



What You Should Know Before

HIRING A PUBLIC ADJUSTER

What is a Public Adjuster?

A public adjuster is a person or business that can be hired at a cost by a policyholder to negotiate an insurance claim with the insurance company. Public adjusters are hired by the policyholder; they are not employees of insurance companies. You are NOT required to hire a public adjuster for the insurance company to pay your claim.

What does a public adjuster do?

A public adjuster can provide numerous services after an incident like:

- Reading the insurance policy to determine what is covered.
- Determining how long it will take and how much it will cost to fix the property.
- Negotiating with the insurance company to settle the claim.

If you are interested in hiring a public adjuster, there are some important things to know:

The policyholder is responsible for paying the public adjuster. The public adjuster payment is usually a percentage of the total claim amount as agreed to in a signed contract. Make sure the amount you will pay in the future is something that you can afford and it is not too high.

The public adjuster may request that they are the only point of contact with the insurance company.

All public adjusters must be licensed by the Pennsylvania Insurance Department. Confirm the license status of a public adjuster at www.insurance.pa.gov. Select “Consumers” followed by “Find Insurance Professional.”

Before hiring a public adjuster, make sure that the public adjuster is reputable. Ask questions to assess their skill level, previous experience, and licensure status.

Ask the following questions:

- How long have they been in business?
- Can they provide references to other homeowners they assisted? Do not rely only on internet reviews.
- Do they have a license to act as a public adjuster?

Are there special laws and regulations that public adjusters must follow?

Yes, public adjusters are required to follow Pennsylvania laws involving public adjusters; these include, but are not limited to:

An adjuster may not begin helping with a claim unless they have a signed contract with the policyholder.

- Any contract that an adjuster uses has been approved by the Insurance Department. If you are concerned the contract does not contain the information and disclosures required by law, contact us.

In the contract, the public adjuster must disclose that their fee will come from a portion of the claim payments from your insurance company and will not be in addition to those payments.

- Be sure to understand how that payment will impact the money available for the repair of your home.

A public adjuster must:

- Notify the insurer, within 2 business days of the execution date of the contract, of the public adjuster's representation to facilitate the processing of claims.
- Communicate in writing, to the insured, within 5 business days, all settlement offers from an insurer so that the insured is made aware of all the options.
- Reply to written communications from an insurer, with respect to a claim, in writing within 5 business days, only if the communication from the insurer requires a response.
- Before hiring a public adjuster, make sure that the public adjuster is reputable. Ask questions to assess their skill level, previous experience, and licensure status.

An adjuster who is also a contractor:

- Can only perform one function at a time.
- Must have two different contracts with the policyholder: an approved public adjuster contract and a separate service contract for any repair work.

An adjuster who also wants to work as an insureds contractor cannot begin to repair the property until the insurance company has made a decision on the claim.

A public adjuster may recommend a contractor but you can choose your own.

Questions?

Visit insurance.pa.gov or call 1-877-881-6388.

Connect with us on Twitter @PAInsuranceDept and Facebook.com/PAInsuranceDepartment.

