



INSURANCE COMMISSIONER
State of Oklahoma

BULLETIN NO. PC 2013-07

TO: ALL OKLAHOMA LICENSED PUBLIC ADJUSTERS

FROM: JOHN D. DOAK INSURANCE COMMISSIONER

RE: PUBLIC ADJUSTERS AND FEES

DATE: JUNE 14, 2013

The recent tornados in Oklahoma have resulted in momentous damage to property. The Department has received several inquiries regarding the use of public adjusters in negotiating the resulting property insurance claims. A public adjuster is any person who acts as the agent of an insured in negotiating or settling a property claim for compensation. A public adjuster has a duty to act in the best interest of the insured.

The unauthorized practice of public adjusting is prohibited under Oklahoma law. Contractors may not offer adjusting services due to the conflict of interest in acting as both contractor and public adjuster on the same claim. A public adjuster must first be licensed with the Oklahoma Insurance Department before representing a property owner in the claims process and collecting a fee on the claim payout.

The Department strongly advises public adjusters working the recent Oklahoma storms:

- Show proof of state license to prospective customers;
- Do not require payment in advance for representation;
- Do not charge a fee that exceeds ten (10) percent of the total gross claim settlement.

Any fees for adjusting services charged to property owners must be reasonably related to the services rendered. The Department expects that all public

adjusters will act in a professional and responsible manner with due consideration toward the hardships and disruptions being experienced by property owners affected by the recent storms. Many property owners have experienced losses that exceed policy limits or that may not be eligible for coverage under applicable insurance policies. The Department cautions public adjusters to refrain from charging fees that do not reasonably reflect the actual amount of adjusting services being provided.

The Department will closely monitor all fees charged by public adjusters, and in particular, any fees that appear excessive.

Questions applicable to this bulletin should be directed to Jason Johnston of the Consumer Assistance Division at Jason.Johnston@oid.ok.gov or Julie Meaders of the Legal Division at Julie.Meaders@oid.ok.gov

The Oklahoma Insurance Department encourages readers of this bulletin to periodically check the Department's web site at <http://www.ok.gov/oid/> for news and updates to bulletins and other relevant material.