

## **Standards of Conduct for Public Adjusters**

- A public adjuster must obtain a license before doing business in Virginia. You may contact the Bureau of Insurance for information regarding the license status of a public adjuster.
- Public adjusters must be fair and honest in their communications with you and your insurance company.
- The public adjuster's contract with you must state the full cost of the adjuster's services. If the public adjuster's compensation is based on a share of your insurance claim, then the exact amount must be shown in the contract.
- No public adjuster may have a financial interest in any part of your claim other than the salary, fee, commission, or other compensation that is spelled out in a written contract between you and the public adjuster.
- No public adjuster may refer or direct you for repairs or any other services needed as a result of a claim, to another person in which the public adjuster has an ownership interest. A public adjuster also may not refer or direct you to any person who will pay the public adjuster any kind of compensation for the referral of your business. However, you may obtain a written repair agreement with a contractor in which the contractor agrees to pay the public adjuster's fees as spelled out in your contract with the public adjuster.
- No public adjuster may prevent or discourage you from communicating with your insurance company, your claims adjuster, an independent adjuster representing your insurance company, an attorney, or any other person involved in the settlement of your claim.
- If you choose to hire an attorney, the public adjuster may not choose the attorney for you.
- Any settlement of your claim with your insurance company that is negotiated by the public adjuster must first be approved by you in writing.
- After settling your claim with your insurance company, the public adjuster may not obtain any of your salvage property without your written permission.
- No public adjuster may act as an insurance company adjuster or independent adjuster on the same claim.
- No public adjuster may enter into a contract with you or accept a power of attorney from you that gives the public adjuster the authority to choose who repairs your property.
- No public adjuster may seek to represent you during a storm or other event that causes damage covered by your insurance policy.

- No public adjuster may seek to represent you during the hours between 8:00 p.m. to 8:00 a.m. daily.
- A public adjuster must give you advance written notice of the name and location of any proposed contractor, architect, engineer, or similar professional that will assist the public adjuster in estimating your loss. You may refuse the services of any of these persons, and the public adjuster may not use that professional in estimating the repair costs for your claim.
- A public adjuster must make sure that any professional used to provide estimates, who is required by law in Virginia to be licensed (such as an architect, engineer, or contractor), holds a current Virginia license.
- No person may offer to pay your deductible, or to give you any gift, prize, bonus, coupon, credit, or referral fee in return for hiring a public adjuster.

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### **Requirements of Contracts between a Public Adjuster and You**

- A. All public adjuster contracts must be in writing and contain the following:
- the legible full name of the public adjuster signing the contract, as specified in the records of the Commission;
  - the public adjuster's permanent home state business address and phone number;
  - the public adjuster's license number, as specified in the records of the Commission;
  - the title "Public Adjuster Contract";
  - your full name and street address and your insurance company's name and policy number;
  - a description of the loss and a description of the location of the loss, if applicable;
  - a description of services to be provided to you by the public adjuster and all terms and conditions of the engagement;
  - the signatures of the public adjuster and you;
  - the date the contract was signed by the public adjuster and the date the contract was signed by you;
  - language stating that the public adjuster is fully bonded as required by state law;
  - the full salary, fee, commission, compensation, or other consideration the public adjuster is to receive for the public adjuster's services; and
  - the right that you may cancel the contract within three business days after you signed the contract or, in the event of a catastrophic disaster, the right to cancel the contract within five business days after you signed the contract. This cancellation must be in writing and mailed or delivered to the public adjuster at the address shown in the

contract. Within 15 business days following receipt of your notice to cancel, the public adjuster must return to you anything of value given by you under the contract.

- B. A public adjuster must also provide you with a separate disclosure document stating (i) you are not required to hire a public adjuster but have the right to do so; (ii) the public adjuster is not an employee or representative of your insurance company; (iii) the payment of any salary, fee, commission, or other charge made by the public adjuster is your responsibility, not your insurance company's; (iv) property insurance policies obligate you to present a claim to your insurance company for consideration; (v) you have the right to initiate direct communications with your attorney, your insurance company, your insurance company's claims adjuster, your insurance company's attorney, and any other person regarding the settlement of your claim; and (vi) you may contact the Bureau of Insurance for the licensing status of the public adjuster.
- C. A public adjuster will provide your insurance company with a notification letter, which has been signed by you, authorizing the public adjuster to represent your interest in your claim.
- D. No public adjuster may enter into a contract that prevents you from taking any legal action after the revocation or cancellation period (three days after the public adjuster contract was signed or, if the contract arises out of a catastrophic disaster, five days after the contract was signed).