



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

NOTICE OF INTENT TO AMEND REGULATION

In accordance with Section 4-168(a) of the Connecticut General Statutes, notice is hereby given that the Insurance Commissioner, pursuant to the authority of Section 38a-788 of the Connecticut General Statutes, proposes to amend regulations pertaining to requirements applicable to public adjusters.

The purpose of the proposed amendment is (1) to provide additional guidance to public adjusters as to the manner in which offers of settlement must be communicated to the clients; and (2) clarify issues relating to the compensation to which public adjusters are entitled for their services.

The text of the proposed amendment is set out below. Comments for the Department's consideration may be submitted, in writing, within thirty days following the publication of this notice in the Connecticut Law Journal, to the State of Connecticut Insurance Department, Attention: Anthony Caporale, Counsel, P.O. Box 816, Hartford, CT 06142-0816.

Copies of the proposed regulation may be obtained by writing to the Insurance Department at the above address or by calling (860) 297-3981. The proposed regulation may also be viewed on the World Wide Web at www.ct.gov/cid/ by clicking on "Proposed Regulations".

Section 1. Section 38a-788-5 of the Regulations of Connecticut State Agencies is amended to read as follows:

§ 38a-788-5. Settlement offers

(a) Any [written] offer to settle a loss received by a public adjuster shall be transmitted to the client IN WRITING NOT LATER THAN TEN (10) DAYS AFTER RECEIPT OF THE OFFER FROM THE INSURER and, if rejected by the client, such [offer] REJECTION AND ANY COUNTEROFFER THEREOF shall be TRANSMITTED, WITHIN THIRTY (30) DAYS FROM THE RECEIPT OF THE OFFER, BY THE PUBLIC ADJUSTER TO THE INSURER IN WRITTEN FORM, acknowledged by an appropriate endorsement [thereto] SIGNED BY THE CLIENT.

(b) IF THE INSURER AND THE CLAIMANT FAIL TO REACH AN AGREEMENT ABOUT THE VALUE OF THE PROPERTY OR THE AMOUNT OF THE LOSS WITHIN ONE HUNDRED AND TWENTY (120) DAYS FROM THE DATE OF EXECUTION OF THE CONTRACT BETWEEN THE CLAIMANT AND THE PUBLIC ADJUSTER, THE PUBLIC ADJUSTER SHALL REQUEST IN WRITING THAT THE MATTER BE REFERRED FOR APPRAISAL IN ACCORDANCE WITH THE PERTINENT PROVISIONS OF THE INSURANCE CONTRACT UNDER

WHICH PAYMENTS ARE CLAIMED, UNLESS THE CLAIMANT AGREES IN WRITING TO EXTEND SUCH TIME PERIOD.

(c) AN AGREEMENT TO WAIVE THE TIME PERIOD REQUIRED BY SUBSECTION (b) OF THIS SECTION MUST BE EXECUTED BY THE CLAIMANT NOT EARLIER THAN FOURTEEN DAYS PRIOR TO THE EXPIRATION OF SUCH TIME PERIOD.

(d) THE PROVISIONS OF SUBSECTION (b) OF THIS SECTION DO NOT APPLY TO CLAIMS IN WHICH THERE IS A COVERAGE DISPUTE BETWEEN THE INSURER AND THE CLAIMANT.

Section 2. Section 38a-788-6 of the Regulations of Connecticut State Agencies is amended to read as follows:

§ 38a-788-6. Form of contract

No public adjuster shall enter into an employment contract except in conformity with this regulation. There shall be a true copy of the employment contract which shall be given to the client at the time the contract is signed. The contract and copy(ies) of the contract shall (1) be printed on white or cream paper in dark or black ink; (2) have section titles captioned in bold face type which otherwise stands out significantly from the text; (3) have statements on contract which read "read both sides before signing" and "I have read the information on both sides of this contract" printed in 18 point bookman type; (4) use layout and spacing which separates the paragraphs from each other and from the border of the paper; (5) be on one piece of paper measuring 8 1/2" x 11" to be printed on both sides and which shall state:

(1) On side one:

INFORMATION ABOUT YOUR

PUBLIC ADJUSTER EMPLOYMENT CONTRACT

YOUR LEGAL RIGHTS:

Cancellation: You may cancel this contract by notifying us at the address shown on the other side of this page, in writing, by certified mail, return receipt, postmarked not later than midnight two (2) days following the day this contract is signed. If the contract is signed on a Friday, Saturday or Sunday, you will have until midnight on the following Tuesday to mail the notice of cancellation to us as described above.

Settlement offer: We shall forward to you any written settlement offer from the insurance company.

Fee: Our services are available for a fee to be paid by you. We cannot charge you a fee greater than ten percent (10%) of the actual or final settlement of the loss covered by this contract nor can we rebate any part of the fee specified in this Employment Contract.

Copy of the contract: We must give you a true copy of this Employment Contract at the time you sign it.

RIGHT OF APPRAISAL: PURSUANT TO YOUR INSURANCE POLICY, YOU HAVE THE RIGHT TO DEMAND AN APPRAISAL OF THE LOSS IF YOU AND THE INSURER FAIL TO AGREE AS TO THE VALUE OR THE AMOUNT OF THE LOSS SUBJECT TO YOUR CLAIM.

LIMITATIONS OF PUBLIC ADJUSTERS:

We are not allowed:

- to solicit your employment between 8:00 p.m. and 8:00 a.m.
- to solicit your employment if you have already hired or contracted with another public adjuster.
- to have any interest whatsoever in any construction, salvage, or appraisal business.
- to represent both an insurer and an insured at the same time.
- to pay anything of value to any person as an inducement to refer business to us.
- to share our fee, except with another licensed Public Adjuster.
- to advise you on any question of law.
- to advance any monies to you before settlement of the loss, where such amount would be included in the final settlement.
- to make false statements about an insurance company or its representatives.

We must:

- sign this Contract.
- inform you that we do not represent any insurance company or any insurance company adjusting firm.

(2) On side two:

*** NAME OF LICENSED PUBLIC ADJUSTER**

ADDRESS

TELEPHONE NUMBER

Names of individual public

Adjuster licensee(s) to appear

here

READ BOTH SIDES BEFORE SIGNING (18 point bookman type)

PUBLIC ADJUSTER EMPLOYMENT CONTRACT

To the Interested Insurance Companies and Others Whom it May Concern:

I/we retain _____ (name of public adjuster) to act as my/our public adjuster(s) and to advise and assist in the adjustment and settlement of my/our _____ (type) loss at _____ (address) which occurred on or about _____ (date). In consideration for these services, I/we hereby assign out of the monies due or to become due from said Insurance Companies on account of the said loss a sum equivalent to _____ percent of the amount of the loss when adjusted with the Insurance Companies or otherwise recovered.

I HAVE READ THE INFORMATION ON BOTH SIDES OF THIS CONTRACT
(18 point bookman type)

Signed: _____

(date)

(signature of insured)

(signature of insured)

(name)

(address)

(city & state)

Agreed to:

(name of individual or firm licensee)

By:

(signature of Public Adjuster)

This form is in compliance with Section 38a-769-6 of the Regulations of the Connecticut Insurance Department. This form must be signed by the licensed Public Adjuster and by Insured. _____

* The name of the licensee must appear here. If you operate as a firm or on behalf of a firm, show name of firm licensee here and names of all individual licensees in designated area.

Section 3. Section 38a-788-8 of the Regulations of Connecticut State Agencies is amended to read as follows:

§ 38a-788-8 Compensation

No public adjuster shall receive compensation in excess of 10% of the actual and final settlement of a loss covered by the employment contract BETWEEN A CLAIMANT AND A PUBLIC ADJUSTER. SUCH COMPENSATION SHALL BE PAID TO THE PUBLIC ADJUSTER UPON RECEIPT OF THE INSURANCE SETTLEMENT PROCEEDS AND SHALL BE BASED ONLY ON THE AMOUNTS ACTUALLY RECEIVED BY THE CLAIMANT.



Thomas B. Leonardi
Insurance Commissioner