



Tips for How to Select Public Insurance Adjuster

The District of Columbia Department of Insurance, Securities and Banking (DISB) encourages residents to exercise caution when hiring public insurance adjusters. An insurance adjuster is an insurance professional who is responsible for evaluating your claim, and assisting you after you have incurred an insurance loss. Some insurance adjusters are employed by insurers and others can be hired by you. The latter are known as public insurance adjusters. Public insurance adjusters are required to be licensed by DISB. Most public insurance adjusters conduct their business in an ethical and lawful manner. However, there are certain individuals who prey on victims of home disasters. DISB is advising District consumers on things to consider when deciding whether to hire a public insurance adjuster.

Following a major disaster such as a storm or fire, an insurance adjuster may come knocking at your door for business. Your casualty insurance company employs its own adjusters to evaluate property damage. They will survey the damage to your property and help walk you through the claims process, free of charge. In the District of Columbia, you can also hire a public insurance adjuster to help you file claims and negotiate your insurance payment. In some instances, hiring a public insurance adjuster may be worthwhile because they may be able to assist you in negotiating a higher insurance payment. However, they will usually charge a fee of 10-15 percent of your total claim settlement for their services.

Some public adjusters may ask you to sign a document assigning the proceeds of your insurance settlement check directly to them so they can pay the contractors that perform the restoration work on your home and then give you the balance of the remaining settlement funds once they have deducted their fee. Others may simply ask you to endorse your insurance settlement check over to them so they can pay the contractors directly. However, an unscrupulous public insurance adjuster may actually pay little or nothing to the restoration contractors and disappear with the proceeds from your insurance settlement check – thus leaving you to pay for all the repair work with your personal or borrowed funds.

Public insurance adjusters are required to be licensed in order to operate in the District and in most states. In the District of Columbia, you can contact DISB at 202-727-8000 or online at disb.dc.gov to determine whether the public insurance adjuster is properly licensed in the District as well as find out if there is a history of complaints and disciplinary actions.

Some helpful tips:

- Interview more than one public insurance adjuster in your area. This will give you an opportunity to see who may offer you the best service at the best price;
- Ask what percentage the public insurance adjuster will charge as a fee. The fee is typically negotiable;
- Ask if you will be able to speak with your insurance company directly if you sign a contract with the public insurance adjuster. In many cases insurance companies will not be able to speak with you directly once you hire a public insurance adjuster.

If you believe you have been a victim of a financial scam or have questions, please contact the Enforcement and Consumer Protection Division of the District of Columbia Department of Insurance, Securities and Banking at 202-727-8000 or disb.dc.gov.

Published June 21, 2017