

PRIVILEGED AND CONFIDENTIAL – WITHOUT PREJUDICE

VIA EMAIL: garnold@oci.ga.gov

September 13, 2019

Insurance Commissioner, State of Georgia
Seventh Floor, West Tower
2 Martin Luther King Jr., Drive
Atlanta, GA 30334

ATTN: Annette Arnold, Complaint Examiner

RE: Request to Reopen Complaint
Case No.: 555231331

Nature of Complaint: RRRG, CCMSI, and Frontier Adjusters in Violation of O.C.G.A. Title 33 Provisions

Complainant: Selita Boyd/Eloise Boyd
6841 Cavalier Court
Stone Mountain, GA 30087

Insured: G B Restoration Services, LLC dba Servpro of Stone Mountain/Clarkston
Insurer: Restoration Risk Retention Group, Inc. (herein "RRRG")
Third-Party Administrator: Cannon Cochran Management Services Inc. (herein "CCMSI")
Compliance Consultant: Carl O. Ayestas, Jr.
Independent Adjuster: Frontier Adjusters, Mr. Lawson Thompson (herein "Frontier Adjusters")
NAIC Code: 12209
Policy #: RGL111570 - Liability Insurance
Policy Dates: 7/25/14 – 7/25/15
TPA Claim #: 15F05F025848

Dear Ms. Arnold,

This letter is a follow-up per our phone conversation regarding what issues need to be addressed to resolve this case pursuant to the laws of Georgia. As claimants under the above-referenced policy, we are entitled to payment for damages under the liability provisions of said policy and appropriate actions upon RRRG, CCMSI, and Frontier Adjusters to comply within the terms of said policy is required in this case.

A. Date of Loss established as 2/12/2017

- a. Complainants filed a claim on or about 2/12/2017 for mold damage and mold exposure by Servpro
- b. Written documents from CCMSI and Frontier Adjusters in the form of emailed correspondences established the date of loss in the subject header as "DOL 2/12/2017" (Exhibit 11)
- c. Complainants' statutory period is four years from the date of loss - 2/12/2021

B. CCMSI is in violation of O.C.G.A 33-6-34(2) – failing to acknowledge with reasonable promptness pertinent communication with respect to claims arising under its policies

- a. RRRG, CCMSI, and Frontier Adjusters failed to reasonably communicate the date of loss
 - i. CCMSI stated that an alleged denial was issued on 6/18/2018 but the denial was not issued to the Complainants at that time

PRIVILEGED AND CONFIDENTIAL – WITHOUT PREJUDICE

- ii. Complainants stated that they did not receive a denial letter in 2018 and was not aware that a denial letter existed
 - iii. In 2018, all documents received by the Complainants showed a 2/12/2017 date of loss
 - iv. CCMSI correspondence to the Complainants on January 31, 2019 documenting the date of loss as 2/12/2015, 11 days before the statutory period, was improper; therefore, the date of loss established by CCMSI is 2/12/2017
 - v. CCMSI recently revised the date of loss to 4/28/2015 based on the last time Servpro was at the property; Servpro's continued nuisance of the damaged toxic concrete floor removed on 3/17/2017 was the last day Servpro's footprint was on the property; Complainants would agree to revise the date of loss to 3/17/2017 based on that premise
 - b. Complainants' claim denied on the basis of not receiving requested additional information was improper based on RRRG, CCMSI, and Frontier Adjusters failure to communicate in writing what specific information was required to consider Complainants' claim
 - i. Complainants submitted documents regarding their claim as requested by RRRG, CCMSI, and Frontier Adjusters several times within the statutory period
 - ii. RRRG, CCMSI, and Frontier Adjusters stated that they informed the Complainants numerous times that additional information was needed to consider Complainants' claim; however, there are documents in writing from RRRG, CCMSI, and Frontier Adjusters specifically stating what additional information was needed to consider Complainants' claim
- C. RRRG, CCMSI, and Frontier Adjusters is in violation of O.C.G.A. 33-6-34(4) – not attempting in good faith to effectuate a prompt, fair, and equitable settlement of claims submitted in which liability has become reasonably clear**
- a. Complainants' included Servpro's admission of liability; thus, Servpro's liability is reasonably clear
 - b. Complainants' included Liberty Mutual's email stating Servpro's neglect of service
 - c. Water Medx and Heaton Environmental documented Servpro's liability
 - d. Complainants' documents, videos, and photos evidenced Servpro's liability
 - e. Scrutiny of RRRG, CCMSI, and Frontier Adjusters' investigation of Servpro's negligence is required
- D. Pursuant to O.C.G.A. 24-4-1 – affirmation lies upon the party making the assertion**
- a. RRRG, CCMSI, and Frontier Adjusters made a false assertion that there was a second leak
 - b. RRRG, CCMSI, and Frontier Adjusters provided no evidence of a second water leak prior to the reporting of the mold damage by Heaton Environmental and Water Medx
- E. Claim denial on the basis of a required property inspection not allowed was improper**
- a. RRRG, CCMSI, and Frontier Adjusters stated that they were not allowed to inspect the property; Pursuant to discovery, inspection is allowed if *relevant* to the subject matter
 - b. Complainants' claim for mold-damaged property discarded by uncertified Servpro employees and nonemployees has no relevancy to a property inspection; losses related directly to the actions of Servpro's fraud and negligence
 - c. Complainants' claim for medical expenses for mold exposure from mold-damaged property that was discarded by uncertified Servpro employees and nonemployees has no relevancy to a property inspection; losses related directly to the actions of Servpro's fraud and negligence
- F. Claim denial improper and in violation of O.C.G.A. 33-6-34(3), failing to adopt and implement procedures for the prompt investigation and settlement of claims arising under its policies**
- a. Complainants' claim denial on the basis of Frontier Adjusters not allowed to inspect the property was improper based on RRRG and CCMSI's failure of a prompt investigation
 - i. RRRG, CCMSI, and Frontier Adjusters first written request for a home inspection to the Complainant was 9/7/2017; seven months after the Complainants' claim was filed
 - ii. Complainants did agree to allow inspection of the property as documented in Complainants' emails

PRIVILEGED AND CONFIDENTIAL – WITHOUT PREJUDICE

- iii. As a victim of forgery on 2/16/2018 by Frontier Adjusters, the initial adjuster who was scheduled to do the inspection, Complainants agreed to a home inspection by a different adjuster pursuant to Georgia's crime victim bill of rights
- iv. RRRG and CCMSI had over 12 months to provide an independent adjuster to inspect the home and failed to do so
- b. Complainant's claim denial on the basis of not allowing a mandatory property inspection was improper based on RRRG and CCMSI's failure to consider a settlement
 - i. RRRG, CCMSI, and Frontier Adjusters email dated 2/21/2019 sent to the Complainants stated "Should the company agree to consider a settlement, an inspection will be mandatory"
 - ii. RRRG, CCMSI, and Frontier Adjusters shortly thereafter sent a certified mail dated 3/14/2019 demanding for a home inspection
 - iii. RRRG, CCMSI, and Frontier Adjusters provided no written document considering a settlement; therefore, the home inspection was not mandatory and should not have been a basis to deny Complainants' claim

G. Statute of Limitation Tolled for Fraud and Criminal Prosecution

- a. Pursuant to O.C.G.A 9-3-96, the fraud actions of the forged authorization by RRRG, CCMSI, and Frontier Adjusters tolled the statute of limitation with discovery of the fraud on 2/16/2018
 - i. The victims - the Complainants, by law refused contact by the offender – Frontier Adjusters
 - ii. The Complainants were barred from their claim when CCMSI asserted that an inspection of the property was mandatory and insisted that only Frontier Adjusters could do the inspection
- b. Pursuant to O.C.G.A 9-3-96, newly discovered information of fraudulent actions by Servpro tolled the statute of limitation with discovery of the fraud on 2/25/2019
- c. Pursuant to O.C.G.A 9-3-99, criminal actions of the forged authorization by RRRG, CCMSI, and Frontier Adjusters which is under investigation tolled the statute of limitation as of 2/16/2018 until the prosecution of such crime or act has become final or otherwise terminated, provided that such time does not exceed six years

H. RRRG, CCMSI, and Frontier Adjusters knowingly made/aided in making false and fraudulent statements in violation of O.C.G.A. 33-1-9,

- a. Bogus assertion of a second leak to obstruct Complainants' claim when Servpro's liability is clear
- b. Statement that Liberty never intended to subrogate against Servpro
- c. Statement that they have been asking to inspect the property for over two years
- d. Statements and explanations regarding the forged authorization
- e. Statements of not receiving the information needed to process the Complainants' claim
- f. Statements regarding the email pertaining to "the company"
- g. Statements regarding Complainants and Complainants's businesses rights to file a claim

At the time the loss occurred, Eloise and Selita Boyd were named insured on the property with an insurable interest and thus, have rights to file a claim to said policy. In addition, LLC businesses operating in the home at the time the loss occurred were actively incorporated in the state of Georgia with insurable interest and thus, have rights to file a claim to said policy. In summary, this case must be reopened to allow a full investigation and to enforce the settlement of Complainants' claim pursuant to the laws of Georgia. Your cooperation in this matter is greatly appreciated.

Regards,



Selita Boyd