

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 109187
)	
PERIL PROPERTY ADJUSTERS, LLC,)	CONSENT TO CEASE
)	AND DESIST ORDER
JERAD WATSON,)	
NPN: 18598190)	
DOB: 11/05/XXXX,)	
)	
Respondents.)	

NOW THEREFORE, upon the motion of the Iowa Insurance Division (“Division”) and by the consent of the Respondents Peril Property Adjusters, LLC and Jerad Watson, pursuant to the provisions of Iowa Code chapter 522C—Licensing of Public Adjusters 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.
2. Peril Property Adjusters, LLC, (“Peril”) is a foreign Limited Liability Company formed in Texas. Its home office is located at 710 Buffalo Street Suite 311, Corpus Christi, Texas 78401.
3. Peril is a property adjusting firm that operates in 15 states, including Iowa.
4. Jerad Watson (“Watson”) is an individual with a last-known address of 153 Caravel Drive, Corpus Christi, Texas 78418. Peril and Watson collectively will be hereinafter referred to as “Respondents.”
5. Watson is and has been licensed in the state of Iowa as a non-resident public adjuster since August 13, 2020. He is licensed under National Producer Number 18598190.

6. From on or about August 13, 2020 to present, Respondents have 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.

7. Respondents deny the findings of fact found and the conclusions of law found herein, but are willing to consent to entry of the Cease and Desist Order. Respondents consent to enter into the foregoing Cease and Desist Order does not constitute an admission of liability or guilt on Respondents' 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 Division to issue it, nor shall it. Respondents represent that the actions of his agents were contrary to Peril's internal practices and/or policies and not representative of Peril's business practices.

8. At all times during the Division's investigation, Watson cooperated fully with the Division and has proactively and voluntarily revised Peril business practices even though the processes are believed to be previously compliant.

II. FINDINGS OF FACT

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

10. On August 10, 2020, Watson applied for a non-resident public adjuster 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, Watson designated the Commissioner as an agent for service of process.

11. The Division issued Watson a non-resident public adjuster license on August 13, 2020, and assigned to him National Producer Number 18598190.

12. Watson is the sole owner of Peril.
13. Peril is not a licensed business entity producer in the State of Iowa.
14. Watson represented to the Division that his job duties were to work with carriers on adjusting and negotiating claims. The Division did not find any evidence Watson assigned or directed any unlicensed Peril employees or Peril independent contractors to accomplish the duties of adjusting and negotiating claims that required licensure.
15. Roy H. Messer, aka Hank Messer (“Messer”), is an individual with a last-known address of Ames, Iowa.
16. Messer is an independent contractor for Peril and holds the title of claims consultant. Peril represented to the Division that his job duties include taking photos of damage, estimating damages, providing access to properties for adjuster inspections, and gathering claim documentation from policyholders.
17. Messer is not a licensed public adjuster in Iowa.
18. Patricia Styer (“Styer”) is an individual with a last-known residence in, Corpus Christi, Texas.
19. Styer is employed by Peril as a client relations manager. Peril represented to the Division that Styer’s job duties include technical services, clerical work, marketing, managing owner’s calendar, coordinating travel, requesting documentation from carriers, submitting estimates, and communicating with customers.
20. Styer is not a licensed public adjuster in Iowa.

Consumer DF

21. Consumer DF’s property located in Newhall, Iowa was damaged by the 2020 Derecho.

22. On September 28, 2020, Messer met with Consumer DF at his home to inspect the storm damage. Messer explained Peril's Public Adjuster Contract to Consumer DF. Consumer DF signed the contract, and Messer left with the contract.

23. The Public Adjuster Contract shows Consumer DF's signature is a handwritten signature, and Watson's executed by electronic signature.

24. Consumer DF had his property insured through Eden Mutual Insurance ("Eden Mutual").

25. NCP Group, LLC ("NCP") adjusts Eden Mutual's claims related to its property and casualty insurance.

26. On November 20, 2020, Styer, on behalf of Peril provided NCP with a Letter of Representation advising that Peril had been retained and employed to manage Consumer DF's insurance claim. The Letter of Representation included Watson's electronic signature.

27. On December 15, 2020, NCP group received an email from Styer's Peril email with a contractor's estimate attached. Styer closed the email by stating, "let me know how you would like to proceed on narrowing the gap on this file."

28. On January 25, 2021, Styer emailed NCP from her Peril email stating, "[r]eaching out again because we still have not received any contact from you. If you do not wish to work with us, that is fine. [Consumer DF] will move to invoke appraisal immediately. We will not allow your delay tactics to affect this claim any further." At this point, it had been 169 days since consumer DF's home had been damaged, and consumer DF's home was still not repaired.

29. On February 25, 2021, the Division interviewed a manager at NCP who had worked with Peril on Consumer DF's claim. This manager had not received any communications from Watson. NCP's Peril point of contact was Messer.

30. On March 5, 2021, NCP received a call from Messer stating “they” (referring to Peril) were representing the insured and he worked for the public adjuster. Messer requested a copy of the most recent estimate along with a re-inspection.

31. On March 10, 2021, the Division interviewed Consumer DF. Consumer DF was not familiar with who Watson was. Consumer DF stated his public adjuster was Messer.

Consumer VB

32. Consumer VB’s property located in Atkins, Iowa was damaged by the 2020 Derecho.

33. Consumer VB’s property is insured through Eden Mutual.

34. Consumer VB’s roof was damaged and the NCP claim estimate would only cover half of her roof.

35. On November 13, 2020, Consumer VB and her husband contracted with Peril and Watson to resolve the policyholder’s impasse with NCP and Eden Mutual.

36. The Public Adjuster Contract shows Consumer VB and her husband’s signatures are handwritten signatures and Watson’s electronic signature.

37. On January 4, 2021, Styer, on behalf of Peril, provided NCP with a Letter of Representation advising that Peril had been retained and employed to manage Consumer VB’s insurance claim. The Letter of Representation included Watson’s electronic signature.

38. On January 28, 2001, Styer sent NCP an email from her Peril email related to the August 10, 2020 storm damage stating, “We are giving NCP Group the opportunity to pay [Consumer VB’s] contractor estimate in full by February 11, 2021. Otherwise, he will be pursuing appraisal, which you and I both know is going to cost far more than her contractor bid. I ask that you do the right thing by your policyholder and simply pay this estimate, which is more than fair. If not, he will be invoking appraisal on that date.”

39. NCP contacted Consumer VB directly to get a contact number for Watson. NCP asked Consumer VB if Watson was her public adjuster, and Consumer VB stated Watson was not her public adjuster, but rather, Messer with Peril was her public adjuster.

40. On February 23, 2021, NCP contacted Messer. Messer advised he was a consultant working for Peril handling Consumer VB's insurance claim.

41. As of February 23, 2021, only Styer and Messer of Peril had communicated with NCP and Eden Mutual attempting to adjust this claim.

42. On March 10, 2021, the Division interviewed Consumer VB. When asked who she hired as a public adjuster, Consumer VB responded "Hank Messer." Consumer VB stated the only person from Peril she worked with was Messer, and that he was the person that provided her the public adjuster contract to sign.

Consumer BB

43. Consumer BB owned a property in Cedar Rapids, Iowa that was damaged by wind on evening of August 9, 2020.

44. Consumer BB's property was insured through Benton Mutual Insurance Association.

45. On February 24, 2021, Styer provided an email to NCP noting consumer BB retained "our services on this claim" and attached a Letter of Representation signed electronically by Watson. Also attached to this email was a copy of Consumer BB's sworn statement and proof of loss related to his loss.

46. On March 24, 2021, Styer sent the following email from her Peril email to Benton Mutual and NCP,

I want to make you aware that this claim is specifically being reviewed by the Iowa Department of Insurance and we are required to immediately report any delay or underpayment by the carrier. I've attached [Consumer BB's] contractor estimate. We need to see movement on this claim via payment of his contractor estimate or a reinspection by NCP Group/Benton Mutual no

later than Wednesday, March 31st, or [Consumer BB] will be seeking legal remedies.

47. As of the date of this filing, Consumer BB has not made a complaint to the Division regarding his insurance claim.

III. CONCLUSIONS OF LAW

COUNT ONE

Unlicensed Public Adjuster

48. 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).

49. 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.

50. Under Iowa Administrative Code rule 191—55.17(3), “[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.”

51. Styer acted for or aided an insured in negotiating for or effecting the settlement of a first-party claims in her email communications with NCP Group and Benton Mutual related to

Consumer DF, Consumer DB, and Consumer BB's insurance claims as identified in ¶s 27, 28, 38, and 46.

52. Messer acted for or aided an insured in negotiating for or effecting the settlement of a first-party claim in his communications to Iowa Consumers and with NCP Group related to Consumer VB and Consumer DF's insurance claims as identified in ¶ 22, 30, 31, 41, and 42.

53. On multiple occasions, Watson permitted his Peril employee, Styer, and Peril's representative, Messer, to conduct business and/or perform acts for which a license is required.

IV. POLICY REASONS

54. 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 and 522C:

A. Respondents Peril and Watson shall not in the state of Iowa allow Styer, Messer, or any other unlicensed employees or representatives of Peril:

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

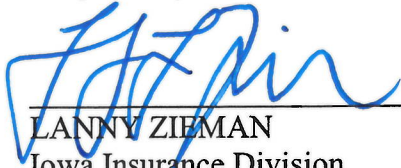
3. Directly or indirectly solicit business investigating or adjusting losses, or advising an insured about first-party claims for loss or damage to real or personal property of the insured.
- B. Peril and Watson, pursuant to Iowa Code §522C.6, shall immediately cease and desist from permitting Styer, Messer, and any other unlicensed employee or representative from conducting business for which a public adjuster license is required;
- C. Pursuant to Iowa Code § 522C.6, Respondent Peril is assessed a civil penalty in the amount of \$1,000.00 paid contemporaneously with the 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;
- D. Respondent Peril shall pay \$3,000.00 for costs of investigation and prosecution, contemporaneously 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;
- E. 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 11th day of August, 2021.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,



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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 August 12, 2021.

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

Signature: /s/ Hilary Foster
Hilary Foster

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.

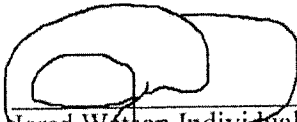
A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this this order. It may result in criminal law enforcement authorities, including the fraud bureau of the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

CONSENT TO ORDER AND AGREEMENT

I, Jerad Watson, individually and as owner of Peril Property Adjusters, 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: 07-19-21



Jerad Watson Individually and as owner of
Peril Property Adjusters, Respondents

Owner _____
Title _____

710 Buffalo St, STE 311, Corpus Christi, TX 78401
Address of Signatory

Subscribed and sworn before me by Jerad Watson on this 19th day of
July, 2021.



Notary Public for the State of

