

THE COMMUNITY BUILDER

Public Adjusters... Another Professional in Our Arsenal

With the recent onslaught of Hurricane Sandy, I thought it was a good time to talk about Public Adjusters. As Florida is not immune to the destruction that storms and hurricanes can cause, we are no strangers to the perils of trying to negotiate and settle insurance claims. Dealing with claims adjusters, understanding the deductibles, the specifics of insurance coverages and the exclusions or riders to policies make dealing with the rubble and aftermath a monumental task. For those weak of will or, understandably, not an expert in the field of insurance, construction and assessing the cost to replace the damaged items, could create another kind of havoc with that inexperience. It has been our collective positive experience with the public adjusters that have been engaged by our associations over the years that we feel this information and experience could be most helpful to those that may not have known this type of expert help was available.

First and foremost, we all have to remember that while the insurance agent is our friend when we are buying the coverage, it may not work out that way when trying to settle or negotiate a claim. After all, the agent and the claims adjuster do not work for you, they work for the insurance carrier. Generally, the manager, no matter how experienced, or the attorney again, no matter how experienced are not professionals in this field. Public adjusters are.

A Public Adjuster is an insurance claims adjuster who advocates for the policyholder in appraising and negotiating a claimant (that's you) insurance claim. Aside from attorneys and the broker of record, public adjusters licensed by state departments of insurance are the only type of claims adjuster that can legally represent the rights of an insured during an insurance claim process. A public adjuster will be most beneficial when it is clear that the insurer will pay the claim and the only issue is the proper identification and valuation of the loss. Primarily they appraise the damage, prepare an estimate and other claim documentation, read the policy of insurance to determine coverages, and negotiate with the insurance company's adjuster.



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The public adjuster's main responsibilities are to:

- Evaluate existing insurance policies in order to determine what coverage may be applicable to a claim
- Research, detail and substantiate damage to buildings and contents and any additional expenses
- Evaluate business interruption losses and extra expense claims for businesses
- Determine values for settling covered damages
- Prepare documents and support the claim on behalf of the insured
- Negotiate a settlement with the insurance company on behalf of an insured
- Re-open a claim and negotiate for more money if a discrepancy is found after the claim has been settled

Currently, 44 states (and the District of Columbia) have in place some form of statutory and/or regulatory scheme which licenses public adjusters. The 6 states that do not are: Alabama, Alaska, Arkansas, South Dakota, Virginia and Wisconsin. It is also important to note that in 2005 the National Association of Insurance Commissioners adopted the Public Adjuster Licensing Model Act, which governs the qualifications and procedures for the licensing of public adjusters. This ensures that there is a specific level of competency and professionalism in the field for the protection of consumers.

Most public adjusters are paid based on a percentage of the total settlement. Some public adjusters charge a flat percentage, while others use a regressive scale, for example 25% of the first \$100,000, 10% between \$100,001 and \$200,000, and 8% of any amount beyond that.

Typically, a policy holder hires a public adjuster to document and expedite their claims, obtain a more satisfactory claim recovery, more quickly and completely restore their residence or business operations and insulate themselves from the stress of engaging in an adversarial role with a large corporation. It is best if a public adjuster is engaged early in the process. This will provide the opportunity for the public adjuster to be involved before the fact-finding stage and to help the



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policy holder receive a fair settlement for all losses legitimately covered under the insurance policy.

The magnitude of some losses may exceed the knowledge of both the Board and the manager. A public adjuster being engaged may result in the Association receiving everything that its insurance policy legitimately entitles it to recover, thus ensuring that the Board and the Management company have done their very best for the Association.

