


# What is a Public Adjuster?

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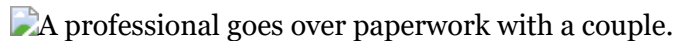
## Filing an Insurance Claim? Here's How a Public Adjuster Can Help

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by Tiffani Sherman

Contributor

We buy insurance to protect our large investments like our homes and businesses. If something bad happens like a fire or storm and we need to make a claim, we want to make sure we get the most money we are entitled to.

A professional goes over paperwork with a couple.

Some people hire a public adjuster to help them through the claims process. But exactly what is a public adjuster?

“We act as an advocate for the policyholder,” says Jodie Papa, president of the National Association of Public Insurance Adjusters. “We represent them to make sure the insurance company is paying the claim properly and fairly.”

A public adjuster is an insurance professional who works for a policy holder to help settle an insurance claim for property loss or damage. The public adjuster has no relationship with the insurance company and legally represents the policyholder. Public adjusters get paid a percentage of the final claim settlement.

Public adjusters are one of three types of adjusters that can be involved in the insurance claim process to determine the value of the loss and decide how much the insurance company will pay.

The three types of claims adjusters are:

- **Company adjusters:** Also known as staff adjusters, these people work directly for the insurance companies to handle claims for that company's policyholders.
- **Independent adjusters:** These people also work on behalf of the insurance company but are independent contractors instead of employees.
- **Public adjusters:** Policyholders hire public adjusters to represent their interests during the claims process.

## Who Hires Public Adjusters?

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After a loss or damage to your home or business, having to deal with insurance companies is something many people either just don't want to do or don't have time to do. Having a public adjuster means someone is on your side to do some of the work for you.

“Under the insurance policy, it is the responsibility of the insured to prove their damages to the insurance company, and that is what a public adjuster assists with,” Papa explains. The adjuster prepares estimates, assists with preparing information for additional living expenses, tallies business losses and more, Papa

says.

A public adjuster can help with the claims process and paperwork as well as explain complicated items and stipulations. They cannot get more money from an insurance company than the policy allows, but often can get more than an insurance company initially offers.

Here's how to pick the right homeowners insurance for your needs.

"Usually, the fees are more than recovered in the process," Papa says. She cites an example of a recent claim where the insurance company offered her client \$17,000 to settle and they ended up settling for \$67,000, making her 10% fee worth paying for the client. "That's just the amount of value and knowledge and looking outside of the box and explaining. There's a lot of things that the insurance companies don't volunteer to the insured."

Using a public adjuster can make things easier, but in the end, it cuts into the amount you end up with since the public adjuster gets paid a percentage of the settlement. That means less money for repairs — so before hiring a public adjuster, make sure you figure out how much you will need to make the necessary repairs.

## Choosing a Public Adjuster

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If you hire a public adjuster, you need to make sure it's a good fit for you and for your claim.

Papa has some advice for people looking to hire a public adjuster:

- **Check licenses:** Public adjusters usually need to be licenced in the state where the loss occurred. Every state has different requirements and some do not require licenses at all.
- **Ask around:** Get recommendations from others and check with your state's insurance department.
- **Research firms:** If the person you are looking at does not have a website or recommendations, they might not be reputable. Some firms have in-house estimators, forensic accountants, engineers and architects on staff.
- **Know your rights:** Some state insurance regulations set a maximum percentage a public adjuster can charge.
- **Interview:** Talking with the person you're hiring to represent you can help you feel if it is a good fit for the best service and price.
- **Limit time:** If the contract isn't settled to your satisfaction during a set period of time, you can walk away without owing the public adjuster anything.
- **Look for associations:** Public adjusters can be members of national or state associations which set standards for the profession.
- **Certifications:** There are two main certifications for public adjusters: The Certified Professional Public Insurance Adjuster must have been working in the field for at least five years and pass a series of exams. The Senior Professional Public Adjusters must have been working in the field for at least 10 years and pass exams.

Papa advises to be on the lookout for anyone who pressures you into signing a contract. After a disaster, some public adjusters will go door-to-door trying to pressure homeowners into becoming clients, making people think using a public adjuster is the only way to get money from an insurance company.

Other red flags if the adjuster:

- Asks for a deposit or a fee up front. Public adjusters should only get paid when you get paid.
- Makes promises about the amount of your claim before looking at your loss or your policy.
- Licensed just after a disaster. States often relax requirements after a catastrophic event and people enter the field to make a quick buck off of other people's suffering.
- Solicits business by going door-to-door after a disaster or shows up at your door after a fire.
- Doesn't return phone calls, emails or texts.
- Requests a large percentage of the claim, usually more than 15%.
- Pushes you toward certain contractors or repair companies.
- Asks you to fake receipts or estimates in order to inflate claims.
- Asks for bank accounts and other personal information.

Before hiring a public adjuster, think about how much of your settlement you are willing to give up in exchange for a potentially larger settlement. If you decide to go it alone, Papa recommends at least reaching out to a public adjuster for some advice.

"Sometimes just when you report a loss, you could be reporting the claim improperly and you don't realize it," she says. "So you want to give a public adjuster a call. They can at least offer some free advice that can assist you."

*Tiffani Sherman is a Florida-based freelance reporter with more than 25 years of experience writing about finance, health, travel and other topics.*