

## ***Public Adjuster Facts & Required Disclosures***

### **Public Adjusting Requires a License**

A license is required for a third-party professional to present and negotiate your claim to your insurance carrier. This is known as a public adjuster license. Individuals from other companies such as contractors and consultants may offer this service at “no cost to you” but beware of these individuals as they are operating illegally when they offer to “handle your claim” without a public adjuster license. A licensed public adjuster is skilled in understanding policy coverage, which varies from policy to policy, various policy conditions you as the property owner are required to comply with, and overall damages documenting and negotiations. They are also required to be bonded, pass an examination and undergo continuing education to maintain their license. You can check for a license or license status of anyone via the Hawaii Insurance Department Webpage and NAIC - <https://sbs.naic.org/solar-external-lookup/>

You do **NOT** need a public adjuster to file a claim or handle your own claim, however if you are seeking professional help, ensure they are properly licensed.

### **Adjuster Types**

There are three standard types of insurance adjusters that could be involved in the processing of your insurance claim. The definitions of the three types are as follows:

- (1) Public adjusters means the insurance adjusters who do not work for your insurance company. They work for you, the insured, to assist in the preparation, presentation, and settlement of your claim. You hire them by signing a contract and agreeing to pay them a fee or commission based on a percentage of the settlement, or other method of compensation. Public adjusters are required to be licensed, bonded, and tested by the State of Hawaii to represent your interest only.
- (2) Company adjusters means the insurance adjusters who are employees of your insurance company. They represent your insurance company and are paid by your insurance company.
- (3) Independent adjusters means the insurance adjusters who are hired on a contract basis by your insurance company to represent the company in the settlement of the claim. They are paid by your insurance company. They will not charge you a fee. You have the right, but are not required, to use the services of a public adjuster in the preparation and handling of your insurance claim.

Your “Public Adjuster Contract,” with a public adjuster representing you, should clearly indicate the amount of the fee you will be paying to your public adjuster. The salary, fee, commission, or other consideration is to be paid by you (the insured), and will not be paid by the insurance company (insurer).

You have the right to cancel the contract with your public adjuster, without any penalty or obligation, within three business days from the date the contract is signed. If you cancel the contract with your public adjuster, any money or other consideration paid by you will be returned within fifteen business days following the receipt of your cancellation notice.

To cancel the contract with your public adjuster, mail or deliver by certified mail, return receipt requested, or other form of mailing that provides proof of mailing, a signed and dated copy of the cancellation notice, or any other written notice, or send a telegram to the public adjuster at the address in the contract.

A public adjuster must provide you (the insured) written disclosure concerning any direct or indirect financial interest that the public adjuster has with any other party who is involved as outlined in HI statute 431:9-244.

If the insurer, no later than seventy-two hours after the date on which the loss is reported to the insurer, either pays or commits in writing to pay you (the insured) the limits of any coverage specific to the claim, a public adjuster may not charge the contingency fee outlined in the contract on that amount and may only charge a reasonable fee on the basis of time and expense.

You have the right to, and may, communicate with your insurance company at any time if you feel the need during the claims process.

If you have any concerns or questions you may contact the Hawaii Department of Insurance at (808) 586-2790 or [insurance@dcca.hawaii.gov](mailto:insurance@dcca.hawaii.gov)