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.

FLORIDA'S INSURANCE CONSUMER
ADVOCATE
FLORIDA DEPARTMENT OF FINANCIAL SERVICES
Tasha Carter

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, permanent business address, phone number, email address and license number of the Public Adjuster
- The full name and license number 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

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 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."

The contract must also include a fraud statement as outlined in Florida Law*, which essentially states that it is a 3rd 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**:

1. May not collect a fee for services on payments made to you unless you have signed a written contract with the Public Adjuster.

2. Must provide a copy of the signed contract to you at the time it is signed and to the insurance company **within 7 days** after it is signed.

3. Must provide 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.

4. Must provide a *separate* disclosure regarding the claim process BEFORE you sign the contract. The disclosure form defines the types of adjusters involved in an insurance claim and your rights as a policyholder.

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.

**** Applicable only to residential property and condominium unit owner policies.**

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, deceptive or false statements when advertising.

- **A Public Adjuster cannot ask or encourage you to submit a false or fraudulent claim.**

A Public Adjuster is only allowed to solicit you Monday through Saturday between the hours of 8:00 a.m. and 8:00 p.m.

- 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 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.

REPORT INSURANCE FRAUD

Department of Financial Services' Criminal Investigations Division

https://First.FLDFS.com **1-800-378-0445**

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 up to one year for claims that are the subject of an event that the Governor has declared a state of emergency. After one year, the public adjuster can charge 20% of the claim payment.

NO MORE THAN 1% OF THE CLAIM PAYMENT

Please note, 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 that part of the policy

IF

- 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 will be deducted from your claim payment. 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 and your insurance company agrees to pay your Coverage A policy limit within 14 days after your house is damaged or within 10 days after you have signed the Public Adjuster contract.

	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**
  Report Public Adjuster unlicensed activity to the Department of Financial Services' Division of Insurance Agent & Agency Services through the **https://MyFloridaCFO.com/Ask-FLDFS** portal. (Agent Licensing and Agency Services)

Research the Public Adjuster and Check References Before Hiring

- **Research Public Adjuster Reviews**
  Conduct an online search of the Public Adjuster (PA) and the PA firm to read reviews on their work from previous clients. 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.

Review The Contract and Required Disclosure 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

Document Accordingly

- Keep copies of all correspondence and communication with the Public Adjuster, contractors and insurance company to support your claim.
- Maintain an interaction log of both written and oral communication.

There are No Guarantees

- The Public Adjuster **cannot** guarantee you that there will be a quicker claim settlement or that you will receive a larger claim settlement by entering into a contract for their services.

INTERACTION LOG

Public Adjuster Full Name _____

Business Address _____

_____

Phone Number(s) _____

Email Address _____

Name of the Public Adjusting Firm _____

Public Adjuster License Number _____

Date Public Adjuster Contract Signed _____

Date/Time	Type of Communication (Phone, Email, In Person)	Notes

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.

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