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History of Public Adjusters in Florida, available at: <http://catastrophe911.com/2010/09/22/the-lesser-legacy-advocacy-for-insureds-and-the-public-adjusting-profession/>

The Lesser Legacy: Advocacy for Insureds and the Public Adjusting Profession

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The year was 1944. The average price of gas was 15 cents a gallon. The median home price was less than \$4,000.00. George Lucas was born. Coppertone Suntan Creme was invented in an attempt to shield the soldiers fighting in the Second World War from harmful rays. This was also the year that Alfred A. Lesser (“Al”) began public insurance adjusting in Florida.

After the untimely death of his wife, Al picked up and moved from Boston to sunny Miami Beach. Al had worked as a public adjuster since 1930 in the Boston area and, when he came to Florida, he was the only public adjuster doing business. I repeat, the only public adjuster in Florida. The competition would begin to grow, and soon Al knew of two other gentlemen who were public adjusters in Florida.

As a founding member of [NAPIA](#), the National Association of Public Insurance Adjusters, Al realized the importance of banding together in camaraderie with other public adjusters. Alfred Lesser paved the way for public insurance adjusters in Florida and other states through his company’s adjustment of claims for policyholders in the U.S. and beyond. The company still operates from its office in Miami Beach and is now called [Lesser & Company, Inc.](#). Recently, I had the privilege to sit down and chat with Norman Lesser. Norman, David and Melvin kept the company going after Alfred passed the business down. Today, Norman still works claims and still visits losses. After over sixty years in the business, he says he can’t stop and he won’t stop now. A true, living legend. I asked Norm to recount some of the stories of the past for me. I wanted to get an idea of what public adjusting was like in the 1950’s and 1960’s. Well, Norman started at the beginning...

He said when his uncle Al started adjusting in Florida, he offered a service to those who suffered a loss. The company would “ADJUST” the claim for the policyholder and communicate with the insurance company. Even decades ago, people were busy, insurance contracts were confusing, and the benefit of the dollar was not provided to the insured. The Lessers were the professionals hired to do the work-up of the claim and navigate the insurance obligations and coverages for the client. Just as you would hire an accountant for taxes, if you had an insurance claim, you would hire Al. In those days, the adjustment was done onsite with the insurance company, and the insurance company’s representative had the ability to resolve a claim with finality and pay a claim. Norm said that in the 60+ years he has been in this business, he has seen lots of change and strife, but he

has also witnessed insurance companies pay multi-million dollar losses in a matter of a few days. This was before Federal Express delivery, text messages, or estimating software. The check was written out and delivered promptly—because it was owed. Norm explained that something has stayed the same since he started adjusting claims in 1954—the hard work. The company continues scoping large losses until all hours of the night, evaluating the business personal property of millions of widgets in large warehouses, and wading through the rubble to find the policy, the policy with the provision that provides just a little more coverage or leverage for the policyholder.

If you are reading this article and have adjusted a claim in Florida, then you have a connection with Lesser & Company, Inc. Prior to 1957, the State of Florida did not have a licensing law for public insurance adjusters. PA's were not regulated. Recognizing the need for licensing in the profession and the need to increase professionalism, Lesser and Sons, Inc., worked to push for regulation of their industry. Florida public adjusting licensing was adopted into law in 1957. However, after the licensing statute was enacted, the legislature took the regulation too far with a separate statute which banned "personal solicitation."

In 1957, Florida Statute §636.23 defined a public adjuster as:

(5) 'Public adjuster' shall mean any person, except a duly licensed attorney at law as hereinafter provided, who, for money, commission, or any other thing of value, acts or aids in any manner on behalf of an insured in negotiating for or effecting the settlement of a claim or claims for loss or damage covered by an insurance contract, other than life, annuity, accident and health, or who advertises for employment as an adjuster of such claims; and shall also include any person who, for money, commission or any other thing of value, investigates or adjusts such claims on behalf of any such public adjuster.

However, Florida Statute §636.261 was the regulation which caused the problems. This statute prohibited the following:

No public adjuster shall personally solicit or contact, either directly or indirectly, on his own behalf or on the behalf of any other person, firm or corporation any person or their legal representatives, husband or wife, dependents or next of kin for the purpose of representing their interest in any claim arising out of a contract or policy of insurance as defined in §636.23(3). Upon proof of any violation of this section, the commissioner may revoke said adjuster's license.

This regulation, had it remained the law in Florida, would have completely changed the ability for policyholders in Florida to get help with an insurance claim. It is hard enough now. On a regular basis, I find myself explaining who a public insurance adjuster is and what they do for insureds. Friends, family and non-insurance professionals have often never heard of a public adjuster unless they have suffered a loss or happen to be related to a PA. The profession of public insurance adjusters is not as well known as insurance adjusters who work for the insurance companies, and if public adjusters would have been prohibited from solicitation in 1957, I am afraid the profession would be an endangered species now.

The courts in Florida wrestled with the statutory language and considered whether it was constitutional after Melvin Lesser filed a declaratory action. The litigation began when Melvin

asked the court to define his rights and privileges as a licensed public adjuster. Melvin explained to the court that his only source of income was derived from public adjusting, and that the bar on solicitation was illegal, arbitrary, and discriminatory. Finally, the case was heard by the Supreme Court of Florida. In a 4-3 decision [the Florida Supreme Court ruled that the statute was unconstitutional](#). Affirming the lower court decision, the court explained:

In sum... the effect of Section 636.261, Florida Statutes 1957, F.S.A., would be to make it impossible from a practical standpoint for public adjusters to engage in a business which is otherwise recognized by statute as being lawful.

The Court made it known they agreed there was no public need for the so-called statutory regulation prohibiting solicitation. The privilege of engaging in the business of a public adjuster had been recognized as a valid and legitimate occupation and there was no reason why for the safety, health and welfare of the public that such a restriction needed to be imposed.

This was not just a great ruling for public adjusters and insureds, this decision also laid the foundation for allowing the proper advocacy for policyholders in Florida and beyond.

The funny part is...the Lesser family business grew and grew, so much so that the clients sought out Lesser and Company for their claims, and, in 1992, Lesser and Company did not personally solicit a single [Hurricane Andrew](#) claim—even though the statute said they could.

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