



## A Public Adjuster may NOT be your best option

A **public adjuster** is a professional who the homeowner may decide to hire to serve as the middleman between themselves and the insurance company. A public adjuster can charge a fee ranging from 4 percent to 30 percent or more of your insurance claim. A public adjuster is licensed and regulated by your state.

To seal their service, they claim that you'll have to do less work and will probably get more money for your claim because of their experience and expertise around the insurance settlement process. A drawback, however, is that they cannot practice law and will have to hire a lawyer or other professionals (usually for an additional fee) if that need arises.

Unfortunately, they will still need you to document your loss. It was your house and you'll still have to provide from memory or sift through debris to determine what you had. You might find yourself doing much more paperwork than you bargained for. From our experience, in most cases the amount of work they do is not nearly worth the money they charge.

**Also, if you have a loss that exceeds your policy limit**, a public adjuster *will not* be able to get you more money without involving legal assistance. It is a good idea to see how far you can get *on your own* before hiring *any* professional.

Even with the public adjuster running interference between you and the insurance company you still must be 100 percent involved in the process. Only you know the true extent of your loss. The public adjuster may offer to give you the "inside dope" on the insurance claims settlement process, but most fire survivors can handle all the paperwork themselves. With the Internet at your fingertips and advocacy groups ready to help, all you will really need to settle your claim is available for free.

If you are still thinking about hiring a public adjuster, please consider the following:

1. Disregard the sales pitch. A big portion of your future financial security depends on the skill and knowledge of the public adjuster you may hire. Select the person as carefully as you would your doctor, lawyer, CPA or investment counselor. Check the public adjuster's license qualifications, certifications or complaints on your state's department of insurance website.
2. If hired, the public adjuster's name will appear on your insurance checks. A public adjuster will place a lien on your insurance claim, which means the public adjuster will be a payee on all your insurance settlement checks. What's more, a public adjuster may even keep a lien on your settlement long after working on your claim and even after you terminate the contract or take legal action against your insurance company.
3. From our experience, we have seen insurance company adjusters become more stringent with the policy requirements once a public adjuster is hired. While not the fault of the public adjuster, the result can place an extra burden on the homeowner who must now be ever more vigilant in proceeding with the settlement process.
4. The public adjuster – NOT YOU – controls your claim.
5. The public adjuster selects the "experts" who determine the value of your claim.
6. The public adjuster may sell your claim short because of a heavy workload or another disaster.
7. A public adjuster CANNOT handle legal issues regarding your claim.
8. The public adjuster you initially meet with may be more of a "salesperson" and your claim may be handled by a different, less experienced public adjuster.
9. Insurance companies will NOT pay the fees and costs of your public adjuster.

**Use the following strategies and information to protect your rights:**

1. Do as much as you can on your own. Limit the contract to funds you have not or cannot get on your own.
2. Be certain the public adjuster with whom you sign will actually work your claim. Some may assign your claim to a less qualified person.
3. Make sure you get copies of ALL communications between your insurance company and public adjusters. We have had complaints that Proofs of Loss and other important documents were processed and signed by the public adjuster but never seen by the homeowner.
4. Avoid single practitioner or small public adjuster firms unless they can demonstrate they have the personnel and track record to handle your claim to its satisfactory completion.
5. Negotiate the fee. As in any contract, fees are negotiable.
6. Limit the term of the contract to no more than six months. If the public adjuster cannot do the job within six months of your loss, you don't need the public adjuster.
7. Verify that the public adjuster removes any lien once the contract is terminated.
8. Before you sign anything, determine how long you have to cancel the contract without fee or penalty.

If you have any reservations, use your right to cancel the contract. If you change your mind and can't do the work yourself you can always go back to them later.

*More detail can be found in Chapter 2 of our book "A Survivor's Guide to Insurance"  
available for free download on our website, [www.carehelp.org](http://www.carehelp.org)*