



BEFORE THE IOWA INSURANCE COMMISSIONER

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)	
IN THE MATTER OF)	Division Case No. 110517
)	
T.E.A.M. BUILDERS, LTD; and)	CONSENT TO CEASE AND
)	DESIST ORDER
AUSTIN MAGINNIS,)	
)	
DOB: 11/11/XXXX)	
Respondents.)	

NOW THEREFORE, upon the motion of the Iowa Insurance Division (“Division”) and by the consent of the Respondents, T.E.A.M. Builders, LTD and Austin Maginnis, pursuant to the provisions of Iowa Code chapter 522C—Licensing of Public Adjusters, Iowa Code chapter 507B—Insurance Trade Practices, and Iowa Administrative Code chapter 191—55 Licensing of Public Adjusters, the Commissioner enters the following Consent to Cease and Desist Order (“Consent Order”):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapter 522C—Licensing of Public Adjusters and Iowa Administrative Code chapter 191—55, Licensing of Public Adjusters.
2. T.E.A.M. Builders, Ltd (“TEAM Builders”) is an Iowa for profit domestic corporation with its designated office address being 2310 Yorkshire Drive, Cedar Falls, Iowa 50613.
3. TEAM Builders’ registered agent is Austin Maginnis (“Maginnis”), 2310 Yorkshire Drive, Cedar Falls, Iowa 50613.
4. TEAM Builders’ business address is 2512 White Tail Drive, Cedar Falls, Iowa 50613.
5. Maginnis is a co-owner of TEAM Builders and resides at 2310 Yorkshire Drive, Cedar Falls, Iowa 50613.

6. Pursuant to Iowa Code § 505.28, Respondents have consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by Iowa Code chapter 522C.

7. From or about August 10, 2020 to present, Respondents engaged in acts and practices within the state of Iowa constituting cause for a summary order to cease and desist from engaging in such acts or practices and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code § 505.8(10), Iowa Code chapter 522C, and rules adopted pursuant to this chapter.

8. Respondents deny the findings of fact found and the conclusions of law found herein, but are willing to consent to entry of this Cease and Desist Order. Respondents' Consent to the Cease and Desist Order does not constitute an admission of liability or guilt on his or his company's behalf or an admission that Respondents engaged in any of the acts or violations of law set forth therein, for any purpose that does not relate to the entry of this Order or the jurisdiction of the Division to issue it, nor shall it.

9. At all times during the Division's investigation, Respondents cooperated fully with the Division and has proactively and voluntarily revised Respondent's business practices, even though the processes are believed to have been compliant.

II. FINDINGS OF FACT

10. TEAM Builders is not a licensed public adjuster business entity producer in the state of Iowa.

11. Maginnis is not a licensed public adjuster in the state of Iowa.

12. On August 10, 2020, the state of Iowa was hit by a catastrophic Derecho ("2020 Derecho").

13. TEAM Builders' website contained a specific Insurance Claims section that stated "Guiding you through the Insurance Claims Process"

Scenario: There was a hail storm or windstorm that just came through. You are sure you have damages, or are concerned you may have damaged or leaking that you want to prevent from creating further problems. You want a contractor or a reputable company that you can trust to guide you through the process.

Additionally, you are aware people are not always fairly compensated and oftentimes short changed in this process. You want to make sure that your insurance will cover the cost of the contractor that will be making the repairs so you don't owe anything out of pocket (rightfully so, as you have been paying your deductibles) You want things to be right and get your home back to its pre-loss conditions.

The website goes on to show several construction estimates of damage before TEAM Builders and then estimates showing substantial increases in the total estimate after TEAM Builders' involvement.

14. On October 19, 2020, a TEAM Builders Facebook post advertised TEAM Builders as the "insurance claim experts."

Consumers KS and JH

15. Consumers KS and JH's home and property in Cedar Rapids, Iowa received significant damage caused by the 2020 Derecho.

16. Consumers KS and JH's home was insured by West Side Mutual Insurance Association ("West Side Mutual").

17. Consumer KS and JH filed an insurance claim with West Side Mutual related to their home's 2020 Derecho damage.

18. On October 30, 2020, Consumer KS contracted with Maginnis to be her general contractor in charge of making repairs to her home and property.

19. On December 21, 2020, Maginnis emailed the following to Consumer JH and carbon copied Consumer KS:

I have reached out the the [sic] estimator and am currently working to set up an appointment with him. If it goes well I can resolve these issues with him.

If not I will be asking you guys to send an email about it which I will kindly draft up for you to send with the proper verbiage.

20. On January 21, 2021, Maginnis had the following text exchange with Consumer KS:

1:48 PM Maginnis to Consumer KS

Spoke with insurance finally-got things moving in right direction. He is speaking with his boss about some things before awarding O&P which is non negotiable

21. On February 25, 2021 Maginnis sent the following text messages to Consumers JH and KS:

2:24 PM

I'm going to send an email to this clown and then I will also follow up with an email to you on how to respond. I've never had to go this far this insurance company...but just know that im trying something new here and we will see if it sticks :-)

If it doesn't I will do what he's asking but I have an idea and I have to try it and see how it goes... I'm too much of a curious cat and you guys are the perfect clients not to try this so just bare with me

I'm sending you an email that you can copy and paste and put in your own words but then send directly to him

Like I said I'm just trying this out. They are trying to twist my arm... this is my way of twisting there's [sic]. If they bite, great. If not, I'm gonna make things work. Either way we're still on for April but I'm just tired of these [expletive] insurance companies and putting their thumb down on contractors with their red tape

Yes I'm sending a message to you two right now...

You can then copy and past as a reply to [insurance adjuster's first name]...don't include me on it.

Just sent. Feel free to edit to your words.

Don't change the ending of "indemnify us" that is specific language to get him to do what I want.

22. On March 1, 2021, Maginnis had the following text message exchange with Consumer KS:

5:33 PM Maginnis to Consumer KS

Sent you email to respond with to [insurance adjuster's first name]

6:39 PM Consumer KS to Maginnis

Just sent it ☺

23. On March 1, 2021, at 6:38 PM Consumer KS sent an email to the West Side Mutual insurance adjuster with the language provided by Maginnis.
24. On March 2, 2021, Maginnis sent an email to the West Side Mutual insurance adjuster again trying to negotiate and or effect Consumer KS's claim by again arguing he was entitled to a higher overhead and profit than the company was allowing. The email ended

If you expect me to submit all my subcontractor invoices to you, I expect you to pay me my legitimate overhead and profit which is 16% overhead and 10% profit. IF you agree to this, I will be happy to continue moving forward with this project and will submit all sub invoices and proceed with the pricing on the attached NCP estimate dated 1/27/2021.

III. CONCLUSIONS OF LAW

COUNT ONE

Unlicensed Public Adjuster

25. Iowa Code § 522C.4 states 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 Administrative Code rule 191—55.3).

26. Iowa Code § 522C.2(7) provides that:

“Public adjuster” means 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.

27. TEAM Builders solicited business investigating, adjusting, or advising first-party claims for loss or damage to real or personal property of the insured with its website advertising hiring TEAM

Builders substantially increased insured's insurance claims and its Facebook advertising TEAM Builders were insurance claim experts.

28. Maginnis, on multiple occasions, acted for and aided an insured in negotiating the settlement of a first-party claim for loss or damage to real or personal property of Consumers KS and JH.

29. Maginnis acted for and aided in negotiating and effecting Consumer KS' claim by providing her a "cut and paste" email to cut and paste into an email to her insurance adjuster which she provided to her insurance adjuster.

30. Respondents' acts and practices have been in violation of Iowa Code § 522C.4, subjecting Respondents to an order requiring Respondents to cease and desist from engaging in such acts or practices and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8, 507A, and 507.

IV. POLICY REASONS

31. The purpose 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. An unlicensed public adjuster is not bound by such duties of care nor are they required to serve the best interests of the insured, therefore, it is in the public interest for the Commissioner to enforce the insurance laws of this state that require all persons acting as public adjusters be properly licensed.

V. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapters 505, 507B, and 522C:

- A. Respondents shall not, in the state of Iowa, do any of the following:
 - 1. Act for or aid an insured in negotiating for or effect the settlement of a 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 represent 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.
- B. Respondents, and any unlicensed employees, agents, or contracted parties working on Respondents' behalf pursuant to Iowa Code §522C.6, shall cease and desist from any and all acts or practices in the state of Iowa that require licensure as a public adjuster;
- C. Respondents, pursuant to Iowa Code § 505.8, are assessed \$750 for costs of investigation and prosecution, due contemporaneously upon entry of this order, payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund, to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8 and 507A; and
- D. Pursuant to Iowa Code §522C.6, Respondents are assessed a civil penalty in the amount of \$1,000 due contemporaneously upon entry of this order, payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund, to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8 and 507A.

SO ORDERED on the 17th day of August, 2021.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE ALSO NOTIFIED that if you violate this Order, you may be subject to administrative and civil penalties pursuant to Iowa Code § 507A. 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 in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation, and may issue further orders as it deems appropriate.

NOTICE OF FINAL ORDER IMPACT

A final order of a cease and desist order may adversely affect other existing business or professional licenses and may result in license revocation or disciplinary action.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this this order. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.

CONSENT TO ORDER AND AGREEMENT

I, Austin Maginnis, individually and as an owner of T.E.A.M. Builders LTD, Respondents in this matter, have read, understood, and do knowingly consent to this Order in its entirety. By executing this Consent, I understand that I am waiving my rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be shared with other regulatory authorities or governmental agencies, pursuant to Iowa Code § 505.8(8)(d). I also understand this Order will be posted to the Division's website and a notation will be made to the publicly available website record that administrative action has been taken against me.

Dated: 8/10/2021

Austin Maginnis CEO
Austin Maginnis and T.E.A.M. Builders LTD, Respondents Title

2512 WHITE TAIL DR. SUITE 300 CEDAR FALLS, IA 50613
Address of Signatory

Subscribed and sworn before me by AUSTIN MAGINNIS on this 10TH day of AUGUST, 2021.

JL Bennett
Notary Public for the State of Iowa

