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Standing Up for Consumers: A Discussion of Recent Legislative Changes for Public Adjusters

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Senate Bill 439 Background

- Prior requirements
- May 2013 tornadoes
- First draft
 - Cap on all public adjuster fees
 - Fees limited to difference between settlement offer and final recovery

Contracts

- **Must be in writing**
- **Specific compensation provisions**
 - **Exact percentage**
 - **Estimation of initial expenses to be reimbursed to the PA**
- **Required initials of both the insured and the PA next to the compensation provisions**

Contracts

- If, within 72 hours after the loss is reported, the insurer pays or commits to pay a policy coverage limit:
 - PA cannot receive % fee commission
 - PA must inform insured that the recovery might not be increased
 - PA only entitled to reasonable compensation based on services provided

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Catastrophic losses

- In the event of an emergency declaration by the Commissioner, a PA may not charge more than 10%
- Not applicable to claims by a for-profit commercial entity

Disclosures

- PA must provide a signed authorization letter to the insurer from the insured
- A PA shall provide the insured with a separate disclosure document that states:
 - The different types of adjusters and the role of each in a claim
 - The insured is not required to hire a PA
 - The PA is not a representative of the insurer
 - The fee for the PA is the responsibility of the insured

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Prohibitions

- A PA cannot split any fee with any person unless that person is a licensed PA
- A PA shall not solicit an insured during a loss-producing occurrence
- A PA shall not refer the insured to obtain repairs or services from any person or entity with whom the PA has a financial interest or from whom the PA may receive compensation for the referral

The Unauthorized Practice of Public Adjusting

- Acting as an adjuster without a license now a misdemeanor in Oklahoma
- Role of the roofer/contractor
- NAIC activity: Public Adjuster Working Group

Questions

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