

House Insurance Committee Voting Meeting

Room G50 Irvis Office Building

Harrisburg, PA 17120

October 27, 2025

Call of the Chair

Agenda

House Bill 1972 (Merski/Olsommer): Further regulates public adjusters by improving consumer disclosures, addressing conflicts of interest, and minimizing instances involving unreasonable commissions.

Any other business

Adjournment

Attachments:

- HB1972 PN2487
- HB1972 LDPC Analysis

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1972 Session of
2025

INTRODUCED BY MERSKI, OLSOMMER, PICKETT, SANCHEZ, K.HARRIS,
HILL-EVANS, NEILSON, CIRESI AND D. WILLIAMS, OCTOBER 20, 2025

REFERRED TO COMMITTEE ON INSURANCE, OCTOBER 20, 2025

AN ACT

1 Amending the act of December 20, 1983 (P.L.260, No.72), entitled
2 "An act providing for the licensing and regulating of public
3 adjusters and public adjuster solicitors," further providing
4 for definitions, for license, for written disclosure of
5 financial interest and for bond; providing for fees, for
6 requirements and prohibitions and for separate pre-contract
7 disclosure; and further providing for contract and for
8 revocation, etc., of license.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. The definition of "public adjuster" in section 1
12 of the act of December 20, 1983 (P.L.260, No.72), referred to as
13 the Public Adjuster Licensing Law, is amended and the section is
14 amended by adding definitions to read:

15 Section 1. Definitions.

16 The following words and phrases when used in this act shall
17 have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

19 * * *

20 "Catastrophic claim settlement." A settlement for a claim
21 arising from a major disaster as declared by the President of

1 the United States or a disaster emergency proclaimed by the
2 Governor under 35 Pa.C.S. § 7301 (relating to general authority
3 of Governor).

4 * * *

5 "Negotiate." To confer directly with or to offer advice
6 directly to a purchaser or prospective purchaser of a particular
7 contract for public adjuster services concerning the substantive
8 benefits, terms or conditions of the contract.

9 * * *

10 "Public adjuster." Any person advertising, soliciting
11 business or holding himself out to the public as an adjuster of
12 claims, excluding claims for personal or commercial auto lines
13 of insurance, for losses or damages arising out of policies of
14 insurance, surety or indemnity upon property, persons or
15 insurable business interests within this Commonwealth, and
16 receiving any compensation or reward for the giving of advice or
17 assistance to the insured in the adjustment of claims for such
18 losses, or who for compensation or reward, whether by way of
19 salary or commission or otherwise, directly or indirectly,
20 solicits business, investigates or adjusts losses or advises the
21 insured with reference to claims for losses on behalf of any
22 other person engaged in the business of adjusting losses. The
23 term does not include an agent or employee of an insurance
24 company, association or an exchange, through whom a policy of
25 insurance was written, in adjusting loss or damage under such
26 policy, nor does it include an insurance producer acting as an
27 adjuster if the services of the insurance producer in the
28 adjustment are without compensation.

29 "Relative." A spouse, parent, child, stepparent, stepchild,
30 grandparent, grandchild, brother, sister, half brother, half

1 sister, aunt, uncle, niece, nephew or first or second cousin.

2 * * *

3 "Sell." To exchange a contract by any means for money or
4 anything of value.

5 "Solicit." To attempt to sell, ask or urge a person to
6 obtain public adjuster services.

7 Section 2. Sections 2(a) and (d), 3.1 and 4 of the act are
8 amended to read:

9 Section 2. License.

10 (a) License required.--No person or entity shall represent
11 as or advertise to be a public adjuster, sell, solicit or
12 negotiate a contract for public adjusting services or, directly
13 or indirectly, act within the Commonwealth as a public adjuster
14 without first procuring from the Insurance Commissioner a
15 license as a public adjuster.

16 * * *

17 (d) License not to be issued to certain persons.--No license
18 as a public adjuster shall be issued to any person engaged or
19 interested in, or receiving any profit from, nor shall the
20 holder of any such license engage or be interested in, or
21 receive any profit from, any salvage, repair, replacement,
22 restoration, renovation or demolition of damaged property, real
23 or personal, or similar business.

24 Section 3.1. [Written disclosure] Prohibition of financial
25 interest.

26 (a) Requirement.--A public adjuster [shall provide the
27 insured a written disclosure concerning], or any of the public
28 adjuster's employees, relatives or affiliates, may not have a
29 direct or indirect financial interest [the public adjuster has
30 with another party involved in an] in any aspect of the claim

1 being adjusted, other than the salary, fee, commission or other
2 consideration established in the written contract with the
3 insured[, including ownership of or compensation expected to be
4 received from a construction firm, building appraisal firm,
5 motor vehicle repair shop or another firm that provides
6 estimates for work or that performs work in conjunction with
7 damages caused by the insured loss on which the public adjuster
8 is engaged].

9 (a.1) Referrals.--The public adjuster, or any of the public
10 adjuster's employees, relatives or affiliates, may not refer or
11 direct an insured to get needed repairs or services in
12 connection with a loss from any person:

13 (1) with whom the public adjuster or any of the public
14 adjuster's employees, relatives or affiliates has a financial
15 interest; or

16 (2) from whom the public adjuster or any of the public
17 adjuster's employees, relatives or affiliates may receive
18 direct or indirect compensation for the referral.

19 (b) Definition.--As used in this section, the term "firm"
20 shall include a corporation, partnership, association, joint-
21 stock company or person.

22 Section 4. Bond.

23 (a) Public adjuster's bond.--Each person receiving a public
24 adjuster's license shall, before issuance and renewal of a
25 license or transacting any business thereunder, execute and
26 deliver to the Insurance Commissioner a bond in the minimum
27 penal sum of [~~\$20,000~~] \$40,000 with such sureties as the
28 Insurance Commissioner may approve[.] and shall provide proof of
29 the bond to the Insurance Commissioner.

30 (a.1) Termination or replacement of public adjuster bond.--

1 The issuer of a bond issued to a public adjuster shall not
2 terminate or replace the bond unless written notice is filed
3 with the Insurance Commissioner and given to the licensee no
4 less than 30 days prior to the termination or replacement of the
5 bond.

6 (b) (Reserved).

7 (c) Condition of bond.--The bond of the public adjuster
8 shall be conditioned that said public adjuster will faithfully
9 comply with all the requirements of this act and shall not
10 embezzle, take, secrete or otherwise dispose of or fraudulently
11 withhold, appropriate, lend, invest or otherwise use or apply
12 any money or substitutes for money or any salvage, goods or
13 property received by him as such public adjuster or employee of
14 a public adjuster[, contrary to the instructions or without the
15 consent of the assured or his legal representative]. Any person,
16 firm or corporation who has entered into a contract with a
17 public adjuster, as provided in section 5, and who shall suffer
18 loss by reason of the failure of the public adjuster to comply
19 with this act and faithfully perform his duties shall have the
20 right to intervene and be made a party to any action instituted
21 by the Commonwealth on the bond of the public adjuster and to
22 have his, her or its rights and claims adjudicated in such
23 action and judgment rendered thereon, subject, however, to the
24 priority of the claim and judgment of the Commonwealth. If the
25 amount of the liability of the surety on said bond is sufficient
26 to pay the full amount due the Commonwealth, the remainder shall
27 be distributed pro rata among said intervenors. If no suit
28 should be brought by the Commonwealth of Pennsylvania, upon
29 application therefore and furnishing affidavit to the department
30 that loss has been suffered by reason of failure of the public

1 adjuster to comply with this act or faithfully perform his
2 duties, such insured shall be furnished with a certified copy of
3 said bond, upon which he, she or it shall have a right of
4 action, and shall be and are hereby authorized to bring suit in
5 the name of the Commonwealth for his, her or its use and benefit
6 against said public adjuster and his sureties and to prosecute
7 the same to final judgment and execution. [Where suit is
8 instituted by any such insureds on the bond of the public
9 adjuster, it shall be commenced within one year after the
10 performance and final settlement of said contract, and not
11 later. Where suit is so instituted by an insured or insureds, no
12 other action shall be brought by any other claimant, but any
13 other claimant may file his claim in the action first brought
14 and be made party thereto within one year from the completion of
15 the work under said contract, and not later. If two or more
16 actions be brought on the same day, the action in which the
17 largest claim is demanded shall be regarded as the first action.
18 Any creditor who has brought an action within one year as
19 aforesaid, but after suit brought by another creditor or on the
20 same day, may intervene in the suit first brought within the
21 year, notwithstanding the fact that the intervention in such
22 case be after the expiration of the year, provided said
23 intervention be made within 30 days after the expiration of the
24 year.] If the recovery on the bond should be inadequate to pay
25 the amounts found due to all of said creditors, judgment shall
26 be given to each creditor pro rata of the amount of the
27 recovery. The surety on said bond may pay into the court, for
28 distribution among said claimants and creditors, the full amount
29 of the surety's liability, to wit, the penalty named in the
30 bond, less any amount which said surety may have had to pay to

1 the Commonwealth by reason of the execution of said bond, and,
2 upon so doing, the surety will be relieved from further
3 liability. In all suits instituted under the provisions of this
4 act, such personal notice of the pendency of such suits,
5 informing them of their right to intervene, as the court may
6 order, shall be given to all known creditors and, in addition
7 thereto, notice shall be given by publication in newspapers of
8 general circulation, published in the county or municipality
9 where the contract was performed, once a week for at least three
10 successive weeks: Provided, however, That, when such suit has
11 begun within three weeks of the end of the year within which
12 suit may be brought, said notice by publication shall be only
13 for the period intervening between the time of instituting such
14 suit and the end of the year.

15 Section 3. The act is amended by adding sections to read:

16 Section 4.1. Fees.

17 (a) Limits.--A public adjuster may not charge, agree to or
18 accept as compensation or reimbursement any payment, commission,
19 fee or another thing of value that is more than:

20 (1) for a catastrophic claim settlement, 10%; or

21 (2) for an insurance claim settlement, 15%.

22 (b) Prohibition.--A public adjuster may not:

23 (1) require, demand or accept any fee, retainer,
24 compensation, deposit or other thing of value prior to
25 settlement of a claim; or

26 (2) collect a fee from the portion of a claim offered to
27 or received by the insured before the public adjuster was
28 retained.

29 Section 4.2. Requirements and prohibitions.

30 (a) Notification letter.--A public adjuster shall provide

1 the insurer a notification letter, which must be signed by the
2 insured, authorizing the public adjuster to represent the
3 insured's interest. The insurer shall verify that the person
4 acting as the public adjuster holds a valid license with the
5 department. If the person acting as the public adjuster does not
6 hold a valid license, the insurer:

7 (1) Shall notify the department, who may refer the
8 matter to the Office of Attorney General for investigation of
9 a violation of any of the following:

10 (i) The act of December 17, 1968 (P.L.1224, No.387),
11 known as the Unfair Trade Practices and Consumer
12 Protection Law.

13 (ii) The act of October 17, 2008 (P.L.1645, No.132),
14 known as the Home Improvement Consumer Protection Act.

15 (iii) Section 6(b.1).

16 (2) May not issue payment to the person acting as an
17 adjuster associated with the claim.

18 (b) Assignment.--

19 (1) Subject to a policy's terms relating to
20 assignability, a property insurance policy, regardless of
21 when issued, may provide that the rights and benefits under
22 the insurance policy may only be assigned to a person who has
23 the legal authority to represent the named insured or to a
24 subsequent owner of the property to whom title is
25 transferred, and may prohibit assignment of rights and
26 benefits to any other person, including a property repair
27 contractor.

28 (2) For the purposes of this subsection, having "legal
29 authority to represent the named insured" includes the person
30 named by the named insured as having the named insured's

1 power of attorney, the person who is the named insured's
2 licensed public adjuster or any other comparable person.
3 Property repair contractors operating in this Commonwealth
4 may not subvert the public adjuster licensing requirements of
5 the act through the acquisition of a power of attorney from
6 the named insured.

7 (c) Prohibitions.--A public adjuster may not:

8 (1) Suggest that the property is damaged unless an
9 inspection of the property has been completed.

10 (2) Offer to pay an insured's deductible or indicate
11 that the insured's deductible will be waived.

12 (3) Acquire any interest in the salvage of property
13 subject to a contract with the insured.

14 (4) Withhold funds due to an insured in excess of the
15 amount of the fee due to the public adjuster for more than 30
16 days subject to section 5(e)(4).

17 (5) Restrict or prevent an insurer or other person
18 acting on behalf of the insurer from:

19 (i) Accessing the insured property that is the
20 subject of the claim.

21 (ii) Obtaining information necessary to investigate
22 and process a claim.

23 (iii) Contacting the insured directly regarding the
24 claim, except the insurer shall send to the public
25 adjuster a copy of any correspondence with the insured
26 relating to the claim.

27 (d) Inquiry or request for information.--For a written
28 inquiry by the department or a request for documentation related
29 to an application or renewal of a license or an investigation, a
30 public adjuster must provide a written response or produce the

1 requested documents within 30 days of receiving the inquiry or
2 request.

3 (e) Cooperation with investigation.--A public adjuster shall
4 cooperate with the department in any investigation related to a
5 violation of this act. Cooperation includes, but is not limited
6 to, being interviewed by the department, providing a written
7 statement to the department, providing pertinent documentation,
8 testifying at a proceeding and completing an authorization for
9 release of information, as necessary, in a form specified by the
10 department.

11 (f) Failure to respond.--If a public adjuster fails to
12 respond to an inquiry as specified in subsection (d) and fails
13 to correct the violation within 15 days, the department may file
14 an order to show cause against the public adjuster on that basis
15 and seek a fine of no more than \$100 per day in addition to the
16 denial, suspension or revocation of a license.

17 (g) Required reporting of denial, suspension or revocation
18 of license.--A public adjuster must report having a public
19 adjuster license or other professional license, or an
20 equivalent, denied, suspended or revoked by a governmental
21 entity or self-regulating professional association to the
22 department within 30 days of the occurrence.

23 (h) Required reporting of criminal charge.--Within 30 days
24 of being charged with criminal conduct, a public adjuster shall
25 report the charges to the department. The public adjuster shall
26 provide the department with the following within 30 days of
27 availability to the public adjuster:

28 (1) A copy of the criminal complaint, information or
29 indictment.

30 (2) A copy of the order resulting from a pretrial

1 hearing, if any.

2 (3) A report of the final disposition of the charges.

3 Section 4.3. Separate pre-contract disclosure.

4 Prior to the signing of a contract, a public adjuster shall
5 provide the insured with a separate disclosure document
6 regarding the claim process, which must contain the following
7 information:

8 (1) That a property insurance policy obligates the
9 insured to present a claim to the insurance company for
10 consideration.

11 (2) An explanation of the three types of adjusters that
12 could be involved in the claim consideration process under
13 paragraph (1), as follows:

14 (i) A company adjuster who is an insurance adjuster
15 who is an employee of an insurance company. A company
16 adjuster represents the interest of the insurance company
17 and is paid by the insurance company. A company adjuster
18 will not charge the insured a fee.

19 (ii) An independent adjuster who is the insurance
20 adjuster hired on a contract basis by an insurance
21 company to represent the insurance company's interest in
22 the settlement of the claim. An independent adjuster is
23 paid by the insured's insurance company. An independent
24 adjuster will not charge the insured a fee.

25 (iii) A public adjuster who is an insurance adjuster
26 who does not work for an insurance company. A public
27 adjuster works for the insured to assist in the
28 preparation, presentation and settlement of the claim.
29 The insured hires a public adjuster by signing a contract
30 agreeing to pay the public adjuster a fee or commission

1 based on a percentage of the settlement or other method
2 of compensation.

3 (3) That the insured may, but is not required to, hire a
4 public adjuster to help the insured meet the obligations
5 under the policy.

6 (4) That the insured may initiate direct communications
7 with an attorney retained by the insured, the insurer, the
8 insurer's adjuster, the insurer's attorney or any other
9 person regarding the settlement of the insured's claim.

10 (5) That the public adjuster is not a representative or
11 employee of the insurer.

12 (6) That the salary, fee, commission or other
13 consideration paid to a public adjuster is the obligation of
14 the insured.

15 (7) The public adjuster's license number and the web
16 address of or a link to the department's publicly accessible
17 Internet website to verify current licensure.

18 (8) A statement that the individual may file a complaint
19 with the department that contains the web address of or a
20 link to the department's current publicly accessible Internet
21 website, email and telephone number.

22 Section 4. Sections 5(a), (a.1), (a.2) and (d) and 6(a)
23 introductory paragraph and (7) of the act are amended and the
24 sections are amended by adding subsections to read:

25 Section 5. Contract.

26 (a) Written contract required.--No public adjuster shall,
27 directly or indirectly, act within this Commonwealth as a public
28 adjuster without having first entered into a contract, in
29 writing, on a form approved by the department prior to the
30 issuance of the public adjuster's license and executed in

1 duplicate by the public adjuster and the insured or a duly
2 authorized representative. One copy of this contract shall be
3 kept on file by the public adjuster, available at all times for
4 inspection by the department. The department shall disapprove a
5 contract form if, in the department's opinion, the contract or
6 its provisions:

7 (1) Fail to comply with this section or any regulation.

8 (2) Are unreasonable.

9 (3) Are contrary to the interests of the public.

10 (4) Are misleading or unfair to the insured.

11 At the department's discretion, the department may also require
12 the submission of advertising or solicitation material.

13 (a.1) Rescission.--

14 (1) A contract with a public adjuster may be rescinded
15 by any person signing the contract[.] within:

16 (i) five business days after signature for all
17 contracts; or

18 (ii) 15 business days if the contract was signed
19 within five business days after the loss was discovered
20 by the insured.

21 (2) If the insured exercises the right to rescind the
22 contract, anything of value given by the insured under the
23 contract shall be returned to the insured within 15 business
24 days following the receipt by the public adjuster of the
25 rescission notice.

26 (3) If an insured exercises the insured's right to
27 rescind under this subsection, the insured shall be liable
28 for:

29 (i) the reasonable value of services performed by
30 the public adjuster; and

1 (ii) the reasonable and necessary emergency out-of-
2 pocket expenses or services that were paid for or
3 incurred by the public adjuster during the period
4 preceding rescission.

5 (a.2) Disclosure.--The contracts shall disclose the
6 following items with each of these items separately signed or
7 initialed by the insured and the public adjuster:

8 (1) That the insured has the right to rescind the
9 contract [within three calendar days after signature]
10 pursuant to subsection (a.1).

11 (2) Fees to be charged or assessed by the public
12 adjuster together with an explanation about how the fees will
13 come from a portion of the claims payment, if any, made by
14 the insurer under the policy and are not in addition to the
15 payments.

16 (3) That the adjuster will provide the insured a copy of
17 an estimate or report of losses and, upon the insured's
18 request, any supporting documentation it sends to the
19 insurer.

20 (4) That the public adjuster is not a representative or
21 employee of the insurer and is an independent licensee of the
22 department.

23 (5) The public adjuster's license number and the web
24 address of or a link to the department's publicly accessible
25 Internet website to verify current licensure.

26 (6) A description and location of the loss, if
27 applicable.

28 (7) A description of services to be provided to the
29 insured.

30 (8) Attestation language stating that the public

1 adjuster is fully bonded under the laws of this Commonwealth.

2 (9) A statement that the individual may file a complaint
3 with the department, which shall contain the department's
4 current publicly accessible Internet website, email and
5 telephone number.

6 * * *

7 (a.4) Co-payee.--A contract may specify that a public
8 adjuster shall be named as a co-payee on an insurer's payment of
9 a claim only if the following requirements are met:

10 (1) The public adjuster's compensation is based on a
11 share of the insurance settlement, the exact percentage of
12 which must be specified.

13 (2) Initial expenses to be reimbursed to the public
14 adjuster from the proceeds of the claim payment are specified
15 by type, with dollar estimates specified in the contract and
16 with any additional expenses first approved by the insured.

17 (3) Compensation provisions in a public adjusting
18 contract may not be redacted in any copy of the contract
19 provided to the Insurance Commissioner.

20 (a.5) Responsibilities of public adjuster.--If an insurer,
21 not later than five business days after the date on which a loss
22 is reported to the insurer, either pays or commits in writing to
23 pay to the insured the policy limit of the insurance policy, the
24 public adjuster:

25 (1) May not receive a commission consisting of a
26 percentage of the total amount paid by an insurer to resolve
27 a claim.

28 (2) Shall inform the insured that the loss recovery
29 amount might not be increased by the insurer.

30 (3) Shall be entitled only to reasonable compensation,

1 as determined by the Insurance Commissioner, for services
2 provided by the public adjuster based on the time spent on a
3 claim and expenses incurred by the public adjuster during the
4 five business days.

5 * * *

6 (d) Contracts limited to adjustment of insurance losses.--No
7 public adjuster shall, directly or indirectly, through or with
8 any person, partnership, corporation or association in which it
9 has an indirect or beneficial interest, enter into any contract
10 with any insured for the repair, replacement, restoration,
11 renovation or demolition of damaged property, real or personal,
12 [at any time prior to the date a verdict or award is entered or
13 payment is received from the insurance carrier, whichever event
14 shall occur first.] that the public adjuster has been contracted
15 to adjust.

16 (e) Public adjuster contract contents.--A public adjuster
17 contract may not contain any contract term that:

18 (1) allows the public adjuster's percentage fee to be
19 collected when money is due from an insurance company but not
20 paid or that allows a public adjuster to collect the entire
21 fee from the first check issued by an insurance company
22 rather than as percentage of each check issued by an
23 insurance company;

24 (2) requires the insured to authorize an insurance
25 company to issue a check only in the name of the public
26 adjuster;

27 (3) imposes collection costs or late fees; or

28 (4) permits the public adjuster to:

29 (i) charge a fee for the negotiation of additional
30 living expenses; or

1 (ii) withhold a fee from payment of additional
2 living expenses.

3 Section 6. Revocation, etc., of license.

4 (a) Grounds for fines, suspensions or revocations.--

5 ~~[Committing any of the following acts]~~ The following acts are
6 prohibited and shall be grounds for fine, suspension or
7 revocation of a public adjuster's license:

8 * * *

9 (7) Receiving, directly or indirectly, any compensation,
10 referral fee, commission or thing of value or profit from any
11 person, partnership, association or corporation engaged or
12 interested in the business of salvage, repair, replacement,
13 restoration, renovation or demolition of damaged property,
14 real or personal[, unless such compensation, commission or
15 thing of value or profit is disclosed to the insured and
16 agreed to in the contract].

17 * * *

18 (b.1) Additional penalty.--In addition to a penalty provided
19 under this act, unlicensed activity prohibited under this act
20 shall constitute an offense under 18 Pa.C.S. § 4117 (relating to
21 insurance fraud) and shall subject a person or entity to
22 criminal prosecution as a felony of the third degree and to
23 civil penalties.

24 * * *

25 Section 5. This act shall take effect in 180 days.

HOUSE OF REPRESENTATIVES

DEMOCRATIC COMMITTEE BILL ANALYSIS

Bill No: HB1972 PN2487
Committee: Insurance
Sponsor: Merski, Bob
Date: 10/21/2025

Prepared By: Aliya Mollah & Joe Keller
(717) 787-4437,6433
Executive Director: Alan Cohn

A. Brief Concept

Further regulates public adjusters by improving consumer disclosures, addressing conflicts of interest, and minimizing instances involving unreasonable commissions.

C. Analysis of the Bill

This bill amends the Public Adjuster Licensing Law (Act 72 of 1983) to further regulate public adjusters. Consumers hire public adjusters to file and negotiate claims with the consumer's insurance provider.

The bill requires public adjusters to post a \$40,000 bond instead of a \$20,000 bond, enhances the Insurance Department's investigatory abilities, and makes it a crime to engage in public adjuster activities without a license. The bill also addresses public adjuster fees, prohibited activities, referrals, contract rescission, and required disclosures.

Fees

A public adjuster may not charge a commission or fee higher than 10% for catastrophic (i.e. disaster-related) claim settlements or 15% for non-catastrophic claim settlements. Importantly, the bill also clarifies that a public adjuster cannot collect fees on claims payments made before the public adjuster was hired.

Prohibitions

A public adjuster may not:

- Suggest that the property is damaged unless an inspection of the property has been completed.
- Offer to pay an insured's deductible or indicate that the insured's deductible will be waived.
- Acquire any interest in the salvage of property subject to a contract with the insured.
- Withhold funds due to an insured in excess of the amount of the fee due to the public adjuster for more than 30 days.
- Restrict or prevent an insurer or other person acting on behalf of the insurer from:
 - accessing the insured property that is the subject of the claim;
 - obtaining information necessary to investigate and process a claim; or
 - contacting the insured directly regarding the claim, except the insurer shall copy the public adjuster on any correspondence with the insured relating to the claim.
- Have a direct or indirect financial interest in any aspect of the claim being adjusted, other than the salary, fee, commission or other consideration established in the written contract with the insured.

Referrals

A public adjuster, or any of the public adjuster's employees, relatives, or affiliates, may not refer or direct an insured to get needed repairs or services in connection with a loss from any person:

- with whom the public adjuster or any of the public adjuster's employees, relatives, or affiliates has a financial interest; or
- from whom the public adjuster or any of the public adjuster's employees, relatives, or affiliates may receive direct or indirect compensation for the referral.

Rescission

A contract with a public adjuster may be rescinded by any person signing the contract within:

- five business days after signature for all contracts; or
- 15 business days if the contract was signed within five business days after the loss was discovered by the insured.

If the insured rescinds the contract, the public adjuster must return the insured's valuables within 15 business days following the receipt of the rescission notice. The insured must pay for the reasonable value of the public adjuster's services, including reasonable and necessary emergency out-of-pocket expenses or services that were paid for by the public adjuster.

Disclosure

Public adjuster contracts shall disclose the following:

- That the insured has the right to rescind the contract.
- Fees to be charged or assessed by the public adjuster together with an explanation about how the fees will come from a portion of the claims payment, if any, made by the insurer under the policy and are not in addition to the payments.
- That the adjuster will provide the insured a copy of an estimate or report of losses and, upon the insured's request, any supporting documentation it sends to the insurer.
- That the public adjuster is not a representative or employee of the insurer and is an independent licensee of the department.
- The public adjuster's license number and the web address for or a link to the department's publicly accessible Internet website to verify licensure.
- A description and location of the loss, if applicable.
- A description of services to be provided to the insured.
- Attestation language stating that the public adjuster is fully bonded under the laws of this Commonwealth.
- A statement that the individual may file a complaint with the department, which shall contain the department's current publicly accessible Internet website, email and telephone number.

Effective Date:

180 days.

G. Relevant Existing Laws

The Public Adjuster Licensing Law required public adjusters to obtain a license, post a \$20,000 bond, and comply with miscellaneous other requirements.

E. Prior Session (Previous Bill Numbers & House/Senate Votes)

This bill was not introduced in a prior session.

This document is a summary of proposed legislation and is prepared only as general information for use by the Democratic Members and Staff of the Pennsylvania House of Representatives. The document does not represent the legislative intent of the Pennsylvania House of Representatives and may not be utilized as such.