



AMERICAN ASSOCIATION
of PUBLIC INSURANCE ADJUSTERS

“Empowering Policyholders, Supporting Public Adjusters -
Together We Advocate”

**MOST
IMPORTANT
THING TODAY...**

MOST
IMPORTANT
THING TODAY...

Ask Questions



Public Adjusters

Goals

1. Substantive assistance to policyholders
2. Ensuring carrier compliance with policy terms
3. Providing professional knowledge and assistance in a complicated and stressful time

Takeaways

How Public Adjusters Help

Key Facts:

- Between 2016-2020, the average property damage claim payout was \$13,804. (Ins. Info. Inst.)
- 92% of homeowner's claims were below \$25,000.

01

Understanding Policy Language

02

Identifying damage

05

Outlining proper repair methods

04

Presenting the loss for inspection

03

Advising on insured's duties in the events of loss

06

Coordinating mitigation efforts

07

Documenting the loss though all claim amounts

08

Communicating for the busy insured

Public Adjuster Associations

Helping an industry that helps people



AAPIA - American Association of Public Insurance Adjusters

- Founded in 2004
- Dedicated to highest ethical and professional standards, providing education and resources, and advocating for fair and just settlements for insureds

Goals:

- Protect policy holders and public adjusters
- Create a fair and open marketplace.
- Transparency and light to the industry

NAPIA – National Association of Public Insurance Adjusters



- Founded in 1951
- Dedicated to education, certification, ethics and professional excellence

Goals:

- Promote Public Adjuster licensing in all 50 states
- The cessation of the unlicensed public adjusting
- Fairness in all insurance policies

TODAY'S PRESENTER

Anthony DiUlio, Esq.

An owner of Wheeler, DiUlio & Barnabei, Mr. DiUlio is a national trial attorney focusing his practice on assisting property owners in first party litigation. Litigating over 1000 cases to resolution, Mr. DiUlio has started to focus on educating the industry to help all participants to the process become more knowledgeable in hopes of ensuring a fair exchange in all claims.



1000+

Policyholders helped

50+

Hours of educational material
presented

8+

States where insureds have been
helped

TODAY'S PRESENTER

Holly Soffer, Esq.

A nationally recognized attorney who has focused her practice on counseling trade associations and assisting public adjuster with compliance issues. She has also been integral in assisting multiple states in drafting appropriate regulations and focuses on ensuring clarity and protection for both the public adjuster and the insured.



35+

Years of legal
experience

16+

States assisted in code and regulation
drafting

100+

Public Adjusters assisted with
compliance

TODAY'S PRESENTER

Cole Kline

Cole Kline, APPIA President, is the founder and owner of Hope Public Adjusters. He has helped over 700 insureds resolve their disputes with insurance companies. Cole has made great strides in not only assisting property owners, but also public adjusters to advance professionalism and education as core tenants of the industry.



700+

Policyholders helped

27+

States where policyholders have been helped

10+

Years Adjusting Claims

Tony DiUlio

TODAY'S PRESENTER



Chris Aldrich

Chris Aldrich, NAPIA President, has the unique background of acting as a contractor before becoming a public adjuster. He has helped countless insureds resolve their disputes with insurance companies and currently acts as a firefighter in NJ.



15,000+

Policyholders helped

15+

States where policyholders have been helped

16+

Years Adjusting Claims

TODAY'S PRESENTER



Brian Goodman, Esq.

Brian Goodman has been practicing law in Maryland since 1982. He has lectured extensively for continuing education credit across the country in the field of first party property claims, and he has presented before various committees of the National Association of Insurance Commissioners (www.naic.org) and before many state legislatures.

37+

Years practicing law

20+

Year as general counsel for NAPIA

10+

Years Adjusting Claims

Tony DiUlio

“Insurance Companies only pay for damage that is covered by the policy”

– Every Insurance Company ever

When we talk about public adjusters increasing claim payments, it is because the public adjuster is presenting the claim properly, pointing out things missed by the carrier and the insured, and owed by the policy. The claim that public adjusters could “inflate” a claim is entirely fabricated as carriers can and do act as the gatekeepers for claim payments. They don’t pay for what isn’t owed.



The Value of a Public Adjuster

Type of Loss: Other
 Deductible: \$1,000.00
 Date of Loss: 4/28/2019

Restoration/Service/Remodel

Summary for Coverage A - Building - 43 Not Otherwise Classified

Line Item Total	19,567.14
Material Sales Tax	372.04
Subtotal	19,939.18
General Contractor Overhead	1,993.99
General Contractor Profit	1,993.99
Replacement Cost Value (Including General Contractor Overhead and Profit)	23,927.16
Less Depreciation (Including Taxes)	(7,912.80)
Less General Contractor Overhead & Profit on Recoverable & Non-recoverable Depreciation	(1,582.60)
Less Deductible	(1,000.00)
Net Actual Cash Value Payment	\$13,431.76

Maximum Additional Amounts Available If Incurred:

Total Line Item Depreciation (Including Taxes)	7,912.80
General Contractor O&P on Depreciation	1,582.60
Replacement Cost Benefits	9,495.40
Total Maximum Additional Amount Available If Incurred	9,495.40
Total Amount of Claim If Incurred	\$22,927.16

Carrier Offer for Settlement

Caused by a vehicle impact to structure.



The Value of a Public Adjuster



The carrier in this claim made an offer for settlement 23,927.16. The carrier suggested the insured could patch repair the brick and piece in bricks to fix the whole. The carrier did not offer to replace even the entire wall of brick.

This insured sought the help of a public adjuster who was able to properly investigate the loss, document the full extent of damages sustained to the loss location and the building material used.

The Public Adjuster found the structure had bricks that had not been produced since the 1940s, Celotex underlayment that was finally considered to be an unrepairable Product, and bricks that were toothed in on the corners causing repairs to affect all elevations of the structure.

With the help of a Public Adjuster this insured was able to complete repairs to the Structure.

The Value of a Public Adjuster

Office: (866) 33-EXACT (39228)

Summary for Dwelling

Line Item Total	76,003.34
Material Sales Tax	1,393.20
Subtotal	77,396.54
Overhead	7,569.91
Profit	7,569.91
Replacement Cost Value	\$92,536.36
Less Depreciation	(9,282.00)
Actual Cash Value	\$83,254.36
Less Deductible	(1,000.00)
Net Claim	\$82,254.36
Total Recoverable Depreciation	9,282.00
Net Claim if Depreciation is Recovered	\$91,536.36

Jon Linville, CPIU
Appraiser

Starting amount of claim: \$23,927.16

Ending amount of claim: \$92,536.36

Cause of increase: Proper inspection, documentation, and presentation of the loss provided by the insured's Public Adjuster.

Public Adjuster Difference Made

In a Study performed on 129 Claims in 2022



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of PUBLIC INSURANCE ADJUSTERS

57,664.96

Average Residential Roof Increase

Average number of days from
date of hire to date of final
settlement agreed to by
carrier: **377 Days**

119,788.96

Average Residential Fire Damage
Increase

Average number of days from
date of hire to date of final
settlement agreed to by
carrier: **332 Days**

52,045.91

Average Residential Water Damage
Increase

Average number of days from
date of hire to date of final
settlement agreed to by
carrier: **254 Days**

Public Adjuster Difference Made

In a Study performed on 129 Claims in 2022

If a 15% fee cap was in place



AMERICAN ASSOCIATION
of PUBLIC INSURANCE ADJUSTERS

43 or 33%

Of those Policyholders

Would **not** have received help
from a public adjuster due to a
15% fee cap due to claim size

\$5,986.12 average starting amount

\$30,830.92 average closing amount
with a Public Adjuster

Regarding Policyholders
claims that would **not** have
received help due to 15% cap

320

Average number of days from
contract to final settlement

Regarding Policyholders
claims that would **not** have
received help due to 15% cap

Commercial Claims are No Different

The benefits of a Public Adjuster hold true in Commercial Loss



Claim Documentation

Documenting structural damage to a multi-million dollar property, while figuring out lost income, damaged contents, and mitigation efforts is just some of the value added

Claim Presentation

A Public Adjuster takes significant time to present the claim to the carrier, pointing out covered damages, and ensuring nothing is missed.



Policy Expertise

Commercial policies are often far more complex than a homeowner policy. With countless endorsements, understanding how it provides coverage would be nearly impossible for an insured

A tool for the insured

Imagine trying to run a company while also having to worry about your insurance claim and making sure all terms of the policy are complied with. A public adjuster help puts an insured worry at ease.



NCOIL Model Act Review

Concerns of Both Public Adjusters and Insureds

By addressing these concerns, we believe that a model act could be put forward that will truly effectuate a change that helps insurance companies, public adjuster, and most importantly, insureds.

- Holly Soffer

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732-201-4133
CHIEF EXECUTIVE OFFICER: Thomas B. Considine



PRESIDENT: Rep. Deborah Ferguson, AR
VICE PRESIDENT: Rep. Tom Oliverson, TX
TREASURER: Asw. Pamela Hunter, NY
SECRETARY: Sen. Paul Utke, MN

IMMEDIATE PAST PRESIDENTS:
Rep. Matt Lehman, IN
Sen. Travis Holdman, IN

National Council of Insurance Legislators (NCOIL)

Public Adjuster Professional Standards Reform Model Act

**Sponsored by Rep. Michael Meredith (KY)*

**Co-sponsored by Rep. Matt Lehman (IN) – NCOIL Immediate Past President*

**Draft as of June 20, 2023. To be discussed during the Property & Casualty Insurance Committee meeting on July 22, 2023.*

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Section 1. Title

This Act shall be known and cited as the “[State] Public Adjuster Professional Standards Reform Act.”

Drafting Note: This Model Act is primarily intended to amend each state’s statutory code that sets forth licensing and other professional standards for public adjusters.

Section 2. Application for License

(1) Except as provided in this section and xxxxx, no person shall in this state act as or hold himself, herself, or itself out to be an independent, staff, or public adjuster unless then licensed by the department as an independent, staff, or public adjuster.

(2) (a) An individual applying for a resident independent, staff, or public adjuster license shall make an application to the commissioner on the appropriate uniform individual application and in a format prescribed by the commissioner.

(b) An applicant under paragraph (a) of this subsection shall declare under penalty of suspension, revocation, or refusal of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief.

(c) Before approving an application submitted under paragraph (a) of this subsection, the commissioner shall find that the individual to be licensed:

1. Is at least eighteen (18) years of age;
2. Is eligible to designate [State] as the individual's home state;
3. Is trustworthy, reliable, and of good reputation, evidence of which shall be determined through an investigation by the commissioner;
4. Has not committed any act that is a ground for probation, suspension, revocation, or refusal of a license as set forth in xxxxxx;
5. Has successfully passed the examination for the adjuster license and the applicable line of authority for which the individual has applied;
6. Has paid the fees established by the commissioner pursuant to xxxxx; and
7. Is financially responsible to exercise the license.

(3) (a) To demonstrate financial responsibility, a person applying for a public adjuster license shall obtain a bond or irrevocable letter of credit prior to issuance of a license and shall maintain the bond or letter of credit for the duration of the license with the following limits:

1. A surety bond executed and issued by an insurer authorized to issue surety bonds in [State], which bond shall:
 - a. Be in the minimum amount of fifty thousand dollars (\$50,000);
 - b. Be in favor of the state of [xxxxxx];
 - c. Specifically authorize recovery of any person in [State] who sustained damages as the result of the public adjuster's erroneous acts, failure to act,

(1) Except as provided in this section and xxxxx, no person shall in this state act as or hold himself, herself, or itself out to be an independent, staff, or public adjuster unless then licensed by the department as an independent, staff, or public adjuster.

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1. A surety bond executed and issued by an insurer authorized to issue surety bonds in [State], which bond shall:

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1. A surety bond executed and issued by an insurer authorized to issue surety bonds in [State], which bond shall:

a. Be in the minimum amount of fifty thousand dollars (\$50,000);

b. Be in favor of the state of [xxxxxx];

c. Specifically authorize recovery of any person in [State] who sustained damages as the result of the public adjuster's erroneous acts, failure to act,

3. The person has submitted, in a form or format prescribed by the commissioner, the uniform individual application; and

4. The person's designated home state issues nonresident independent, staff, or public adjuster licenses to persons of [State] on the same basis.

(c) The commissioner may:

1. Verify an applicant's licensing status through any appropriate database, including the database maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries; or

2. Request certification of an applicant's good standing.

(d) As a condition to the continuation of a nonresident adjuster license, the licensee shall maintain a resident adjuster license in his, her, or its home state.

(e) A nonresident adjuster license issued under this subsection shall terminate and be surrendered immediately to the commissioner if the licensee's resident adjuster license terminates for any reason, unless:

1. The termination is due to the licensee being issued a new resident independent, staff, or public adjuster license in his, her, or its new home state; and

2. The new resident state or territory has reciprocity with [State].

Section 3. Public Adjuster and Insured Contract Requirements

(1) (a) Except as provided in paragraph (b) of this subsection, a public adjuster shall not provide services to an insured until a written contract with the insured has been executed on a form that has been pre-filed with and approved by the commissioner.

(b) The commissioner may approve a form that allows a public adjuster to be compensated for services provided to an insured prior to the execution of a written contract in emergency circumstances.

(c) A contract between a public adjuster and an insured in violation of paragraph (a) of this subsection shall not be enforceable in this state.

(d) A form pre-filed with the commissioner by a public adjuster for approval under paragraph (a) of this subsection shall be subject to disapproval by the commissioner at any time if the form is found to:

1. Violate any provision of this chapter;

Section 3. Public Adjuster and Insured Contract Requirements

3. The person has submitted the uniform individual

4. The person's design public adjuster license

(c) The commissioner may:

1. Verify an applicant the database maintain its affiliates, or subsidiary

2. Request certification

(d) As a condition to the contract maintain a resident adjuster license

(e) A nonresident adjuster license surrendered immediately to the commissioner terminates for any reason, unless:

1. The termination is staff, or public adjuster

2. The new resident s

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(c) A contract between a public adjuster and an insured in violation of paragraph (a) of this subsection shall not be enforceable in this state.

(d) [Optional]

A form pre-filed with the commissioner by a public adjuster for approval under paragraph (a) of this subsection shall be subject to disapproval by the commissioner at any time if the form is found to

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Section 3. Public Adjuster and Insured Contract Requirements

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(b) The commissioner may approve a form that allows a public adjuster to be compensated for services provided to an insured prior to the execution of a written contract in emergency circumstances.

(c) A contract between a public adjuster and an insured in violation of paragraph (a) of this subsection shall not be enforceable in this state.

(d) A form pre-filed with the commissioner by a public adjuster for approval under paragraph (a) of this subsection shall be subject to disapproval by the commissioner at any time if the form is found to:

1. Violate any provision of this chapter;

2. The insured property that is the subject of a claim;

(b) Obtaining necessary information to investigate and respond to a claim; or

(c) Corresponding directly with the insured regarding the claim, except a public adjuster shall be copied on any correspondence with the insured relating to the claim.

(4) (a) A public adjuster shall not act or fail to reasonably act in any manner that obstructs or prevents the insurer or its adjuster from timely conducting an inspection of any part of the insured property for which there is a claim for loss or damage.

(b) Except as provided in paragraph (c) of this subsection, a public adjuster representing an insured may be present for the insurer's inspection.

(c) If the unavailability of a public adjuster, after a reasonable request by the insurer, otherwise delays the insurer's timely inspection of the property, the insured shall allow the insurer to have access to the property without the participation or presence of the public adjuster in order to facilitate the insurer's prompt inspection of the loss or damage.

(5) A public adjuster shall provide the insured, the insurer, and the commissioner with a written disclosure concerning any direct or indirect financial interest that the adjuster has with any other party who is involved in any aspect of the claim.

(6) A public adjuster shall not:

(a) Participate, directly or indirectly, in the reconstruction, repair, or restoration of damaged property that is the subject of a claim adjusted by the adjuster;

(b) Engage in any activities that may be reasonably construed as a conflict of interest, including, directly or indirectly, soliciting or accepting any remuneration of any kind or nature;

(c) Have a financial interest in any salvage, repair, or any other business entity that obtains business in connection with any claim that the public adjuster has a contract to adjust; or

(d) 1. Use claim information obtained in the course of any claim investigation for commercial purposes.

2. As used in subparagraph 1. of this paragraph, "commercial purposes" includes marketing or advertising used for the benefit of the public adjuster.

(e) File a complaint with the commissioner on behalf of an insured alleging an unfair claim settlement practice unless the insured has given written consent for the public adjuster to file the complaint on the insured's behalf.

Section 5. Requirements for Funds Received or Held by Public Adjuster

(6) A public adjuster shall not:

(a) Participate, directly or indirectly, in the reconstruction, repair, or restoration of damaged property that is the subject of a claim adjusted by the adjuster;

(b) Engage in any activities that may be reasonably construed as a conflict of interest, including, directly or indirectly, soliciting or accepting any remuneration of any kind or nature;

(c) Have a financial interest in any salvage, repair, or any other business entity that obtains business in connection with any claim that the public adjuster has a contract to adjust; or

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Section 5. Requirements for Funds Received or Held by Public Adjuster

(6) A public adjuster shall not: **(a)(b)(c) OPTIONAL**

(a) Participate, directly or indirectly, in the reconstruction, repair, or restoration of damaged property that is the subject of a claim adjusted by the adjuster;

(b) Engage in any activities that may be reasonably construed as a conflict of interest, including, directly or indirectly, soliciting or accepting any remuneration of any kind or nature;

(c) Have a financial interest in any salvage, repair, or any other business entity that obtains business in connection with any claim that the public adjuster has a contract to adjust; or

(d) 1. Use claim information obtained in the course of any claim investigation for commercial purposes. **Without prior written consent of the insured.**

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file the complaint on the insured's behalf.

Section 5. Requirements for Funds Received or Held by Public Adjuster

(1) All funds received or held by a public adjuster on behalf of an insured toward the settlement of a claim shall be:

(a) Handled in a fiduciary capacity; and

(b) Deposited into one (1) or more separate noninterest-bearing fiduciary trust accounts in a financial institution licensed to do business in this state no later than the close of the second business day from the receipt of the funds.

(2) The funds referenced in subsection (1) of this section shall:

(a) Be held separately from any personal or nonbusiness funds;

(b) Not be commingled or combined with other funds;

(c) Be reasonably ascertainable from the books of accounts and records of the public adjuster; and

(d) Be disbursed within thirty (30) calendar days of any invoice received by the public adjuster upon approval of the insured or the claimant that the work has been satisfactorily completed.

(3) A public adjuster shall maintain an accurate record and itemization of any funds deposited into an account under subsection (1) of this section in accordance with xxxxxx.

Section 6. Fees and Commissions for Public Adjuster

(1) Except as provided in subsection (2) of this section:

(a) Any fee charged to an insured by a public adjuster shall be:

1. Based only on the amount of the insurance settlement proceeds actually received by the insured; and

2. Collected by the public adjuster after the insured has received the insurance settlement proceeds from the insurer;

(b) A public adjuster may receive a commission for services provided under this subtitle consisting of:

1. An hourly fee;

2. A flat rate;

3. A percentage of the total amount paid by the insurer to resolve a claim; or

4. Another method of compensation; and

(c) A public adjuster:

1. Shall not charge an unreasonable fee; and

2. May charge a reasonable fee that does not exceed:

a. For non-catastrophic claims, fifteen percent (15%) of the total insurance recovery of the insured; and

b. For catastrophic claims, ten percent (10%) of the total insurance recovery of the insured.

(2) If an insurer, not later than seventy-two (72) hours after the date on which a loss or damage is reported to the insurer, either pays or commits in writing to pay the policy limit of the insurance policy to the insured, a public adjuster shall:

(a) Not receive a commission consisting of a percentage of the total amount paid by the insurer to resolve a claim;

(b) Inform the insured that the claim settlement amount may not be increased by the insurer; and

(c) Be entitled only to reasonable compensation from the insured for services provided by the adjuster on behalf of the insured, based on the time spent on the claim and expenses incurred by the adjuster prior to when the claim was paid or the insured received a written commitment to pay from the insurer.

Section 7. Penalties

(1) The commissioner may place on probation, suspend, or may impose conditions upon the continuance of a license for not more than twenty-four (24) months, revoke, or refuse to issue or renew any license issued under this Act, or may levy a civil penalty in accordance with xxxxxx, or any combination of actions for any one (1) or more of the following causes:

(a) Providing incorrect, misleading, incomplete, or materially untrue information in a license application;

(b) Violating any insurance laws, or violating any administrative regulations, subpoena, or order of the commissioner or of another state's insurance commissioner;

(c) Obtaining or attempting to obtain a license through misrepresentation or fraud;

(1) All funds received or held by a public adjuster on behalf of an insured toward the settlement of a claim shall be:

(a) Handled in a fiduciary capacity; and

(b) Deposited into one (1) or more separate noninterest-bearing fiduciary trust accounts in a financial institution licensed to do business in this state no later than the close of the second business day from the receipt of the funds.

4. Another method of compensation; and

(c) A public adjuster:

1. Shall not charge an unreasonable fee; and

2. May charge a reasonable fee that does not exceed:

a. For non-catastrophic claims, fifteen percent (15%) of the total insurance

(2) The

Section 6.

Fees and Commissions for Public Adjuster

....

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....

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2. A flat rate;

3. A percentage of the total amount paid by the insurer to resolve a claim; or

Section 7. Penalties

(1) The commissioner may place on probation, suspend, or may impose conditions upon the continuance of a license for not more than twenty-four (24) months, revoke, or refuse to issue or renew any license issued under this Act, or may levy a civil penalty in accordance with xxxxxx, or any combination of actions for any one (1) or more of the following causes:

(a) Providing incorrect, misleading, incomplete, or materially untrue information in a license application;

(b) Violating any insurance laws, or violating any administrative regulations, subpoena, or order of the commissioner or of another state's insurance commissioner;

(c) Obtaining or attempting to obtain a license through misrepresentation or fraud;

(1) All funds received or held by a public adjuster on behalf of an insured toward the settlement of a claim shall be:

(a) Handled in a fiduciary capacity; and

(b) Deposited into one (1) or more separate noninterest-bearing fiduciary trust accounts in a financial institution licensed to do business in this state no later than the close of the second business day from the receipt of the funds.

4. Another method of compensation; and

(c) A public adjuster:

1. Shall not charge an unreasonable fee; and

2. May charge a reasonable fee that does not exceed:

a. For non-catastrophic claims, fifteen percent (15%) of the total insurance

(2) The

Section 6. Fees and Commissions for Public Adjuster

....

(c) A public adjuster:

....

~~2. May charge a reasonable fee that does not exceed:~~

~~a. For non-catastrophic claims, fifteen percent (15%) of the total insurance~~

~~recovery of the insured; and~~

(3) A pu
an accou

Section

(1) Exce

(a) Any fee charged to an insured by a public adjuster shall be:

Section 7. Penalties

To be left up to each state individually

(b) A public adjuster may receive a commission for services provided under this subtitle consisting of:

1. An hourly fee;

2. A flat rate;

3. A percentage of the total amount paid by the insurer to resolve a claim; or

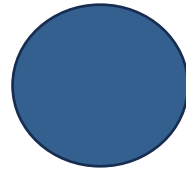
(a) Providing incorrect, misleading, incomplete, or materially untrue information in a license application;

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Why fee caps should be left to the states



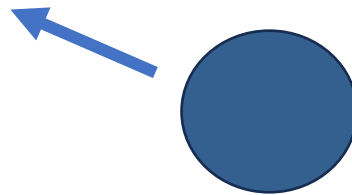
01.

Undermines State Unique Issues

- GA for example has a 33% fee cap
- PA, NJ, and many other states have no cap at all



Why fee caps should be left to the states



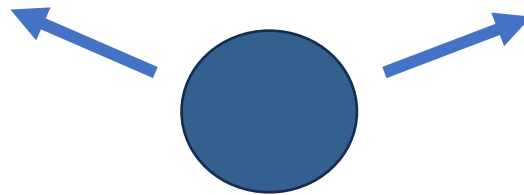
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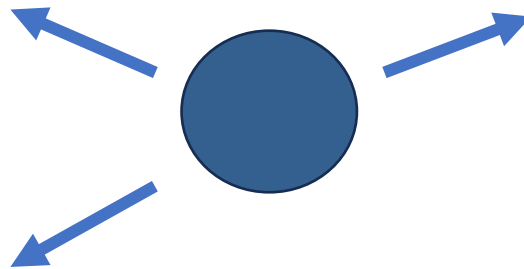
02.

Eliminates Free Market

Any fee cap eliminate market opportunity to adjust. Imagine telling a car dealer that no cars can be sold for more than \$50,000?



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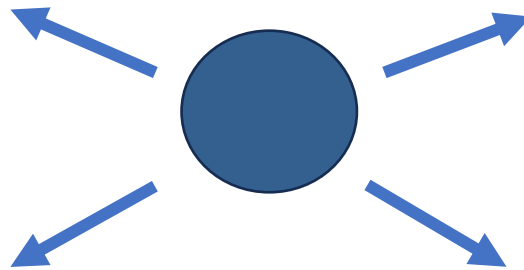
03.

Promotes Storm Chaser Contractors

With artificially low fee caps, the market will flood with unlicensed activity like storm chases



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04.

Ignores claim specific issues

As every carrier will tell you, every claim is different. Re-opened claims, small loss, large loss, residential, commercial, all propose unique issues that can't be addressed with a one size fits all model

History of NAPIA

Since 1951



Hot Topics of Today

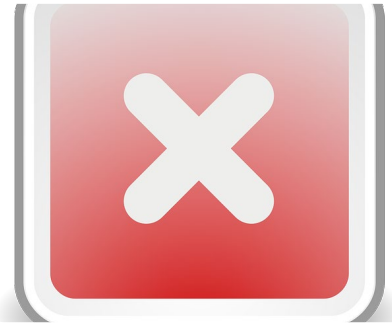
UPPA and UPL



1

- Unauthorized Practice of Public Adjusting
- Unauthorized Practice of Law

Rescission



2

- How and when a contact can be cancelled
- Risk of late rescission

Solicitation



3

- How public adjusters market
- The timing concerns of solicitation

Hot Topics of Today

AOBs



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3

- Assignment of benefits
- How and when they are used

CAT Losses



4

- Catastrophic losses cause wild spread devastation
- Unique concerns



It's Time for You to **Ask Some Questions!**

We can only help address issues important to you if you ask us. So don't be shy. We all want the same thing, an industry designed to fairly protect policyholders.



THANK YOU