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### FOR IMMEDIATE RELEASE

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# Public Adjusters – What to Know Before Signing a Contract?

**Denver** – Homeowners will soon deal with the aftermath of recent wildfires in Colorado, which includes working through their insurance claims. Typically, insurance companies provide trained, professional adjusters to help homeowners navigate the claim process. In some cases, homeowners may choose to work with a public adjuster.

# What does a public adjuster do?

A public adjuster signs a contract with a consumer to assist in negotiating the consumer's insurance claim. They work on behalf of a consumer and receive a negotiated commission based on the final payment of the claim.

A public adjuster should manage your claim from clean-up to rebuild, identifying every detail of the loss and repair work. This includes visiting the site to analyze and estimate the damages, reviewing your homeowner's insurance policy and determining replacement costs. Public adjusters should also hire reputable and professional contractors for the repairs, and handle the paperwork required by your insurance company.

"Consumers need to understand that they are never required to hire a public adjuster. If they do, they should make sure they are working with a licensed, reputable public adjuster," said Commissioner of Insurance Jim Riesberg. "We have seen people harmed when dealing with unlicensed public adjusters." Consumers should call the Division of Insurance at 303.894.7490 / 1.800.930.3745 to verify a license before signing a contract.

### How much should a public adjuster charge?

Ten percent of the claim is a typical charge and is the industry standard. If you are being quoted a price less than 10 percent, it may be a good deal. If it is more than 10 percent, you may want to continue shopping. State laws do not limit the amount that may be charged. Regardless of low and high prices, you want to hire a licensed, reputable and experienced public adjuster.

### Tips – Before hiring a public adjuster

- You are not required to hire a public adjuster and you do not have to sign a contract on the spot.
- Meet with more than one public adjuster and allow yourself time to check references.

- Make sure the person is licensed by the Colorado Division of Insurance. Call the Division of Insurance at 303.894.7490 / 1.800.930.3745 to verify a license. You can also check with the Better Business Bureau to find out if there any complaints against an adjuster.
- Find out where the public adjuster lives permanently. After some disasters, out-of-state individuals may travel to the disaster state. If you use a non-resident licensed public adjuster, be sure to check for local references before signing a contract.
- Find out how long the individual has been a public adjuster, and how many claims they
  have handled.
- Read any contract carefully. DO NOT SIGN unless you understand and agree to its terms including any dollar figures, fees, deposits, percentage of claim promised to the public adjuster, penalties for cancelling the contract, and the timing of the contract and all payments.

If you hire a public adjuster, notify your insurance company as soon as possible and give them the name of the public adjuster as someone authorized to work with the insurance company on your behalf. From that time on the insurance company will work with the public adjuster instead of directly with you.

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The <u>Colorado Division of Insurance</u> regulates the insurance industry and assists consumers and other stakeholders with insurance issues.

The <u>Department of Regulatory Agencies (DORA)</u> is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado.

**Consumer Protection is Our Mission.**