license imputes specific duties of care and statutory responsibilities that a public adjuster must follow in serving the interests of the insured.

108. It is contrary to the public interest to permit Respondents to engage in the business of public adjusters without being properly licensed. An unlicensed public adjuster may not abide by these duties of care or serve the best interests of the insured.

109. It is contrary to the public interest to permit Respondents, a residential contractor and its owner and employees, to act as public adjusters in violation of Iowa Code § 103A.71(3).

110. AmeriPro is an active business and is engaging, and may continue to engage, in the fraudulent and deceptive practices described above. It is contrary to the public interest to permit Respondents to continue to engage in these practices in the state of Iowa.

111. In addition to creating or facilitating consumer deception and confusion, Respondents' use of unfair trade practices places legitimate residential contractors and duly licensed public adjusters who do not use such unfair trade practices at a competitive disadvantage *vis a vis* Respondents.

V. ORDER

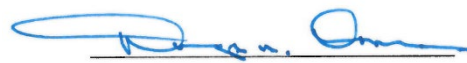
IT IS THEREFORE ORDERED that, pursuant to Iowa Code § 522C.6, Respondents and any of their agents, representatives, employees, and officers shall not, directly or indirectly:

- (1) Act for or aid an insured in negotiating for or effecting the settlement of any first-party claim for loss or damage to real or personal property of the insured;
- (2) Advertise for employment as a public adjuster of first-party insurance claims or otherwise solicit business or representing to the public that the person is a public adjuster of first-party insurance claims for loss or damage to real or personal property of an insured; or
- (3) Directly or indirectly solicit business investigating or adjusting losses, or advising an insured about first-party claims for loss or damage to real or personal property of the insured.

IT IS FURTHER ORDERED that Respondents and any of their agents, representatives, employees, and officers, pursuant to Iowa Code §§ 522C.6 and 507B.6A, shall immediately cease and desist the use of the AmeriPro Roofing Contract or any contract that fails to abide by all statutorily required notices and language or that otherwise violates Iowa Code chapters 507A, 507B, 515, or 522C.

IT IS FURTHER ORDERED that Respondents and any of their agents, representatives, employees, and officers, pursuant to Iowa Code §§ 522C.6 and 507B.6A, shall immediately cease and desist from publishing, disseminating, circulating, or placing before the public any and all advertisements which offer, or create the impression that Respondents offer, public adjuster services.

SO ORDERED on the 21st day of June, 2024.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Copies to:

Michael J. Gray, Registered Agent
American Dream Home Improvement, Inc.
d/b/a AmeriPro Roofing of Iowa
5233 Grand Ave, Unit C
Davenport, Iowa 52807

Iowa Secretary of State
321 E. 12th Street
Des Moines, Iowa 50319

Michael J. Gray
21611 Wolf Rd
Frankfort, IL 60423

Charles D. Katan
1995 White Pole Rd
Casey, IA 50048

RESPONDENTS

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on June 21, 2024.

By: First Class Mail Personal Service
 Restricted certified mail, return receipt Email, SOS only
 Certified mail, return receipt _____

Signature: /s/ Brooke Hohn
Brooke Hohn

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that you may request a contested case proceeding and a hearing on this matter within thirty (30) days from the date that the order is issued according to Iowa Code § 502.604. This request must be filed to the attention of the Enforcement Bureau: **enforcement.filings@iid.iowa.gov**.

If requested, a notice of the hearing shall be prepared by the Division and shall be issued no later than thirty (30) days from the date of receipt of a timely request for a contested case proceeding and hearing. The resulting hearing will be held in accordance with Iowa Administrative Code Chapter 191—3.

NOTICE OF FINAL ORDER AND FAILURE TO REQUEST A HEARING

If you fail to request a hearing within thirty (30) days of the date of this Cease and Desist Order, the Order shall become final by operation of law and shall be enforceable by the Commissioner of Insurance in an administrative or court proceeding.

NOTICE OF EXHAUSTION OF ADMINISTRATIVE REMEDIES AND RIGHT TO SEEK JUDICIAL REVIEW

The failure to request a hearing may constitute a failure to exhaust your administrative remedies and limit the issues subject to judicial review. You may seek judicial review of this Order pursuant to Iowa Code Chapter 17A after the Order becomes final.

NOTICE OF PENALTIES FOR VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that a person or insurer who violates this Order shall be deemed in contempt of this Order and face further civil penalties. The Commissioner may petition the district court to hold a hearing to enforce the order as certified by the Commissioner. The district court may assess a civil penalty against you and may issue further orders as it deems appropriate.