

How to Settle Your Property Insurance Claim

Pennsylvania's New Public Adjuster Law, Act 21 of 2012

What is an insurance property claims adjuster?

An insurance property claims adjuster is an individual that will evaluate the damage to your property and estimate the cost to repair your property to pre-loss condition. There are three basic types of insurance property claims adjusters: staff, independent or public.

Your insurance company provides an adjuster at no charge to you. Claims adjusters who work for insurance companies are either employees of the insurance company, called staff adjusters, or independent adjusters hired and paid by your insurance company. These adjusters represent the insurance company while working with you to settle your claim.

You may also choose to use a public adjuster to assist you in filing your claim with your insurance company. Public adjusters have no relationship with your insurance company and will charge you a fee for their services. It is your choice to hire a public adjuster.

How can I verify if a person is licensed as a public adjuster?

Public adjusters are required to be licensed by the Insurance Department. You can confirm that a public adjuster is licensed by going online at www.insurance.pa.gov and clicking on the "ONLINE RESOURCES" tab under the welcome message.

Do I have to sign a contract with a public adjuster?

Yes, if you use a public adjuster, Pennsylvania law requires that public adjusters provide you with a written contract. The contract will specify their fees and services. Contract forms used by public adjusters must be approved by the Pennsylvania Insurance Department.

What disclosures are required to be included in the public adjuster contract? There are four disclosures that must be included in every public adjuster contract. These disclosures must be separately signed or initialed by the public adjuster and the consumer to indicate that you understand your rights:

- 1. You have the right to rescind the contract within three (3) calendar days after signature.
- 2. The public adjuster must disclose that their fee will come from a portion of the claims payments from your insurance company and will not be in addition to those payments.
- 3. The public adjuster is required to provide you with a copy of an estimate or report of losses and, upon your request, any supporting documentation sent to the insurance company on your behalf.
- 4. The public adjuster is not a representative or employee of the insurance company. He or she is an independent licensee of the Insurance Department.

Can I cancel the contract with the public adjuster?

Yes. You can rescind or cancel the contract for any reason within three calendar days after you have signed the contract. If you wish to cancel the contract after three calendar days, you should contact an attorney to determine your rights and obligations.

Can the public adjuster also contract to repair the damages to my property?

Your public adjuster cannot serve as your construction contractor and public adjuster at the same time. If you choose to hire a public adjuster or an affiliated entity to repair, replace, restore, renovate or demolish your damaged property, you must have a separate contract for those contractor services. That service contract cannot be entered into unless, or until, a decision is made regarding your claim or you have received payment from your insurance company – whichever is first.

Is the public adjuster's fee covered by my insurance policy?

No, your insurance policy does not cover the fee of the public adjuster.

How does the public adjuster get paid?

Usually, the public adjuster fee is a percentage of the claim payment from your insurance company. That fee is not in addition to the claim payment and will be deducted from your claim settlement. The fee must be disclosed in the contract the public adjuster provides to you.

Are public adjuster fees negotiable?

Yes. Public adjuster fees can and should be negotiated before you sign the contract. There are no restrictions on fees that a public adjuster can charge for their services.

How do I choose a public adjuster?

You should choose a public adjuster as you would an insurance agent, remodeling contractor or anyone with whom you would do business. Verify the person is properly licensed and ask for references.

Here are some additional consumer tips:

- Verify that you are working with a licensed public adjuster and check their qualifications.
- Ask your agent, a lawyer, friends or associates for the name of a professional adjuster they can recommend.
- Review the contract carefully. It contains important information and disclosures.
- Verify that the fee being charged is what was agreed upon.
- Understand that under Pennsylvania law you have three calendar days after you sign to rescind or cancel the contract for any reason.
- The public adjuster will provide you with a copy of an estimate or report of loss and, upon your request, copies of any other supporting documentation sent to the insurance company.
- Public adjusters are not permitted to be involved in a salvage business.
- Public adjusters may not prohibit communication between you and your insurance company.