

## **Public Adjusters - The Inside Scoop**

If you have a large property damage claim, you may need professional help to recover your full insurance benefits in a timely manner. Public adjusters can negotiate a claim settlement with your insurer on your behalf. Because they are experienced in dealing with claims and company adjusters, they can be very helpful in maximizing and speeding up your recovery. Public Adjusters get paid a percentage of whatever they recover for you. You can negotiate the percentage, and it generally ranges between 5-12%. Public Adjusters can be aggressive in soliciting clients after a disaster, so take your time and get educated before deciding to retain one.

### **Q: What is a public adjuster?**

A: A person who is licensed to represent insureds' interests on first party property damage claims.

### **Q: How do I find a public adjuster (P.A.)?**

A: Through the [National Association of Public Insurance Adjusters](#), the national organization that regulates public adjusters. NAPIA's [code of conduct](#) governs all members.

### **Q: How do I make sure I hire the right person?**

A: Do an in-person interview and request at least five references. Call the references, find out what their situation was. Have your questions prepared before you call. Then check the status of the person's license with your state insurance regulators office.

### **Q: If there have been complaints filed against a P.A. should I rule that P.A. out automatically?**

A: Not if the complain is for one isolated instance. Ask the P.A. to explain.

### **Q: What should I expect to pay a P.A.?**

A; The standard fee is 10% of the amount recovered, but this can vary depending on the size and nature of the loss.

**Q: Can I pay my P.A. by the hour instead?**

A: I don't recommend it. P.A.s are available 24/7 and often work many hours to secure a fair settlement.

**Q: Should every policyholder that has a property claim hire a P.A.?**

A: No. It depends on the policy, size of loss, and whether the policyholder has had prior experience negotiating a major claim.

**Q: Why does size of the loss matter?**

A: The smaller the loss the less it makes sense to hire someone on a percentage basis. If you're very underinsured, it's not worthwhile for the same reason. In that situation you should consider hiring an attorney if the carrier or its agent didn't properly insure you.

**Q: What does a P.A. actually do?**

A: Primarily, a P.A. documents the loss and negotiates a settlement. The burden of proof is on the insured, so professional help maximizes your recovery.

**Q: Does it matter whether your P.A. knows the insurance adjuster assigned to your claim?**

A: Yes, but that's hard to determine before hiring the P.A.

**Q: What do you do if your PA is not returning your calls?**

A: If you're not having ongoing communications or getting status reports monthly, and you're not getting returned phone calls, confirm this in writing to the P.A., and ask to schedule a meeting to review your claim.

**Q: What if you're still not satisfied with your P.A.?**

A: P.A. contracts are subject to a three day cancellation period by statute. After that, you can terminate the P.A. and pay them the fee they've reasonably earned up to that point in time. If a fee dispute arises, you can go to mediation, or as last resort, litigation.

**Q: Are contracts with Public Adjusters standardized?**

A: Yes. All P.A. contracts have to be approved by the California Dept. of Insurance.

**Q: How does a P.A. find me after I've had a property loss such as a fire?**

A: Through the media, referrals, on-line services, fire department dispatching.

**Q: Is there anything wrong with a P.A. soliciting you?**

A: No. Unless you've had a prior loss, you won't be aware of this service unless someone shows up at your property or calls you.

**Q: Do insurance companies ever discourage claimants from hiring a Public Adjuster, and if so, why?**

A: This happens all the time. Insurance companies don't want the insured to be on an even playing field. They want to control the situation and not deal with someone as or more knowledgeable than they are. Insurers are predisposed to minimize claim payments. Public adjusters are predisposed to maximize claim payments.

The above answers were provided by Public Adjuster Bill Hedden of the San Francisco firm, Consolidated Adjusting. You can contact Bill at [adjustbill@aol.com](mailto:adjustbill@aol.com). Bill has served on UP's Board of Directors for many years. To review Public Adjuster Licensing requirements or file a complaint, contact your state insurance department or visit the NAPIA website at [www.napia.com](http://www.napia.com)