



## Working With A Public Adjuster

### Your Consumer Rights

As a policyholder, you have legal rights when working with a Public Adjuster. It's important to know **your rights** and the Public Adjuster's **responsibilities** prior to signing a contract.

**A PUBLIC ADJUSTER'S ROLE IS TO REPRESENT YOU, THE POLICYHOLDER.**

**The Public Adjuster can file an insurance claim for you and act on your behalf to settle the claim. The Public Adjuster's role can also include:**

Assisting with the necessary forms and documents needed to process your claim

Helping to manage your claim by making sure claim filing requirements are met

Helping to recover the amount you are owed under your insurance contract

# REQUIREMENTS OF A VALID CONTRACT

In order to be valid, the Public Adjuster contract must be in writing in at least 12-point font and be titled “Public Adjuster Contract” and include specific information such as:

- ✓ The full name, business address, phone number, email address and license number of the Public Adjuster
  - ✓ The full name of the public adjusting firm
  - ✓ Your full name, street address, address where the damage occurred if different from your street address, your phone number and email address
  - ✓ Your insurance company’s name and policy number
  - ✓ A description of the damage
  - ✓ The cost of the Public Adjuster’s services in a minimum of 18-point bold font before the signature space
  - ✓ The type of claim (emergency, non-emergency, or supplemental)
  - ✓ Your signed initials on each page that does not contain your full signature
  - ✓ Details regarding your right to cancel the contract and how to cancel the contract
  - ✓ The signatures of the Public Adjuster and all named insureds
  - ✓ The date all parties signed the contract
- ✓ The following language in minimum **18-point bold type**:

“You, the insured, may cancel this contract for any reason without penalty or obligation to you within 10 days after the date of this contract. If this contract was entered into based on events that are the subject of a declaration of a state of emergency by the Governor, you may cancel this contract for any reason without penalty or obligation to you within 30 days after the date of loss or 10 days after the date on which the contract is executed, whichever is longer. You may also cancel the contract without penalty or obligation to you if I, as your public adjuster, fail to provide you and your insurer a copy of a written estimate within 60 days of the execution of the contract, unless the failure to provide the estimate within 60 days is caused by factors beyond my control, in accordance with s. 627.70131(5)(a)2., Florida Statutes. The 60-day cancellation period for failure to provide a written estimate shall cease on the date I provide you with the written estimate. The notice of cancellation shall be provided to ... (name of public adjuster) ...,submitted in writing and sent by certified mail, return receipt requested, or other form of mailing that provides proof thereof, at the address specified in the contract.”

## BE SURE TO REVIEW THE CONTRACT PRIOR TO SIGNING.

If the contract does not include all of the required information, the contract is not valid and is not enforceable.

**The contract must also include a fraud statement as outlined in Florida Law\*, which essentially states that it is a 3<sup>rd</sup> degree felony for a person to intentionally defraud an insurance company or insurance consumer.**

\* Sections 817.234 (1)(a)4(b) and 626.8796(1)), Florida Statutes



## THE PUBLIC ADJUSTER MUST PROVIDE\*\*:

1

48-hour notice if the public adjuster needs access to you in order to schedule a meeting or needs access to your property for an onsite inspection (you may waive the 48-hour notice).

2

A copy of the signed contract to you at the time of execution and to the insurance company **within 7 days** after it is executed.

3

A written estimate of the damages for submission as proof of loss to your insurance company **within 60 days** after the date of the contract. The written estimate must include an itemized estimate of all the repairs, including itemized information on equipment, materials, labor, and supplies.

You may rescind the contract if the public adjuster does not provide the written estimate to the insurance company within 60 days unless the failure to provide the estimate is caused by factors beyond the adjuster's control.

\*\* Applicable only to residential property and condominium unit owner policies. Section 626.854, Florida Statutes

## RIGHT TO CANCEL THE PUBLIC ADJUSTER CONTRACT\*\*

You have the right to cancel a contract with a Public Adjuster **WITHIN 10 CALENDAR DAYS** after the date the contract is executed.

- If the contract is a result of a Governor-declared state of emergency, you may cancel the contract **within 30 days** after the date of loss or **10 days after** the contract is signed, whichever is longer.
- You may also cancel the contract if the Public Adjuster fails to provide you and your insurance company with a copy of a written estimate **within 60 days** of signing the contract, unless the failure to provide the estimate is caused by factors beyond the Public Adjuster's control.

Your notice of cancellation must be made **in writing and sent by certified mail, with a return receipt requested, or another form of mailing that will provide proof**, to the Public Adjuster at the address listed in the contract.

# HOW PUBLIC ADJUSTERS HANDLE CLAIMS\*\*



- ▶ A Public Adjuster cannot accept a settlement of a claim unless it is **authorized and approved by you**.
  - ▶ A Public Adjuster cannot contract for services provided by a third party on your behalf or to settle the claim, when you are paying for those services unless you agree to pay for those services in writing, after the contract for public adjusting services has been signed.
  - ▶ Any expenses that the Public Adjuster requests to be reimbursed for (out of the claims payment) must be specified in the contract and signed by all parties. An example of an expense that the Public Adjuster may incur and request reimbursement for could include a contract with an engineering firm to provide a more detailed report of the damage for submission to the insurance company.
  - ▶ If a public adjuster represents anyone other than you on a claim, the Public Adjuster fees shall be paid by the third party and may not be charged to you.
  - ▶ A Public Adjuster cannot make misleading statements when advertising.
  - ▶ **A Public Adjuster cannot ask or encourage you to submit a false or fraudulent claim.**
  - ▶ A Public Adjuster must avoid conflicts of interest and cannot enter into a contract to do both public adjusting and participate in the repair, restoration or construction of damaged property of the same claim.
- ▶ A Public Adjuster is only allowed to contact you Monday through Saturday between the hours of 8:00 a.m. and 8:00 p.m.
  - ▶ A Public Adjuster cannot begin soliciting business from you before 8:00 a.m. or after 9:00 p.m., unless requested by you.
  - ▶ **A Public Adjuster is not allowed to give or offer anything valued at more than \$25 to anyone for promotional purposes or to encourage them to enter into a contract.**
  - ▶ A Public Adjuster is not allowed to give or offer anything of value in exchange for allowing an inspection of a residential property owner's roof.
  - ▶ A Public Adjuster is not allowed to give or offer anything of value in exchange for filing an insurance claim for damage to a residential property owner's roof.
  - ▶ A Public Adjuster is not allowed to give or offer a loan or advance to you as a client or potential client.
  - ▶ A Public Adjuster is not allowed to obtain salvaged property without your written consent and permission through a signed affidavit.

\*\* Applicable only to residential property and condominium unit owner policies. Section 626.854, Florida Statutes

# PUBLIC ADJUSTER FEES\*\*

A Public Adjuster is only allowed to charge the following fees based upon the amount of the claim payment they were able to obtain from your insurance company.

**20% OF THE CLAIM PAYMENT**  
 Applies to new, reopened, and supplemental claims that are not subject to an event that is declared by the Governor as a state of emergency.

**10% OF THE CLAIM PAYMENT**  
 Applies to hurricane losses and similar losses for up to one year for events that the Governor has declared are a state of emergency. After one year, the public adjuster can then charge 20% of the claim payment.

**NO MORE THAN 1% OF THE CLAIM PAYMENT**  
 A public adjuster **may not charge more than 1%** of the insurance claim payments or settlements when:

- ▶ The payment or agreement is **equal to or greater than the policy limit** for any part of the policy

OR


- ▶ The payment or written commitment is provided **within 14 days** after the date of loss or **within 10 days** after the date the public adjusting contract is executed, whichever is later.

The Public Adjuster’s fee is included in your claim payment and the check will be made payable to you, as the policyholder, and your Public Adjuster. However, if you received any claim payments from your insurance company prior to signing the contract with a Public Adjuster, the Public Adjuster **cannot** charge you a fee based on the previous claim payments you received.


A Public Adjuster that reaches out to you to provide services for a claim and does not enter into a contract with you, may **not** charge you for any services related to the claim.

## EXAMPLE SCENARIOS:


### SCENARIO 1:




 An electrical fire starts in your home causing severe damage to multiple rooms and your roof, in addition to smoke damage throughout your entire home.

### SCENARIO 2:

 During a named hurricane (Governor-declared emergency), a tree falls on your roof causing substantial damage to your roof and water damage inside your home.

### SCENARIO 3:

 Your home suffers substantial damage that is equal to or greater than your Coverage A policy limit.

	 SCENARIO 1	 SCENARIO 2	 SCENARIO 3
PAYMENT FROM INSURANCE COMPANY	\$150,000	\$108,000	\$250,000
PUBLIC ADJUSTER FEE	\$30,000 (20%)	\$10,800 (10%)	\$2,500 (1%)
AMOUNT REMAINING TO PAY DEDUCTIBLE + REPAIRS	\$120,000	\$97,200	\$247,500

# CONSUMER TIPS

## AND SAMPLE INTERACTION LOG

### Verify the Public Adjuster's License and Report Unlicensed Activity

Public adjusters are required to post their license at their place of business or have it on their person when conducting business.

- ▶ **Verify a Public Adjuster's License**  
Department of Financial Services' Licensee Search: <https://LicenseeSearch.FLDFS.com>
- ▶ **Report Unlicensed Activity**  
Contact the Department of Financial Services' Division of Insurance Agent and Agency Services' Bureau of Investigation via email: [AskDFS@MyFloridaCFO.com](mailto:AskDFS@MyFloridaCFO.com)

### Research the Public Adjuster and Check References Before Hiring

- ▶ **Research Public Adjuster Reviews**  
Conduct an online search of the Public Adjuster (PA) and the company the PA works for to read reviews on their work from previous companies. The Better Business Bureau may also have reviews and feedback from consumers on the company.
- ▶ **Request References**  
Ask the Public Adjuster for references and call the listed persons to verify the PA's work history or experience.
- ▶ **Check for Official Complaints**  
Contact the Department of Financial Services' Division of Consumer Services to determine if any complaints have been filed against the Public Adjuster: **1.877.MY.FL.CFO (693-5236)** (Out of State Callers: **850.413.3089**)

### Review The Contract Before Signing

- ▶ Cancellation options and a statement regarding false and fraudulent insurance claims must be included in the contract.
- ▶ The full name, business address, phone number, email address and license number of the Public Adjuster must be included in the contract.
- ▶ The cost of the Public Adjuster's services must be included in the contract.
- ▶ The required cancellation language must be in minimum 18-point bold type. Example of 18-point bold font:

**18-point bold font**





## QUESTIONS OR CONCERNS

If you have additional questions or concerns prior to signing a contract with a Public Adjuster, contact:

**Department of Financial Services  
Division of Consumer Services**

**INSURANCE CONSUMER HELPLINE  
1.877.MY.FL.CFO (693-5236)**

or the

**Office of the Insurance Consumer Advocate  
850.413.5923.**



[www.MyFloridaCFO.com/Division/ICA](http://www.MyFloridaCFO.com/Division/ICA)

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