



# DEPARTMENT OF BUSINESS REGULATION

1511 Pontiac Avenue, Bldg. 69-2 - Cranston, RI 02920

## Public Adjuster Consumer Outreach Notice

Dealing with the loss or damage to your home, contents or other property after a major storm, hurricane, fire or theft can be overwhelming. It is important that you, the consumer, take steps to protect yourself and your property so that you are able to recover from that loss.

While many consumers can resolve their property claims by dealing with their insurance company and the assigned adjuster on their own, sometimes consumers or businesses prefer to hire a licensed insurance professional to handle the insurance claim on their behalf. These licensed insurance professionals represent you, the policyholder, with regard to an insurance claim and are known as public adjusters. You can hire a public adjuster to act on your behalf to process and negotiate your real or personal property claim with the insurance company (other than automobile). The fee for hiring a public adjuster is paid by you, the policyholder, and not your insurer.

The department receives many questions about the role of a public adjuster. A public adjuster is an insurance claim adjuster who acts as an advocate for you, the policyholder, in appraising and negotiating your first party property insurance claim (other than automobile). Primarily, a public adjuster appraises the damage, prepares an estimate for the damage to the building or structure, prepares an inventory of the contents or personal property, and processes other claim documentation. A public adjuster should also advise and assist you, the policyholder; not only to explain your position to the insurance company, but also convey and explain the insurance company's position to you. A public adjuster will read your insurance policy to determine coverage available to you and negotiate with the insurance company's adjuster. Further, as an adviser and assistant to the policyholder, the public adjuster should make sure that you understand your rights and duties under the insurance policy, and that you meet the various deadlines and other technical requirements of the insurance policy and otherwise comply with all of the terms and conditions of the policy.

It is against Rhode Island law for anyone to act as a public adjuster unless licensed as a public adjuster. There is a licensing exception for an attorney at law admitted to practice in RI and acting in his or her professional capacity as an attorney. It is also against RI law for an insurance company to negotiate with an unlicensed public adjuster.

Insurance Division

If you, the policyholder, are approached by a person or company who asks that you let them handle your insurance claim, you should make sure that person is a licensed public adjuster. While not a full list of requirements, Rhode Island regulation requires public adjuster contracts to include the title of “Public Adjuster Contract” and the public adjuster’s license number. This is for the benefit of the consumer. If you think you are hiring a public adjuster, but you aren’t sure if the person is licensed, you can use our online [License Manager Search](#) or contact our licensing unit at 401-462- 9650, prompt #2 to speak with someone who can verify licensure. Further, if a contract or a direction to pay includes language like “power of attorney” or “handle my claim” or instruct “an insurer to only communicate with me” this contract alone does not give authority to act as a public adjuster. Unless a license is not required by statute, the only authority to act as a public adjuster is to hold a public adjuster license.

If you hire a public adjuster, you should understand that your insurance company may or may not agree with the estimates of damages prepared by the public adjuster. However, public adjusters are licensed to negotiate on your behalf to ensure the insurance company settles your claim in accordance with the terms and conditions of the insurance policy issued to you. A public adjuster’s main responsibilities are to protect the interest of you, the policyholder, and advocate on your behalf with the insurance company. While not an all-inclusive list, some examples of these actions are:

- Evaluate an insurance policy to determine what coverage(s) may be applicable.
- Inform you, the policyholder, of the policy’s deadlines, technical requirements and other terms and conditions, and otherwise advise you on your rights and duties under the policy.
- Research, detail and substantiate damage to buildings and contents and any additional expenses that you incur.
- Evaluate business interruption losses and extra expense claims for businesses.
- Prepare, document and support the claim(s) on your behalf.
- Provide the insurance company’s loss estimates and evaluations and proposed resolutions to you and explain them to you, as well as what the differences are, if any, between the insurance company’s estimates and the estimates submitted on your behalf.
- Convey and explain the insurance company’s other positions, such as any coverage positions, to you.
- Convey and explain your positions on the amount of loss, any coverage disputes, etc., to the insurance company.
- Negotiate a settlement with the insurance company on your behalf.
- Assist you in understanding, preparing and submitting any required documents related to the claim, as well as assist you in the appropriate distribution of settlement monies so that your interest and any other interest, such as a mortgagee’s, are protected.

What contractors **can do** without a public adjuster license:

- Approach a homeowner or business owner offering repair or reconstruction services.
- Offer an opinion to a policyholder as to whether damage is from a storm or other incident.
- Prepare an estimate and scope of work for the loss.
- Discuss the estimate or scope of work with their customer.
- Be present when an insurer's adjuster inspects the damage.
- Answer questions the policyholder or the insurer's adjuster has about the repair/damage estimates.

What contractors **cannot do**, unless they hold a Rhode Island public adjuster license:

- Investigate, appraise, evaluate, give advice, advocate on behalf of or assist their customer in adjusting a claim.
- Prepare the insurance claim for their customer.
- Negotiate the claim with the insurance company on their customer's behalf.
- Offer to review the insurance policy or advise their customer on the insurance policy's coverage.
- Advertise or provide written materials that they can negotiate or investigate a claim on their customer's behalf. This includes advertising to be "claim specialists" or "claim analysts" or any other similar terms, or advertising or claiming that they can "deal with insurance companies" or in any way increase the claim settlement amount for the policyholder.