

Pat Cuccaro: A reminder of why public adjusters are here

Pat Cuccaro

My View

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As elected officials including Florida's chief financial officer and agriculture commissioner celebrate National Consumer Protection Week (March 4-10) by urging Floridians to understand their consumer rights, we cannot underestimate the vital role and value of public adjusters in serving consumers. And as families across the South and Midwest work to recover from last week's devastating storms and tornadoes, it is important that policyholders understand how public adjusters work as advocates on their behalf.

When people ask me what I do, I say that, first and foremost, I am a consumer advocate. As president of the Florida Association of Public Insurance Adjusters (FAPIA), I represent nearly 500 consumer advocates.

Our job can be summed up most simply in three words: We represent policyholders.

Yet the benefits of this representation go far deeper — and are important to understand in a naturally disaster-prone state such as Florida that continues to face difficult economic times. In the event of an insured loss, a homeowner cannot afford to receive anything less than full and fair compensation.

Public adjusters work on behalf of business and residential policyholders to help them navigate what is a complicated process, ensuring that they fully recover their rightful damage claims from insurance companies following a loss such as the recent tornadoes.

Public adjusters handle the preparation, presentation and adjustment of a policyholder's claim — and are the only professionals who do comprehensive building inventories and estimates on behalf of policyholders. In the vital hours immediately after disaster strikes, the public adjuster provides immediate claims-handling assistance to the insured. Public adjusters also help policyholders who have attempted to resolve claims on their own but find this is complicated and, many times, requires professional guidance.

Public adjusters protect insurance consumers by helping the policyholder fulfill all insurance policy obligations, helping them to preserve and document evidence. When the insurance company comes out to do a site inspection, your public adjuster is right there walking it through the damages. The public adjuster provides direction as to new temporary living arrangements and can help secure for the property owner an advance payment from the insurance carrier.

Aside from attorneys and the broker of record, public adjusters licensed by Florida's Department of Financial Services are the only type of claims adjuster who can legally represent the rights of the insured during a property insurance claim process. A professionally submitted claim makes it easier for an insurance company to properly assess damages from a fire, flood, water loss, wind storm, vandalism and many other insured losses.

And when policyholders find a public adjuster through a state trade association such as FAPIA, they have the comfort of knowing that the adjuster signed a code of ethics and is regularly enrolled in continuing education and other training courses to ensure superior service.

Public adjusters operate through a contingency fee for their service, meaning they do not get paid unless the policyholder gets a claims payment. This contingency fee is never more than 20 percent — and in many cases, just 10 percent — of the total claims settlement. This fee often is offset by the increase in claims returns that policyholders typically receive when represented by a public adjuster.

For example, a 2010 review of Citizens Property Insurance Corp. claims found that Citizens policyholders received much higher compensation on claims when represented by a public adjuster. During the study period (March 2008 to June 2009), a review of 61,324 noncatastrophe claims found that policyholders using public adjusters received an estimated \$9,379 per claim. Those not using a public adjuster received an estimated \$1,391.

Bottom line: We represent policyholders. We protect consumers, no matter how devastating the disaster — and not just during Consumer Protection Week.