

MARTIN O'MALLEY
Governor

ANTHONY G. BROWN
Lt. Governor



THERESE M. GOLDSMITH
Commissioner

BETH SAMMIS
KAREN STAKEM HORNIG
Deputy Commissioners

JOY HATCHETTE
Associate Commissioner
Consumer Education and Advocacy

200 St. Paul Place, Suite 2700 Baltimore, Maryland 21202
Direct Dial: 410-468-2000 Fax: 410-468-2020
1-800-492-6116 TTY: 1-800-735-2258
www.mdinsurance.state.md.us

Should I Hire a Public Adjuster to Help Me Settle My Claim

Dealing with the loss to your home, contents or other property after a major storm, hurricane, fire, or theft can be overwhelming. It is important that consumers take steps to protect themselves and their property so that they are able to recover from that loss. The Maryland Insurance Administration has information to help you understand the claim process and what steps you can take to resolve your claim. *Maryland – What to Do After a Loss; Weather Related Damage – Frequently Asked Questions About Insurance Coverage* and *An Insurance Preparedness Guide for Natural Disasters* are guides that are available online at <http://www.mdinsurance.state.md.us/sa/documents/AfterALossbrochure10-09.pdf>, <http://www.mdinsurance.state.md.us/sa/documents/WeatherLossBrochure10-09.pdf>, and <http://www.mdinsurance.state.md.us/sa/documents/InsuranceGuide-NaturalDisasters-02-10.pdf> or by contacting us at 800-492-6116. We are also available to help answer your questions.

While many consumers are able to resolve their property claims by dealing with their insurance company and the assigned adjuster on their own, sometimes consumers or businesses will decide they would prefer that someone else handle the insurance claim on their behalf. These people who represent the insured with regard to the claim against an insurance company are known as Public Adjusters. You can hire a Public Adjuster to act on your behalf to process and negotiate your claim with the insurance company.

A Public Adjuster is an insurance claim adjuster who acts as an advocate for the policyholder in appraising and negotiating a first party property insurance claim. Primarily, they appraise the damage, prepare an estimate for the damage to the building or structure, prepare an inventory of the contents or personal property claim, and process other claim documentation. A Public Adjuster will read the policy of insurance to determine coverages and negotiate with the insurance company's adjuster. A Public Adjuster is different from a claims adjuster that works for the insurance company as they work for the policyholder and are paid by the policyholder, not the insurance company. The Public Adjuster acts as the insured's representative in dealings with the insurance company and the insured agrees to allow the Public Adjuster to make decisions regarding the claim on his or her behalf.

Most public adjusters charge a fee based upon a percentage of the settlement. This is paid by the policyholder, not the insurance company, and the amount is deducted from the settlement payments made by your insurance company. The amount of the Public Adjuster's fee is negotiable and the amount or percentage is not set by law. Remember that the Public Adjuster's fee reduces the amount of monies you will receive to pay for the damages you sustained as a result of the loss. Also, you should be aware that under Maryland law, you have the right to cancel a contract with a public adjuster within three (3) business days after it has been executed without penalty to you.

If you hire a Public Adjuster, you should understand that your insurance company may or may not agree with that person's estimate of your damage. Your insurance company is not obligated to accept the damages that are claimed by a public adjuster. The insurance company is obligated to settle your claim in accordance with the terms and conditions of the policy it issued to you.

The public adjuster's main responsibilities are to:

- Evaluate an insurance policy in order to determine what coverage(s) may be applicable;
- Research, detail, and substantiate damage to buildings and contents and any additional expenses incurred by the insured;
- Evaluate business interruption losses and extra expense claims for businesses;
- Determine values for settling covered damage claims;
- Prepare, document and support the claim(s) on behalf of the insured;
- Negotiate a settlement with the insurance company on behalf of an insured.

Public adjusters must be licensed by the Maryland Insurance Administration. Before retaining the services of a public adjuster, you should make certain the person is licensed. You can do this by contacting the Maryland Insurance Administration to verify that the public adjusters are licensed and that their license is in good standing at 800-492-6116.