

# PIRC Recap [11-13/14-2018, Atlanta, Georgia]

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### 1. Welcoming and Opening Remarks

Kicking off the sixth PIRC, the group reviewed the Anti-Trust, Mission and Vision Statements, and how the conference started. All attendees were brought up to speed with a quick overview of the previously held meetings, how the meeting will be conducted and the agenda.

The [meeting PPT slides](#) are available as part of this recap on the News page of the website: [www.gotopirc.com](http://www.gotopirc.com)

### 2. Legislative / Regulatory

Presented by Cole Stanton, Director of Design Services for ICP Construction and a participant in the IAQA/ASHRAE Government Affairs committee. It is a 26 member all-volunteer committee. The presentation is posted on the website, but the following key topics were reviewed:

- 1) Mold Licensing
- 2) Fire Damage Standard
- 3) Issues regarding professional certification



the complication is that it refers to infrastructure or critical infrastructure. It would need to be amended to add commercial or residential property.

Legislation has not moved since mid-terms were looming. The divided Congress may gridlock big issues, but it could be helpful for smaller issues to move ahead. This is good for the representatives to save face with their constituents.

Four bills on the Federal front that are being watched are S. 2852, S. 2385, S. 3041, H.R. 5846. There is also an FTC released a report "FTC Staff Report Examines Ways to Improve Occupational License Portability Across State Lines" - Options to Enhance Occupational License Portability. The FTC's Economic Liberty Task Force initiative aims to reduce hurdles to job growth and labor mobility by encouraging states to reduce unnecessary and overbroad Occupational licensing, when not necessary to further legitimate public health and safety concerns.

The Governmental Committee will now become active after the confirmed agreement of the body, which can work on draft language and suggested word tracks in addition to creating a network of start efforts on the state level. Focus should be on the storm corridor or fire-prone areas.

### **3. Consumer / Public**

Continuing the discussion about SendRelief, who presented to PIRC before about their 80,000 or so volunteer personnel who post-disaster who are working on a fire and smoke training but largely do feeding and "muck-out" work after flooding. They try to stop or slow down the water/mold damage enough to let the homeowner get on their feet. Samaritan's Purse does the same type of work, and many of the volunteer groups are under what is called "VOADs – volunteer organization after disaster" [www.voad.org](http://www.voad.org)

The attendees were polled and a majority deal with post-disaster work as part of their business. The volunteer efforts have been addressed as a potential area of improvement, and working with SendRelief to get hurdles identified and how to address them as an industry whole so they partner together and improve efficiencies. One example is volunteer training manual review by the group to improve the VOAD's initial efforts.

Discussion also took place about the different types of categories for storm damage, i.e. wind versus water damage after Hurricane. The contractor experience varies based on type of coverage, in the way the consumer will change direction of work if they are out-of-pocket. Water is more of a grey area than fire, for instance.

One attendee vocalized he had a recent experience of an insurer going home-to-home talking to home owners about filing claims after a post-hurricane wind event. The insurer was asking them to file their claims. They thought the lack of claims could be attributed high deductibles; if there was not extensive damage the home owners were not filing.

## 4. Technology

**Drone footage** was also brought up, from post-storm, as addressing damage. One insurer is testing drone usage in collaboration with a college, looking at safety for flying over people and how to address FAA regulations. Another attendee shared that a tech company that utilizes these technologies believes it is a 3-5-year process before the industry matures enough to see these widely used. Other folks thought it is a delay likely because of the regulations, safety and privacy, but that the capacity to take photos for documentation is pretty good. Very few of the participants are using the technology at this time. Appetite from the attendees was to have this brought back once a year as a special presentation to see where the technology is going.

Another item mentioned was drone usage for estimating, as part of advancement of technology. A drone could be utilized to visit a property then be adjusted remotely.

As part of the “gig economy” many people are selling their time for multiple “gig” positions as opposed to the traditional one full-time job. Folks are now being utilized to go take photos, such as “We Go Look”, who have no other industry experience.

Photo estimating from AI also was discussed as a future hurdle for the industry. As accuracy of those types of functions improves the likelihood of implementation will increase.

### 1. *Estimating Systems and Data*

([HANDOUTS on committee page](#) – linked below) With the advancements in the PIRC Data Standards and Accessibility Committee, there was a Panel Discussion with Q&A.

The panelists were Aaron Beck, ATI Restoration; Jesse Herrera, Next Gear Solutions; Charley Quirt, [Collision Industry Electronic Commerce Association \(CIECA\)](#)

Initially, panelists discussed their purpose for joining the committee, and vision of the effort. Some of the comments were: reducing “a lot of redundancy, CTRL+C/CTRL+V”, “with claims technology experience on the auto side, seeing the furthering of access to data and transfer of data; saw 1, that standards in auto caused systems to speak freely and creating a foundation for greater innovation and efficiency; ... (2), the industry engaging in a way that helps them assert their interests around control of the data, access to data, security of the data... auto side created a forum for discussion for the industry to grapple with and that doesn’t exist now in property”, “estimate messaging between systems on the auto side were confusing so CIECA was created to solve the “communications” issues, and there were repairers and insurance carriers were struggling. Coming up with the standards for the messaging changed the industry.”

The purpose of the panel was to inform the audience of the activities to date and gauge the reaction to the efforts, and if they should continue forward (with blessing). CIECA has been developing and publishing standards for almost 25 years; they are integral in the committee work towards the issue.

The committee has put together a committee initiative support page in addition to the start of a property workflow draft and committee business plan and charter. They paused committee work there to get the body up to speed and gain support of the initiative.

#### [REVIEW THE COMMITTEE INITIATIVE SUPPORT PAGE](#)

- [Property Workflow DRAFT](#) - showing message workflows between segments
- [Committee Business Plan](#) - including benefits to Industry Segments
- [Committee Charter](#) - including background, mission, scope, objectives, operating guidelines

Creating efficiencies is removing work from the entire eco-system, this is an advantage to all, and not a competitive advantage to one segment. Having multiple systems that can talk to each other seamlessly is the advancement desired through this work. Also mentioned are the data sources reporting difficulties. Using a “decoder ring” aka standard was an analogy utilized to the having the messaging standard.

When asked “what’s in it for CIECA?”, the response was that CIECA is a not-for-profit association and the standards creation is to benefit the members of the association, but the process is open to all for participation on conference calls and work groups.

#### **What does it take to move forward? Who are the stakeholders and how realistically does it get done?**

The property industry needs to assist the effort by sharing the initiative with their partners. The challenge is to get everyone to work together. It is all member-driven, along with whoever wants to participate. In order to accomplish the goal, all segments need to have some level of buy-in.

The vast segments who bought into the auto side efforts within CIECA shows the pervasiveness of the accomplishment.

The issue of a large market-shareholder in the estimating platform segment was raised, and how to get their participation. Suggestion was given to encourage their participation by customers and what they desire from the platform. Another issue raised was the lack of communication between segments for the customers and their experience should be paramount, i.e. the ALE company says they need to move back but the contractor is not finished and the connection to update between was not made, causing issue with the customer experience.

One participant asked for clarity to what the standards’ benefits are. Answered as, the standards assist a contractor for instance to choose which systems they want to use and they allow you freedom of choice of those who implement the standard. Also, there would be – if seen same as the auto industry – greater innovation and birth of new technologies because of reduced development costs. Another goal would be to reduce the downtime of new software integrations or learning.

Discussion was had about the implementation possibilities for the standard and the current state of the industry in relation. One participant gave a personal recount that she had both an auto and home claim

recently, and the auto process was seamless and her involvement was minimal compared to her home claim.

**ACTION NEEDED - What is needed to move forward is:**

- Initially, the effort needs support from all individuals and businesses to the initiative and to the committee – by signing onto the initiative page or being a part of the committee, in addition to sharing with all partners or colleagues.
  - Leveraging relationships to inform the various partners in segments.
- ONCE ADDITIONAL SUPPORT IS GAINED: Order of operations for priority in the committee about where to start first, with possibly sub-committees to address the different aspects of the data standards.

To gather consensus, a call was put out for the creation of the standards to be supported by the body which was unanimous. An ask for any dissenting opinion was made, but none were given, and instead further clarity to the specifics was asked by some who wanted to support.

## **5. Definitions Committee**

### **1. Warranties**

As part of the discussions around minimum requirements for a restorer, the topic of Warranty was brought up. As part of that discussion, the issue of warranty terms was raised and that this is a changing area for contractors and insurers. The committee brought that forward to the meeting.

The discussion started with the potential costs of extending a warranty for all parties, such as contractor, insurer or TPA for example. A contractor opined that the cost burden is with the contractor and that is not built into the work performed, and is assumed to be included in prices. The factors of a warranty were raised, such as cost to fulfill, qualifications, etc. It was also related to purchase of an extended warranty, that would have a cost associated.

The warranties of craftsmanship versus materials was also raised. A materials vendor has concern for the professional application of products. Typical coatings application workmanship warranty is one year. The coating itself has its own warranty of often 10 years, but has qualifications. Industry standards for related fields was brought up as a potential resource for continued discussion. Such as new home construction, architects, and others.

TPA's are also affected by the warranty issue, because they have responsibility beyond a contractor not fulfilling the obligation. There is a five-year standard being implemented that is affecting both the TPA and Contractor segment.

The audience was gauged for bringing the issue back to the next meeting with more information and a more formal presentation, which was well beyond majority. The warranty coverage of different types of work performed will also be reviewed.

Calling to the committee: What are the warranty standards, and what is quality written down. Case law available versus opinion.

## **2. Photo Documentation Best Practice**

### [HANDOUT: Photo Documentation Best Practice DRAFT](#)

The draft discussion within the committee was to pare down to the first option of digital photography and later add video, drone, 360 cameras, etc. The draft was debated hotly in the committee, and the proposed document was to start with the “how to take the photo” then how to share the photos as part of documentation.

When addressing what problem this Best Practice solves, the hope to reduce the reoccurrence of photo taking, and every photo can serve the purpose for all parties if taken properly. If you document properly, and by a method, it can solve the need. In advancements of technology, Left to Right Floor to ceiling pictures now will be able to be stitched together, and at a lower payload for sharing. As this evolves, that method will be adopted by tech companies.

[Good vs. Bad photos were reviewed by ppt.](#) The photos shown were reviewed as to their aspects for quality, such as being in order – left to right – and vertical floor to ceiling. When capturing cause of loss, it may be better to go macro to micro so they can have context for the area it is in. It’s hard to get an idea of what is the “story” unless you follow the order.

Question about labeling was raised in reference to direction (NWSE), and the document does look at how to properly label as part of the process, with some edits coming from the group. The group agreed to add the direction of the house, a 360 of the exterior perimeter, as part of the documentation process. Consistent labeling (matching) for photo to diagram/work scope was also raised, such as “bedroom” or “Suzy’s room” need to be the same.

A Terminology List or Glossary could be lined out as part of the best practices, and opportunity to streamline used language. This will be addressed by the committee.

The group wanted to give an open comment period to review the document with their teams and principals. Then bring back to committee and/or next meeting for adoption.

After showing the group the ppt, they thought that it would be a good addendum but to not put directly on the best practice document. Also, there was talk to add the how-to’s from the different platforms as an addendum where the document would be posted. Companies in that space were identified by the body to follow-up with.

The first page will be the shareable first step to gain consensus. Then the committee will keep going on the subsequent processes. One such is the reporting, and is there a common practice for those requirements? Response was that they were relatively loose and inconsistent, depending on the carrier. They are generally high level, and questions come after the fact.

The group wanted to try and have the (Matterport) 360 camera technology presented to the body.

One insurer mentioned they have issue storing larger files for alternative methods of transfer from digital photography.

The group wanted to see a presentation of a good story versus a bad story, that goes with the best practice document.

Earlier in the meeting, Ownership of the photo was discussed. The person who initiates the photo process is the author, or who gives the directive to take the photo, was offered as a currently used definition. This could be addressed within the committee.

## **6. Background Checks**

A committee update was given by John Page, Quick Search, a ZeroChaos Company doing restoration background screening since 2005 and John Gannon, Aspen Grove Solutions, a technology company in the background screening standards creation area for mortgage field services, looking to assist in the property restoration space.

There was an overview of the issues in the background screening portion of the industry. With the specs going from insurance carriers through TPAs and to the contractors, there are some problems with the implementation.

Slides viewed are available as part of the [meeting recap update – meeting PPT slides](#)

Thirty percent of Americans have a background record. In the mortgage field services industry their grading scale allows people in this category to work, but are limited in the type of work they can perform according to their grading as part of the standard. The scale allows people to work with oversight, and with the government having more leniency on people now it is becoming easier. The property restoration industry is still behind this curve.

One TPA did announce they are moving to every three years for rescreening as a result of the information presented at PIRC. Some TPA's require certain screening, and subcontractors that need screening see a higher rate of records. Interpretation of requirements is different and can create issues as well.

### ***1. Screening to 18 years of age***

In feedback from participants, there is an insurer requiring background screening back to 18 years of age. This is based on their belief this is necessary under the Federal Violent Crime Control Act 1033 – that contractors are construed as in the “business of insurance” and falling into that category for screening. The committee asked multiple questions of the insurance commissioners of each state in this regard, including the waiver of prohibition and what happens in their jurisdiction. At the time of the meeting, there was 10 answers back. Many are still coming in, and this will be reported fully at the next meeting.

In banking and finance, there are directed industries that are under the umbrella of the 1033 rule. There is one TPA in the mortgage field services that recently added this requirement, but otherwise noting there isn't limitation to the issue being inside restoration contracting.

An insurer addressed the uncertainty of the rule and why it is such an issue, how punitive penalties are very steep and may be leading to the issues. An industry standard that can be referenced would be helpful in possibly mitigating the issue.

## **2. Discussion / Recommendation**

A question was raised about how the different interpretations are in the market depending on TPAs. When asked about standard method, the group unanimously wanted the committee to move forward with their research and presentations. The committee will need to give a recommendation to the body for the problems discussed, and the screening requirements.

## **3. Another industry standard? – Mortgage Field Services**

[HANDOUT: White Paper - Industry Background Check - Mortgage Field Services](#)

Presentation by John Gannon, Aspen Grove Solutions as to the mortgage field services standard that is used currently. Aspen Grove Solutions created and maintains the standard and grading system, and it is open to all providers (not proprietary). In the same way to have something happening to a property, this industry is where someone has not paid their mortgage and property inspections take place where providers are sent to the property. Requirements are similar to have background checks for safety purposes. As a similar industry, related to the methodology of background screening in a provider environment they have found themselves in the property restoration space.

The suggestion is the same questions asked in that industry are the same in property restoration. The reporting is any charges and recurring annually in that space. There is a grading given for each individual (not company), and for all those in the business.

Assessing the results of a screening, for a felony for example, considerations are given for every type of known charge. Serious charges will always be excluded from a "1" rating, but then there will be subsequent grading based on age of the offense/type and then later possibly excluded depending on that type. Someone could potentially gain back an "1" rating. There is a spec for the grading with all identified possibilities.

## Levels Of Compliance



*All of the above are limited as far as records and the law permits in each case*

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The background check company uses the standard/grading to give that person the report/assessment. The judgement is not made by the person who is knowledgeable of the scoring matrix, and will not be subjective. It also gives the ability for anonymity of the person screened from their charges being visible, whereas the score is what is visible.

There is a process within this standard for a person to appeal their result, as an opportunity to have a committee go over the result and any circumstances that are available.

Any standard needs to be “fit for purpose” based on the industry. The following slide gives a summary of the possible areas of consideration:

### Creating a Best Practice Guideline or Standard

Should be determined by the industry participants and be “Fit for Purpose” based on the work activities of those being checked – Below are some examples of what could be included;

<p><b>What Searches?</b> SSN Verification, County Criminal, National Criminal, Sex Offender, Global Sanction, Motor.....etc</p>	<p><b>Status of the Charge?</b> Convictions and Active Deferrals only, exclude Pending Charges</p>	<p><b>How Widespread and How far Back?</b> 7 year address history, report all charges where local courts or laws permit, on a recurring basis</p>
<p><b>For Who?</b> All employees and contractors carrying out the work</p>	<p><b>How to Assess the Results?</b> Certain serious offences always count, some minor ones can be ignored</p>	<p><b>And Everything Else?</b> everything in between is assessed based on a combination of time since, quantity of and type of charge</p>

**2 Broad Stages:** 1. Who and What should be checked and 2. What to do with the results

The majority of people who are screened are a 1 (95%), and only 4% are in 2-3 with 1% listed as a 4. As time has gone on, the percentage of 4's has been reduced. The majority of the industry is in insurance restoration, so the majority of workforce would be screened under the current or future guidelines.

The committee did put a call out to get more participation from TPAs/Insurers and Vendors; screening companies and restorers are well-represented.

The body agreed that the committee is going in the right direction, and to continue in the same manner. They will bring additional materials/information for presentation at the next meeting.

## **7. Open Planning**

Question: What is in overhead? Concern for a new camera on the market, and is generally set aside as cost of doing business. RIA is looking into the aspects and definition of overhead; this could be a presentation back to the PIRC meeting.

Jordan will share “blurbs” that can be shared easily on Facebook, LinkedIn or by Email to promote the work and meetings.

## **8. Next Meeting**

The group determined that Xactware Conference on Monday, February 11 was a best option for the next meeting.

Following that, the Summer meeting could be June 26, alongside PLRB’s Technology Conference in Frisco, Texas or stand-alone Chicago.

Fall could be PLRB Eastern Regional Adjusters Conference October 22 - 23, 2019, Concord, NC or a stand-alone meeting in Chicago, around early November.

***GREAT MEETING! Looking forward to the next one!***