

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division Case No. 110257
)	
EVAN T. BRUCE,)	ORDER AND
DOB: 08/28/XXXX,)	CONSENT TO ORDER
NPN: 19098342,)	
)	
Respondent.)	

NOW THEREFORE, the Iowa Insurance Division (“Division”) and by the consent of Respondent Evan T. Bruce, 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, Iowa Code chapter 507B—Insurance Trade Practices, and Iowa Administrative Code chapter 191—55 Licensing of Public Adjusters.
2. Evan T. Bruce (“Bruce”) is an individual with a last-known address of 731 10th Avenue Court, Hampton, Illinois.
3. Bruce is and has been licensed as a public adjuster in the state of Iowa since March 23, 2020. He is licensed under National Producer Number 19098342.
4. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by Iowa Code chapters 522C and 507B.

5. From May of 2020 to present, Respondent has engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of his public adjuster license; cease and desist orders; restitution; and civil penalties or other relief under Iowa Code §§ 505.8(10), 507B, and 522C and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

6. Bruce applied for a non-resident public adjuster producer license with the Division by submitting through the National Insurance Producer Registry a Uniform Application for Individual Producer License (“Uniform Application”). In submitting the Uniform Application, Bruce designated the Commissioner as an agent for service of process.

7. The Division issued Bruce a non-resident public adjuster license on March 23, 2020 and assigned to him National Producer Number 19098342.

Consumer JL

8. Ms. JL is an Iowa consumer who lives in Bettendorf, Iowa.

9. Ms. JL’s home was insured by Farm Bureau.

10. On April 7, 2020, the Bettendorf area experienced a significant hail storm.

11. Ms. JL’s home was damaged by the hail storm.

12. Ms. JL made an insurance claim to Farm Bureau related to the damage caused to her home.

13. Ms. JL initially had Denny Royce (“Royce”) of Square 1 Construction (“Square 1”) examine her property and work with Farm Bureau to fix her property.

14. Royce communicated to Ms. JL that he believed Farm Bureau’s estimate was not acceptable due to the amount of damage on her property and recommended another inspection by Farm Bureau.

15. On July 20, 2020, Royce told Ms. JL to sign a signature page document to have another inspection accomplished.

16. On August 5, 2020, Royce again had Ms. JL sign the signature block of a document that she believed was related to getting another Farm Bureau storm claim adjuster to inspect her property.

17. Unbeknownst to Ms. JL, the documents she signed were signature pages to a public adjuster contract with Bruce.

18. Ms. JL did not know who Bruce was and had never met him.

19. Bruce had not and did not ever physically inspect her property.

20. Bruce's executed public adjuster contract with Ms. JL contained the following provisions

In consideration of these services, Insured agrees to pay Evan T. Bruce a fee of ____% of the total amount paid by the Insured's insurance company in settlement of the Insured's claim for the loss described in the preceding paragraph. . .

Insured has the right to select the contractor to perform necessary restoration and/or repairs of the damage and loss described above. Evan T. Bruce may, at his sole discretion, recommend __Square 1__ as a qualified contractor to perform necessary restoration and/or repairs of the damage and loss described above. If the Insured contracts with __Square 1__ for the restoration and/or repairs and pays for the contract in full, then Evan T. Bruce shall waive his fee. Evan T. Bruce shall provide a written disclosure to the Insured if he has any direct or indirect financial interest in the recommended contractor.

21. Bruce left the percent of the claim he would be paid for his services blank.

22. Per the contract terms, Bruce's public adjuster fee would be waived if Ms. JL used and paid in full the contractor Bruce recommended, Square 1.

23. On September 23, 2020, Bruce sent the public adjuster contract with Ms. JL to Farm Bureau in a general representation email. This was Bruce's only communication with Farm Bureau.

24. Ms. JL first learned that the document she signed was a public adjuster contract from her local Farm Bureau agent on or about October 15, 2020.
25. Due to the public adjuster's involvement in the claim, Farm Bureau would not resolve Ms. JL's claim without the involvement of Bruce.
26. Ms. JL terminated Royce and Square 1 as her contractor to repair her home.
27. Ms. JL spoke with Bruce on the telephone and informed him that she did not want to enter into this agreement and had terminated Royce. She also told Bruce that she did not want him involved as a public adjuster in her insurance claim either.
28. Ms. JL told Bruce that she had signed the contract due to the false representations of Royce with Square 1.
29. Ms. JL asked Bruce to contact Farm Bureau to withdraw from her claim.
30. Ms. JL sent certified letters and emails asking Bruce to contact Farm Bureau and tell them he no longer represented her.
31. Bruce did not contact Farm Bureau to withdraw from representing Ms. JL.
32. On December 24, 2020, Ms. JL made a complaint to the Division regarding Bruce's conduct as a public adjuster.
33. On February 23, 2021, after multiple contacts from the Division, Bruce contacted Farm Bureau and withdrew his representation.
34. Bruce did no work as a public adjuster to assist Ms. JL in adjusting her insurance claim and impeded her ability to complete her claim with her insurance company.
35. At no time did Bruce provide Ms. JL a copy of the public adjuster contract.

Division Investigation

36. On February 17, 2021, the Division issued a Request for Information (“RFI”) to Bruce with several requests including “[a] list of all Iowa residents who have employed you from August 1, 2020, to present. Provide this list in a sortable spreadsheet format including name, address, telephone number, email, date of loss, and whether your handling has concluded.”

37. On March 26, 2021, the Division issued a subpoena requesting, “[a] list of all Iowa residents who have employed you from August 1, 2020, to present. Provide this list in a sortable spreadsheet format including name, address, telephone number, email, date of loss, and whether your handling has concluded.”

38. On April 2, 2021, Bruce sent a responsive email to the RFI and stated “I have received no compensation for services from any Iowa residents from August 1, 2020 to present. Therefore none have employed me.”

39. On April 7, 2021, the Division sent a clarifying email “Question 6 asked for all Iowa residents who have employed you. This refers to any Iowa resident that has signed a contract with you regardless if you received compensation from them. Please provide the requested list or advise whether you have had no clients.”

40. On April 8, 2021, Bruce responded to the Division’s email stating, “I’m still a bit confused as to what you’re requesting seeing as you have repeatedly asked for Iowa residents that have ‘employed’ me. Merriam-Webster defines employed as ‘to provide with a paying job.’ Similarly, Oxford dictionary defines it as ‘(of a person) having a paying job.’ Compensation should be regarded in the context of what you’re requesting by definition.”

41. On May 6, 2021, the Division issued a second subpoena to Bruce and a copy was sent to his email requesting “A complete copy of any and all contracts that reference you, Evan Bruce,

as a public adjuster from May 1, 2020 to May 1, 2021. This includes contracts entered into with consumers and contractors. Provide all contracts regardless if payment was received as a result of the contract.”

42. To date Bruce has failed to respond to the Division’s subpoena issued on May 6, 2021.

III. CONCLUSIONS OF LAW

COUNT I

Unfair Trade Practices

43. 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.”

44. In the Matter of 33 Carpenters Construction, Inc., the Commissioner concluded,

While we recognize the facts that gave rise to this administrative action were determined in private civil litigation, we also determine that even if 33 Carpenters, or any other residential contractor, seeks to obtain licensure as a public adjuster, the substantial risk of harm to insurance policyholders will not be avoided. Further, any residential contractor who “partners” with a public adjuster, or any public adjuster who creates either an actual or implied loyalty to or shared financial interest with a residential contractor, or other material conflict of interest with the public adjuster’s duty to act solely on behalf of the policyholder, would be unfair in contravention of public policy established by Iowa law. Similarly, any financial benefit derived by a public adjuster that is dependent on a post-loss assignment of rights or benefits to a residential contractor under the Insured Homeowner’s Protection Act, Iowa Code § 515.137A would constitute an unfair practice.

In the Matter of 33 Carpenters Construction, Inc., No. 105269 (Iowa Ins. Div., Apr. 19, 2021).

45. Respondent’s Public Adjuster Contract, and specifically the clauses referenced above at ¶ 20 are unfair and in contravention of public policy established by Iowa law.

46. Respondent partnered with Square 1 in conjunction with Consumer JL’s insurance damage claim.

47. Respondent's acts and practices have been in violation of Iowa Code § 507B.3 subjecting Respondent to suspension or revocation of Respondent's public adjuster license, the imposition of a civil penalty, an order requiring Respondent 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 II
**Using Fraudulent, Coercive, or Dishonest Practices or
Demonstrating Incompetence or Untrustworthiness**

48. Under Iowa Code § 522C.6, the commissioner may place on probation, suspend, revoke, or refuse to issue or renew a public adjuster's license or may levy a civil penalty as provided in section 505.7A if a licensed public adjuster is found after hearing to be in violation of the requirements of this chapter or the rules adopted or orders issued pursuant to this chapter.

49. Under Iowa Administrative code rule 191—55.17(1) a public adjuster shall serve “with objectivity and complete loyalty the interest of the public adjuster's client and shall render to the insured in good faith such information, counsel and service, as within the knowledge, understanding and opinion of the licensed public adjuster, as will best serve the insured's insurance claim needs and interest.”

50. Under Iowa Administrative Code rule 191—55.12(1)(i) a public adjuster is prohibited from using fraudulent, coercive, or dishonest practices or demonstrating untrustworthiness or incompetence in the conduct of business.

51. Under Iowa Administrative Code rule 191—55.14(7) requires that a public adjuster contract shall be executed in duplicate to provide an original contract to the public adjuster and to the insured.

52. Bruce failed to abide by the standards of a public adjuster by not serving with objectivity and complete loyalty the interest of the public adjuster's client. Bruce partnered with a contractor. Bruce never met the consumer, inspected her property, or went over the contract with her. Bruce used a third party contractor who he had an agreement with to procure the signature on the public adjuster contract for him.

53. Bruce used fraudulent, coercive, or dishonest practices when he would not cancel his public adjuster contract with Consumer JL after she informed him she did not know who he was and further, that she falsely believed that she was signing a document requesting a Farm Bureau claim adjuster to inspect her property not entering into a contract with a public adjuster.

54. Bruce was incompetent, untrustworthy, or used dishonest practices when he did no work on Consumer JL's claim and would not contact Farm Bureau to release his representation so she could resolve the claim herself.

55. Bruce failed to provide Consumer JL a copy the public adjuster contract as required by Iowa Administrative Code rule 191—55.14(7).

56. Respondent's acts and practices have been in violation of Iowa Code § 522C.6 subjecting Respondent to probation, suspension, or revocation of Respondent's public adjuster license, the imposition of a civil penalty, and an order requiring Respondent to cease and desist from engaging in such acts or practices, an order of restitution, 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 §§ 522C.6 and 505.8.

COUNT III
Failure to Cooperate

57. Under Iowa Code § 522C.6, the commissioner may place on probation, suspend, revoke, or refuse to issue or renew a public adjuster's license or may levy a civil penalty as provided in

section 505.7A if a licensed public adjuster is found after hearing to be in violation of the requirements of this chapter or the rules adopted or orders issued pursuant to this chapter.

58. Under Iowa Administrative Code rule 191—55.12(1)(c) a public adjuster is prohibited from violating any insurance laws, regulations, or subpoenas.

59. Bruce failed to comply with a Division subpoena by refusing to answer a subpoena issued by the Division on May 6, 2021.


60. Respondent's acts and practices have been in violation of Iowa Code § 522C.6 subjecting Respondent to probation, suspension, or revocation of Respondent's public adjuster license, the imposition of a civil penalty, and an order requiring Respondent to cease and desist from engaging in such acts or practices, an order of restitution, 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 §§ 522C.6 and 505.8.

IV. ORDER

WHEREFORE the Iowa Insurance Division respectfully requests that the following relief be entered by order:

- A. Bruce's non-resident public adjuster license is revoked pursuant to Iowa Code §§ 507B.7 and 522C.6;
- B. Bruce, pursuant to Iowa code § 522C.6, shall immediately cease and desist from engaging in the business of public adjusting in this state;
- C. Bruce, shall pay \$500 for costs of investigation and prosecution, \$250 paid contemporaneously to entry of this order and \$250 paid 30 days from 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. This order may be enforced under Iowa Code Chapters 505 and 522C, including but not limited to Iowa Code § 507.8 and 522B.17(3), and additionally, by any collection remedies available to the State of Iowa Department of Revenue for unpaid penalties and other ordered monetary amounts.

SO ORDERED on the 15th day of September, 2021


DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



LANNY ZIEMAN
Iowa Insurance Division
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Des Moines, Iowa 50315
(515) 654-6564
Lanny.ziemann@iid.iowa.gov

ATTORNEY FOR THE DIVISION

Copy to:

Evan T. Bruce
731 10th Avenue Court
Hampton, IL 61256
Evan.adjuster@gmail.com

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 September 16, 2021.

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

Signature: Hilary Foster
 Hilary Foster

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that acting as public adjuster, as defined in Iowa Code chapter 522C, in violation of this Order, is a serious misdemeanor under Iowa Code § 522C.6., subjecting you to jail, fines, or any combination of custody and fines.

YOU ARE ALSO NOTIFIED that any person who violates this order may be subject to administrative and civil penalties pursuant to Iowa Code §§ 507B.7 and 522C.6. 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 the person 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 license probation, suspension, or revocation or 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 contested case/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, Evan T. Bruce, Respondent 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.

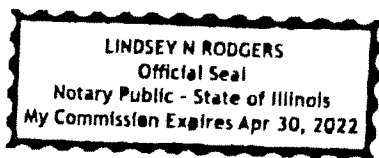
I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be 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.

9/1/21
Date

Evan B
Evan T. Bruce Respondent

731 10th Ave Ct, Hampton, IL 61256
Address of Signatory

Subscribed and sworn before me by Evan T. Bruce on this 1st day of September, 2021.



Lindsey Rodgers
Notary Public for the State of Illinois