

# PIRC Recap [7-19-2018, Chicago, Illinois]

---

## Welcoming and Opening Remarks

As the PIRC began with record attendance, 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. Since the last meeting, the Definitions Committee has produced three documents for review and the Agenda Committee continues to work on the topics and locations for the group.

## Technology

### *Photo Documentation Best Practice (Handout)*

The Definitions Committee received this suggested documentation a few weeks prior to the meeting. Edits to the document were requested from the audience, during or after the meeting, to bring it up to expectation for the group. While no edits were offered during the meeting, it was suggested that they review the information and get back to the moderator with changes so that they can be included. The body has the option to adopt this at the next meeting for Best Practice release.

### *Estimating Systems and Data: Study of Data Extraction, Integrations Platforms, Ownership and Sharing.*

Guest presenters Fred Iantorno and Charley Quirt from the [Collision Industry Electronic Commerce Association \(CIECA\)](#), a non-profit organization formed originally for data standards in the collision industry, presented information about challenges the auto collision industry faced and how they tackled it. They utilize ANSI-style methods to create standards and census building processes from their 20 committees to make sure all stakeholders needs are met. One of the first standards CIECA created eliminated the issue of rekeying information into the multiple information provider systems, a known issue in the restoration field.

Almost all attendees raised hands in agreement that they support standards creation. Technology based on XML and JSAN (the language of mobile computing) has been used for standardization, and the wide use of their standards across segments has shown that the entire industry benefits from improved efficiency. The standards and standard terminology are created to be flexible along with the implementation guide which includes the business guide for practical use. The membership of the organization already includes many of the insurers participating in the property industry. Also, there is already work done for this industry, including 9 property glass messages such as Assignments, Estimates, Attachments, and Repair Status already created and in use.

Giving additional history and clarity to the issues they addressed, Fred and Charley discussed the “EMS” – Electronic Management System standards progress that allowed all the multiple systems to talk to each other. As technology enhanced, the creation of the “BMS” Business Message Suite was made. The BMS was created to offer selective information exchange for security and data protection

purposes. In other words, the user can choose or even limit what information was shared from their system for things such as the customer information, policy number, or specific portions of the data can be restricted. They've also got a BMS Testing tool that will test the integration of the standards to the systems. The information for standards, testing, and tools are available to all CIECA members. Non-members of CIECA can participate in the committees.

To the evolution of information provider sharing of data or integrations, CIECA uses forums and public opinion to provide leadership for issues between vendors or segments. As an example, one vendor was looking to encrypt their data and they were able to address that potential barrier. Another recent issue was an information provider planning to charge a fee for data transactions, and this was addressed in public forums like the Collision Industry Conference (similar to PIRC) as well as in discussions within their committees.

Having CIECA come into the property space is as easy as submission of a project request from an industry person. They will research the issue, poll members and non-members, and start the weekly conference calls to address it within the newly created committee. It would be a core group, with a charter that defines the mission-vision for the committee and how it should run, along with a business plan and then do the workflow to define the messages needed to improve the inefficiency. Several participants of these committees are simply there to protect their own business interests, so that their processes are made better.

One attendee said in his experience with the auto side there was no single bigger advancement or profound impact in the industry than when the free-flow of data was accelerated by the implementation of the CIECA standards. The industry was then free to innovate with the reduction of the inefficiencies. Another concurred, adding the advancements also led to consolidations they are seeing also in the property side.

An inquiry from the audience addressed a recent restriction in data integration with an information provider. Additional questions like who owns the data and does a contractor have the right to scrub data from a pdf were also addressed by the presenters. Fred said open integration is an issue, and that insistence of standards for all products, along with pressure and public opinion would do a lot. Most importantly, he urged all parties to work together to find a solution.

Data ownership is still an issue, partly because defining it is still a work in progress and partly because contracts do not spell out who provides which portion. There is testing to the technical side of pdf scrubbing for either information capture and rekeying, or for use in other instance creations on other systems.

As to the question of certification and adoption of the standard, the genesis was that the architecture of the committees, advisory board, and release with adoption was the continuation of the CIECA “products”. The group was informed of their symposium in September in Tampa, to see what the organization is doing and who they are working with to perform the standards creation.

When asked, “Are you worried about a single entity cutting off or encrypting data that inhibits flow between providers,” nearly all hands raised. With the collision industry being 20 years past the issue of rekeying, moderator Hendler felt this was a good introduction for PIRC. Discussion took place about bringing additional next steps forward post-meeting to the group.

## Legislative / Regulatory

### *Reciprocity – Amendments for licensed professionals to come in-state post-disaster*

Presented by Cole Stanton, VP Environmental Products Division for ICP Construction and a participant in the IAQA/ASHRAE Government Affairs team. The presentation is posted on the website, but the following key points were made:

In Missouri, as a last-minute effort on his way out the door, Governor Eric Greitens enacted the “Professional Employer Organization Act” where organizations are now subject to government approval for qualifications’ adequacy. This is an odd happening and will affect reciprocity.

Reciprocity is the “holy grail” of government affairs for restoration and abatement practitioners. With the four storms of 2017: Harvey, Irma, Maria – storms which all were exposing issues, and “Donald” – because his Presidential culture is better for the acceptance of reciprocity to promote business growth to where it is needed. Without reciprocity, issues will continue such as inefficiency, reduced responsiveness – warped supply/demand, and a black market with consequences like fraud, incompetence, taxes, and more.

In 2017, progress was made in Texas, but in Florida the bill died in May. Model language called “Facilitating Business Rapid Response to State Declared Disaster Act” was put forward in many states under the NCSL: National Conference State Legislatures. Introduced in 2012 (Maine enacted first!) with 30 states following, and Ohio, New Jersey and New York have introduced similar legislation. This makes it easier to recommend an amendment to address the restoration group. His recommendation is to address states that have had no start, as well as some of the model enacted states, to attempt additional language for including disaster work performed for all (instead of the limitations currently in place).

His recommendation is to act on local state levels, with people who have connections in place with legislators. That PIRC needs a committee to identify target states, through attendee relationships, where reciprocity could be added in times of disaster response that could assist to forward movement towards permanent reciprocity. Some model amendments need to be composed with IAQA then also brought to PIRC. Models that could be given to agencies where administrative ruling is going to happen on enacted law changes.

States with Mold Licensing or probable addition is growing, as well as Southern CA VOC Rules are growing in more states. By 2020 several other states will be included in the northeast region, and the LADCO and OTC 2020 as well.

The body agreed to form a new Governmental Committee, with a couple of attendee volunteers who could address the items that come forth in this topic. Another suggestion was to utilize existing or future language for adjusters in times of emergency, and to piggyback on that effort to expand it to other emergency providers. The committee will be open for new volunteers that can contact either Cole Stanton or Jordan Hendler to join.

## **Restorer Requirements**

### *Defining the requirements of a Restorer (Handout)*

The goal is to give context and explanation to segments working together such as property owner, insurer, third-parties, and others as to what things could be looked for to validate a “Professional Restorer”. From the Definitions Committee, the work put forth to categorize areas where measurement or qualification can be addressed as to the validity of a business. The group discussed the progression from starting at the minimum level then moving to the elite or “class A” type of distinction. Also, in that area, several participants thought general guidelines in each section could be added as an overview, then work-type specific categories could be added such as water, fire, contents, or structural.

A suggestion was also given that segments could be weighted to importance for measuring or comparing different entities. Carrier participants suggested that in working together, most of the work providers are smaller and the group should consider those strong smaller businesses who do well at what they do but also how to help them stay abreast of efficient practices.

## **Background Checks**

### *Matrix of current Background Check requirements, their overlapping areas, and possibility for standardization (Handout)*

A Special Presentation by John Page, Quick Search, a ZeroChaos Company and John Gannon, Aspen Grove Solutions was given to address the recurring issue of background checks in the property restoration industry, as well as a solution from the property preservation industry. Beginning with John Page, he addressed the capacity in the industry for a standard that could reduce costs of background checks dramatically for the restoration contractors. He highlighted the National Association of Professional Background Screeners (NAPBS) for background screening, which has documentation for terminology and guidelines. John produced a white paper handout which was given to each attendee, that talks about best practices for screening. Under FCRA – Fair Credit Reporting Act, you must get a disclosure and authorization form from the employee, and also must have an adverse action process in place for them to dispute the results (which is federally mandated).


Page highlighted the current process for performing the background checks. The majority of information available on individuals would be found in the county or counties in which they’ve lived.

He also went over the civil screening that is becoming a challenging factor, along with credit reporting. Credit reporting takes onsite visits, in person, to perform.

The current background screening situation is such that the scope is different for multiple companies. Many states limit reporting to 7 years, but some are asking for 10 years or back to the age of 18 years old. Those states that limit are usually to protect employment opportunities for these folks. 30% of Americans have criminal records, and this presents an incredible challenge when going back to 18 years old. The state will trump the company request of the year range.

How often that background checks are needed ranges from 6 months to 3 years, with variables for which employees are needed. Also, the question of who would pay for this. His experience is that the sub-contractor or temp worker checks are done to the minimum level. There is a lack of guidance on disqualifiers that would lead to possible interpretation errors. Some examples of disqualifiers would be dishonesty, breach of trust, money laundering, controlled substance or crimes involving offenses person and property.

John recommends the following goals and needs for the industry:



**Industry Goals/Needs**

- ✓ **Industry needs one standard Background Screening Spec.**
- ✓ **Standard Scope (years to go back)**
- ✓ **Standard on who gets screened**
- ✓ **Standard as to What to Report**
- ✓ **Standard Length of Time report is good for**
- ✓ **Standard as to what are the disqualifiers, possibly use scoring model**
- ✓ **Std. report/score must be secure stored but readily available to parties that must have access**

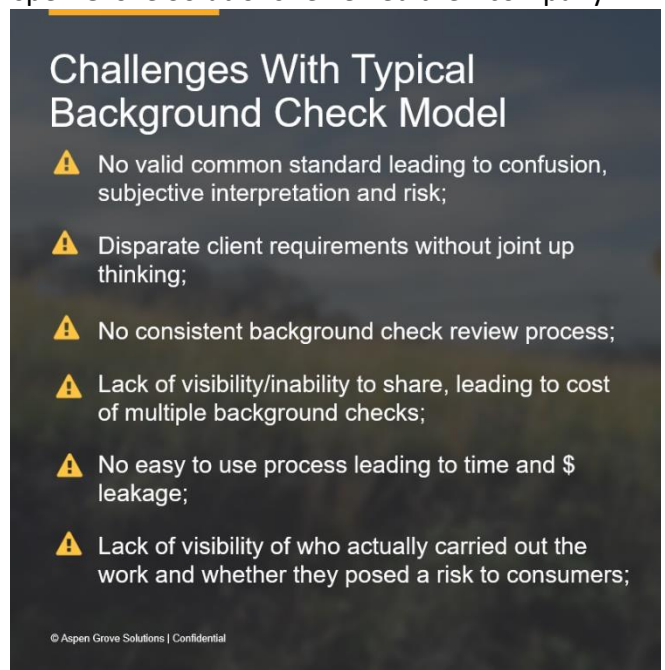
**Must be compliant and meet FCRA and State Laws!**

Property Insurance and Restoration Conference

Following John Page, special presenter John Gannon of Aspen Grove Solutions reviewed their company approach in the property preservation or “mortgage field services” market, an industry that has already developed a standard.

Their company has a standard, using tracking of every individual with an identifier that can be used to verify their status based on four possible levels.

Their industry was looking to solve the industry-wide problem of having a standard. Addressing typical challenges, he offered a handout of what the specific industry workflow looks like.



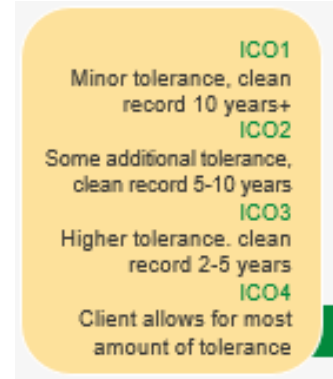
**Challenges With Typical Background Check Model**

- ⚠ No valid common standard leading to confusion, subjective interpretation and risk;
- ⚠ Disparate client requirements without joint up thinking;
- ⚠ No consistent background check review process;
- ⚠ Lack of visibility/inability to share, leading to cost of multiple background checks;
- ⚠ No easy to use process leading to time and \$ leakage;
- ⚠ Lack of visibility of who actually carried out the work and whether they posed a risk to consumers;

© Aspen Grove Solutions | Confidential

Their industry has agreed that there are levels (image right) of tolerance or clearance that would be assigned the individual based on their background check search results. Those are then utilized by the system to match the compliance proof at the point of service.

This system is used as a best practice to improve consistency, efficiencies, and cost effectiveness for vendors and clients. The standard is adoptable by providers of background system platforms, and this would integrate with the background check provider, i.e. Quick Search or other.



The industry needs to determine a balance with carrier or TPA screening liability, to protect the property owner, and the difficulty it takes for the restorers to remain compliant.

The association mentioned, (NAPBS) would be able to address with a working group to go over the possibilities of standards as well. The body agreed to push this issue forward for continued efforts at resolution. More information will be reviewed at the next meeting and with the Definitions Committee in the interim.

Asking the insurers/TPA's in the room, one attendee was looking to see what the basis for the varied requirements was. John felt that this was mostly from the carrier underwriting. A carrier asked if anyone had gone through federal law with state appeal filing to gain exemption for the background check; none had. There were opinions that the sustainability of the current background check system was not practical from the restorer perspective, and further difficult with reduced frequency requirements.

One attendee expressed concern that asking for subcontractor background checks is crossing the line of the employee-employer relationship. John Page, Quick Search indicated that this requires an additional disclosure agreement so that the information can be shared up the chain. Court reporting was also mentioned as a challenge, because they are not always clear with the

Next steps could be that the Definitions Committee review standardization and what the outliers are of the "norm", as well as what the cost-efficiency aspects are. There was also need for legal expertise in this area. The four-tiered system identified in the presentation by John Gannon was labeled as a helpful tool by the group, which could help identify types of jobs that individuals qualify for.

## Definition of Roles - Consultant

*(Handout) The Definitions Committee attempts to define the role of a consultant*

The following definition was agreed upon and adopted by the body – after deliberation of several aspects - to identify a "Consultant" as the following:

### **Consultant**

*A consultant is someone that gives an independent assessment of requested services. This person shall be limited in function to an informational consulting role and is an unbiased resource for materially interested parties.*

The role of an Insurer, TPA, Post-work Auditor and Restorer would later be defined. The group also agreed to later adding ethics definitions to each. The following working draft was worked on, but not yet adopted:

*DRAFT: <Later add to Ethics definitions for Consultant> Before, during or after consulting to the requesting party, a consultant should not make claims or reference to provide the services to which they are consulting. Nor should they give pricing as a representative of their own company or make any attempt to have the job moved to their firm. The only exception being if the remediation provider should voluntarily, and without any coercion of any party, vacate the premises.*

One attendee shared that they had a specific company request them for consulting services, but the existing contractor vacated, where then they were hired for the work. This situation was addressed in the ethics discussion, and there was continued concern for the “stealing” of work by consultants brought in.

### **Open Planning**

*Time allotted for attendees to bring forward pain points or issues for the body to consider.*

The group discussed a question brought forward about e-signing standards, and Fred Iantorno offered to assist with the procurement of an existing group that does this or if there needs to be one brought in.

To CIECA, one attendee asked about how the collision industry was changed for the better with standards. Fred responded that the industry was streamlined for growth and has attracted investors and private equity because of the advancements. He also added that CIECA could be an easy integration for the industry, simply by asking for their attention to particular issues or projects.

A TPA requested the identification of their role to the earlier discussion of role definitions.

One attendee asked for a matrix of TPA requirements, that could be looked at for possible streamlining to the same way as the background checks have been addressed.

### **Next Meeting**

The group determined that their previous decision to hold in conjunction with PLRB in November, in Nashville, could be readdressed after the positive response to this meeting. It was agreed upon that a standalone meeting could be possible for the next PIRC. Suggestion was for an afternoon meeting start, followed by a reception and a next day morning meeting to conclude around lunchtime.

Options for October, November and multiple cities would be polled to the group, along with the original option of conjunction of PLRB at either downtown, south, or by the airport. For Spring, survey will include multiple options, as well as next Summer being back in Chicago or Denver standalone.

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