

TO All Public Adjusters Licensed in Pennsylvania
FROM Jack Yanosky, Director
Bureau of Licensing & Enforcement
DATE September 5, 2012
RE Important Notice on Implementation of Public Adjuster Contracts
Under Act 21 of 2012

It has recently come to the Department's attention that some public adjusters may be misinterpreting the language in Edition 1 of the Department's approved adjuster contract with respect to an important consumer protection issue—specifically, the date on which the three-day statutory rescission period begins to run. Please note that, in accord with the language of Act 21 of 2012, the prior act, the Department's regulations, and the Superior Court's decision in *Hollis Adjustment Agency, Inc. v. The Graham Company et al.*, 911 A.2d 1008 (Pa. Super. 2006), the statutory rescission period begins to run as of the execution date of the contract—meaning the date on which the contract has been signed by all parties and thereby becomes effective.

The Department's approved contract language is intended to implement the provisions of Act 21 for use in the most common scenario—in which both the consumer and the public adjuster execute the contract at the same time or, at a minimum, on the same date. Please note that in no event may an adjuster use a start date for calculating the statutory rescission period that occurs prior to the date on which the contract has been fully executed—i.e., signed by all parties to the contract. By way of example, adjusters using their own approved contract language indicating that the contract is not effective until subsequently signed by both the adjuster and a corporate representative of the adjusting company, must then use that same contract effective date—rather than the date on which the contract is first signed by the consumer—as the date on which the three-day statutory rescission period begins to run. Any person using a date for the start of the rescission period that precedes the execution (i.e., effective) date of the contract may be subject to penalties under the law.

The Department anticipates releasing revised, approved contract language (Edition 2) in the near future to ensure that there is no further confusion on this issue. Thank you for your cooperation on this important issue.