

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF AMERICAN DREAM HOME IMPROVEMENT, INC. d/b/a AMERIPRO ROOFING OF IOWA MICHAEL J. GRAY DOB 10/09/XXXX Respondents.)))))))))))	Division Case No. 122471 ORDER & CONSENT TO ORDER
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NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and by consent of Respondents, American Dream Home Improvement, Inc. d/b/a AmeriPro Roofing of Iowa (“AmeriPro”), and Michael J. Gray (“Gray”) and pursuant to the provisions of Iowa Code chapters 507A—Unauthorized Insurers, 507B—Insurance Trade Practices and 522C—Licensing of Public Adjusters, the Commissioner enters the following Order and Consent to 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 chapters 507A—Unauthorized Insurers, 507B—Insurance Trade Practices, and 522C— Licensing of Public Adjusters, pursuant to Iowa Code § 505.8.
2. 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. 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 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 was an employee of AmeriPro. Katan is not, and never has been, licensed as a public adjuster in the state of Iowa.

8. Katan is a respondent in the Summary Cease and Desist Order issued on June 21, 2024. Katan did not file a request for hearing within 30 days of issuance of the Summary Cease and Desist Order, therefore, the Summary Cease and Desist Order is final as to Katan.

9. AmeriPro and Gray are hereinafter referred to collectively as “Respondents.” Katan is not a party to this Consent Order.

10. 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.

11. From on or about May 21, 2023, 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

12. Respondents neither admit nor deny the findings of fact contained herein.
13. 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

14. 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”).

15. As of June 21, 2024, the AmeriPro Website contained references and offers that created the impression that AmeriPro provided public adjuster services and was lawfully authorized to do so.

16. The webpage entitled “Filing a Roof Replacement Insurance Claim” included a 10-step guide for AmeriPro customers to file their insurance claims. It advised 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...”
17. The webpage entitled “Roof Damage & Insurance Claims” included 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.”
18. The webpage entitled “AmeriPro Stands Up For Their Customers” included a customer testimonial attributed to A.L., an Indiana customer. The testimonial stated, 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.”

19. The webpage entitled “Your Local Roofing Company Professionals in Des Moines” stated 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 included a customer testimonial attributed to J.S. stating in relevant part “[AmeriPro] handled all of the negotiations with the insurance [company].” These statements also appeared on the webpage entitled “Your Local Davenport Roofing Company Professionals.”

20. Each of the individual webpages described above included 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.”

21. The webpage entitled “FAQS About Our Home Contracting Services” stated 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.”

22. 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

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

24. 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.

25. 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.”

26. 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

27. 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.

28. 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.”

29. 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.

30. 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.

31. 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.”

32. 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.”

33. 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.

34. 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.

35. 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.

36. As of June 12, 2024, neither AmeriPro nor any of its officers, employees or agents had 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.

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

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

39. 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 was signed by both parties. Katan signed on behalf of AmeriPro.

40. 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.

41. 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 on behalf of AmeriPro.

III. CONCLUSIONS OF LAW

COUNT I

Unlicensed Public Adjuster

42. 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."

43. 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.

44. 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.

45. 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.”

46. 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).

47. 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.

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

49. 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.”

50. 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.

51. 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.”

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

53. Respondents operated as public adjusters in the state of Iowa.

54. AmeriPro acted as an unlicensed public adjuster by publishing offers and statements on AmeriPro’s website that created the impression that AmeriPro provides public adjusting services and is lawfully authorized to do so. The AmeriPro Website included at least seventeen references to providing public adjuster services, or explicit offers to provide such services, between six different webpages. One webpage provided 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 included 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).

55. AmeriPro acted as an unlicensed public adjuster when its employee Katan solicited 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.

56. AmeriPro acted as an unlicensed public adjuster when its employee Katan, on behalf of AmeriPro, entered into an AmeriPro Roofing Contract with B.B. the provisions of which allow AmeriPro to negotiate the claim on B.B.’s behalf.

57. 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.

58. 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).

59. 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

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

61. 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.

62. 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.

63. 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.”

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

65. 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.

66. Respondents 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.

67. Respondents' acts and practices violated Iowa Code § 522C.6, 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 § 522C.6(3)(c); subjecting Gray to probation, suspension, or revocation of his insurance producer license, 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 III

Violations of Standards for Public Adjuster Contracts

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

69. 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.

70. 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.

71. 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.

72. 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.

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

74. The AmeriPro Roofing Contract violated 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.

75. The AmeriPro Roofing Contract violated 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.

76. AmeriPro violated Iowa Code chapter 522C when its employee, Katan, on behalf of AmeriPro, entered into the AmeriPro Roofing Contract with K.D. in violation of Iowa Administrative Code rule 191—55.14.

77. AmeriPro violated Iowa Code chapter 522C when its employee, Katan, on behalf of AmeriPro, entered into the AmeriPro Roofing Contract with B.B. in violation of Iowa Administrative Code rule 191—55.14.

78. 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

79. 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.”

80. 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.

81. 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.”

82. 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).

83. 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).

84. 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

85. 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.

86. 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.

87. 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.

88. 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.

89. 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.

90. AmeriPro committed an unfair trade practice by acting as an unlicensed public adjuster when its employee, Katan, on behalf of AmeriPro, entered into an AmeriPro Roofing Contract with K.D.

91. AmeriPro committed an unfair trade practice by acting as an unlicensed public adjuster when its employee, Katan, on behalf of AmeriPro, entered into an AmeriPro Roofing Contract with B.B.

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

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).

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).

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 committed an unfair trade practice by entering into an AmeriPro Roofing Contract with K.D.
100. AmeriPro committed an unfair trade practice by entering into an AmeriPro Roofing Contract with B.B.
101. 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

102. 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.

103. 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.

104. 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. 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 shall instruct any and all agents, representatives, employees, and officers regarding the prohibition against unlicensed public adjusting in the state of Iowa pursuant to Iowa Code chapter 522C, and direct them to abide by chapter 522C and the orders contained herein whenever conducting business in the state of Iowa. Such direction shall include prohibiting any and all agents, representatives, employees, and officers from engaging in any of the following specific conduct:

- (1) Initiating, handling, negotiating, or otherwise taking any direct or indirect role in effecting settlement of any (Iowa) insured's insurance claim; and
- (2) Directly or indirectly advertising, marketing, or otherwise holding themselves out as public adjusters or as providing any public adjuster services as defined under Iowa Code § 522C.2(7). This prohibition applies to any published statements on the AmeriPro Website, and any social media profiles owned or controlled by Respondents and/or any of their agents, representatives, employees, and officers.

Respondents shall certify that they have provided the required instruction and direction to all of their agents, representatives, employees, and officers within thirty (30) days of issuance of this order.

IT IS FURTHER ORDERED that Respondents shall add the following notice in 10-point bolded font to the AmeriPro Roofing Contract:

NOTICE: AmeriPro Roofing is not a public adjuster. AmeriPro Roofing is not responsible for obtaining approval of homeowner's insurance claim. AmeriPro will not negotiate your policy rights with your insurance company. If a dispute arises with your insurance company over the price and scope of repairs, it is the responsibility of Homeowner, not AmeriPro, to negotiate with your insurance company. Homeowner is responsible for reviewing his/her insurance policy.

IT IS FURTHER ORDERED that Respondents shall delete the language that constitutes the unlawful marketing or advertising of public adjuster services as defined under Iowa Code § 522C.2(7) from the AmeriPro Website and social media, as identified in the addendum attached to this Order. The addendum also identifies language to replace the deleted language. Respondents shall have discretion to use the identified replacement language, verbatim, at their discretion. Such identified replacement language shall be deemed compliant with Iowa Code chapters 507A, 507B, 515, or 522C. However, should Respondents alter the identified replacement language in any way, any such altered language shall be subject to review by the Division for violations of Iowa Code chapters 507A, 507B, 515, or 522C.

IT IS FURTHER ORDERED that the Summary Cease and Desist Order issued June 21, 2024, is hereby vacated only as to Respondents AmeriPro and Gray and is superseded by this Consent Order.

SO ORDERED on the 5th day of September, 2024.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



Colin Grace
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Phone: (515) 654-6560
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ATTORNEY FOR THE DIVISION

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ATTORNEYS FOR 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 September 5, 2024.

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

Signature: Brooke Hohn
Brooke Hohn

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that acting as a public adjuster, as defined in Iowa Code chapter 522C, in violation of this Order, is a serious misdemeanor under Iowa Code § 507A.10, subjecting you to punishment of imprisonment, jail, fines, or any combination of custody and fines.

YOU ARE ALSO NOTIFIED that if you violate this Order, you may be subject to administrative and civil penalties pursuant to Iowa Code § 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 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 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, Michael J. Gray, in my personal capacity and as representative of American Dream Home Improvement, Inc. d/b/a AmeriPro Roofing of Iowa, Respondents in this matter, have read, understood, and do knowingly consent to this Order in its entirety. I have consulted with my attorneys, and I fully understand the terms of this Consent Agreement. 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.



Michael J. Gray, Respondent

2611 Wolf Rd. Frankfort, IL 60423
Address of Signatory

Subscribed and sworn before me by Michael J. Gray on this 30th day of August 2024.



Notary Public for the State of Illinois



MO Gy

Michael J. Gray, as CEO of
Dream Home Improvement, Inc. d/b/a AmeriPro Roofing of Iowa

3041 Woodcreek Dr. Downers Grove, IL 60515

Address of Dream Home Improvement, Inc. d/b/a AmeriPro Roofing of Iowa

Subscribed and sworn before me by Michael J. Gray on this 30th day of August 2024.

GZ

Notary Public for the State of Illinois



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)	ADDENDUM TO ORDER
)	& CONSENT TO ORDER
MICHAEL J. GRAY)	
)	
Respondents.)	
)	

Pursuant to the Order and Consent to Order, Respondents shall delete the language from the AmeriPro Website and social media, language which constitutes the unlawful marketing or advertising of public adjuster services as defined under Iowa Code § 522C.2(7), as identified herein. Further, Respondents shall have discretion to use, verbatim, replacement language as identified herein. However, should Respondents choose to alter any such replacement language in any way, such altered language shall be subject to review by the Division for violations of Iowa Code chapters 507A, 507B, 515, or 522C.

Edits to AmeriPro Website

(1) On each webpage that includes the disclaimer identified in paragraph 19 of the Consent Order, the disclaimer shall appear in at least 10-point, bold font and read as follows:

NOTICE: AmeriPro Roofing is not a public adjuster. AmeriPro Roofing is not responsible for obtaining approval of homeowner’s insurance claim. AmeriPro will not negotiate your policy rights with your insurance company. If a dispute arises with your insurance company over the price and scope of repairs, it is the responsibility of Homeowner, not AmeriPro, to negotiate with your insurance company. Homeowner is responsible for reviewing his/her insurance policy.

(2) On the webpage entitled “Filing a Roof Replacement Insurance Claim,” Respondents shall delete the unbolded explanatory and/or educational statements relating to making an

insurance claim under each heading constituting the 10-step guide to filing an insurance claim as identified in paragraph 15. Respondents shall have discretion to use the titles of each step as they exist currently.

- (3) On the webpage entitled “Roof Damage & Insurance Claims”:
 - a. The following phrase shall be deleted: “AmeriPro is experienced in managing the insurance claim process and getting your home back to normal quickly.”
 - i. Respondents shall have discretion to use the following replacement language: “AmeriPro Roofing is experienced in providing documentation of damage that may be required when you submit your insurance claim.”
 - b. Under the section labeled “What should I do after a storm?”, the following phrase shall be deleted: “Choose a roofing contractor with insurance expertise.”
 - i. Respondents shall have discretion to use the following replacement language: “Choose an expert roofing contractor who is experienced in identifying damage, generating detailed estimates, and answering questions from your insurance company.”
 - c. The following phrase shall be deleted: “Denied by your insurance? Click here to see how AmeriPro can help!”
 - d. Under the section labeled “Denied By Your Insurance?”, the following phrase shall be deleted: “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!”

- i. Respondents shall have discretion to use the following replacement language: “AmeriPro’s Customer Solutions team will continue to work with you at no cost if you choose to pursue a claim that was denied by your insurance company.”
 - e. Under the section labeled, “How can AmeriPro Roofing help with my insurance claim?” the following phrase shall be deleted: “We will meet with your insurance company to assist with the claim process.”
 - i. Respondents shall have discretion to use the following replacement language: “We will provide you with documentation your insurance carrier may require during the claims process.”
- (4) The webpage entitled “AmeriPro Stands Up For Their Customers” shall be retitled as “AmeriPro Serves Their Customers.” On this webpage, the testimonial attributed to “A.L.” shall be deleted.
- (5) On the webpage “Your Local Roofing Company Professionals in Des Moines”:
 - a. The following phrase shall be deleted: “AmeriPro Roofing has been helping homeowners navigate the insurance claims process for 20+ years with over 150,000 happy homeowners nationwide and counting.”
 - i. Respondents shall have discretion to use the following replacement language: “AmeriPro Roofing has been helping homeowners with damage like this for 20+ years, with over 150,000 happy homeowners nationwide and counting.”
 - b. The testimonial attributed to “J.S.” shall be deleted.
- (6) On the webpage “Your Local Davenport Roofing Company Professionals”:

- a. The following phrase shall be deleted: “AmeriPro Roofing has been helping homeowners navigate the insurance claims process for 20+ years with over 150,000 happy homeowners nationwide and counting.”
 - i. Respondents shall have discretion to use the following replacement language: “AmeriPro Roofing has been helping homeowners with damage like this for 20+ years, with over 150,000 happy homeowners nationwide and counting.”
 - b. The testimonial attributed to “J.S.” shall be deleted
- (7) On the webpage entitled “FAQS About Our Home Contracting Services” the following phrase shall be deleted: “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.”
- a. Respondents shall have discretion to use the following replacement language:
“Our experts are ready and willing to serve you. We have the experience and knowledge to answer your questions and provide detailed suggestions.”
- (8) On the AmeriPro DSM Facebook Page, the post dated August 14, 2023, shall be deleted.