

Public Adjusters

What you need to know when navigating the claims process

Natural disasters can cause significant damage to property but also result in confusion for homeowners trying to navigate the claims process. The Department of Insurance would like homeowners to understand some basic information about public adjusters.

What is a Public Adjuster?

A public adjuster is a licensed insurance professional hired to assist an insured policyholder with an insurance claim. An insured is not required to hire a public adjuster to have the claim processed.

Who hires and pays for a public adjuster?

The insured policyholder hires a public adjuster and is responsible for paying the public adjuster the designated fee. The fee is usually a set percentage of the total recovery of the insurance claim and must be listed in the contract between the insured and the public adjuster. In the case of a catastrophic disaster, the fee cannot exceed ten percent of the insurance settlement or proceeds. The insurer is not responsible for reimbursing the insured for the fee or paying any additional amounts on the claim to cover the fee.

Conversely, an independent adjuster is a professional employed or retained by the insurer to evaluate, process, and adjust an insurance claim submitted by a policyholder. The insurer selects the adjuster and pays any salary or fee directly to the adjuster. This type of adjuster will be involved in any property claim.

How is a Public Adjuster licensed?

A public adjuster **must** hold an active Public Adjuster license, issued by the Nebraska Department of Insurance to adjust claims in Nebraska. A license issued by another state is not sufficient. Acting as a public adjuster in the State of Nebraska without a Nebraska Public Adjuster License should be reported to the Department. Effective July 19, 2018, the Nebraska Insurance Consultant License no longer includes the authority to act as a public adjuster.

Tips

- Ask the public adjuster for his or her Nebraska license number and verify license status. A licensed and reputable public adjuster will not hesitate to provide this information.

- State law requires a public adjuster to have a written signed contract with a client prior to commencing work. The contract must define the subject matter of the services, outline the nature of work to be performed by the public adjuster, and state the fee for the work. The contract must be in writing and signed by both the public adjuster and the insured. The public adjuster is required to give a signed copy to the insured and retain a signed copy for five years. If you have concerns about the contract or have asked that changes be made, be sure to get those modifications in writing.
- A public adjuster's loyalty is to the interests of the insured. A public adjuster is prohibited from having any financial interest, in any aspect of the claim, including employment by or ownership of, a repair contracting company.
- Ask questions and request clarification for anything that you do not understand.
- Ask for references.

More Information

The Department of Insurance can be reached at 402-471-2201, or on its toll-free consumer hotline at 1-877-564-7323. Additional insurance-related information, including licensing status of a public adjuster, can also be found on the Department's website at **doi.nebraska.gov**.