

## Top 5 Myths about Public Adjusters, BUSTED!

by Noble Public Adjusting Group | Oct 23, 2016 | Educational |



Every profession comes with its fair share of rumors, myths and wives-tales; Public Adjusting is no different! During storm season, a time when insurance claims are filed by the thousands, lots of people hear about Public Adjusting for the first time and start to do a little research before committing. Often, though the statistics are clear that using Public Adjusters greatly increases your chances of getting the maximum payout on an insurance claim, people creep their way to the forefront of places like social media to nay-say inquiring minds with tall tales of fraud and fluffed up, exaggerated myths. These myths somehow make their way to the forefront of almost every post about insurance; circulated by various angry industry employees and a few salty policyholders. Policyholders who have been wronged by Public Adjusters, or any other professional, need to voice their experience, so others can learn from it, but licensed insurance professionals that do the same, are breaking a state code of ethics ([seen here](#)).

While bad apples are found in every industry, most legally state licensed Public Insurance Adjusters that have practiced for more than a year, remain in compliance with state laws regarding ethical practices. If you're wondering how to pick a qualified Public Adjuster, [click here](#). Keep scrolling to see the myths busted!



These are 5 of the ***BIGGEST*** and most ***Outrageous*** myths about Public Adjusters that we've heard:

### 1.) PUBLIC ADJUSTERS TAKE A HUGE PORTION OF YOUR INSURANCE AWARD AND DO NOTHING FOR YOU.

**FALSE:** Public Adjuster's are capped by the State on how much they can charge on each claim and each claim takes a lot of time and effort to process.

During a declared state of emergency, Public Adjusters are only allowed to charge 10% of the claim total on residential claims, no matter how time consuming or complicated your claim is. Also, the state requires that the fee amount is clearly stated on the contract that both the policyholder and the Public Adjuster must sign. While every P.A. carries a different work ethic, most Public Adjusters file ALL of the claims paperwork, investigate and scope the property (which includes tons of measurements, photographs and notes), write-up a professional, detailed, damage estimate and report, meet with insurance personnel more than once at the property to investigate and discuss, and make innumerable phone calls and emails throughout the process. *A Public Adjuster's main objective is to build a case to present to the insurance company on your behalf, and that is a lot of work.*

### 2.) PUBLIC ADJUSTERS ARE CROOKS.

**FALSE:** Public Adjusters MUST be fingerprinted and pass a background check to apply for a license.

Not only are criminal charges frowned upon, they lead to a permanent bar from being able to even apply for licensure. Public Adjusters that commit crimes while licensed are punished with revocation of their license, fines and even jail time, depending on the charge. Here is a quote from the State of Florida's website and link to find out more about the rigorous requirements:

"Persons who have committed certain felonies are permanently barred from applying for licensure. Other felonies and certain misdemeanors require the applicant to wait for a disqualifying period to lapse prior to applying for licensure. The permanent bar and the disqualifying periods apply regardless of whether adjudication was withheld or an applicant's civil rights have been restored.

An applicant who has committed a felony of the first degree, a capital felony, a felony involving money laundering, fraud, or embezzlement, or a felony directly related to the financial services business is permanently barred from applying for a license. This bar applies to convictions, guilty pleas, or nolo contendere pleas, regardless of adjudication, by any applicant, officer, director, majority owner, partner, manager, or other person who manages or controls any applicant." For more: [Link here](#).

-Florida Chief Financial Officer's website, Division of Insurance Agent and Agency Services

### 3.) USING A PUBLIC ADJUSTER WILL CAUSE YOUR PREMIUMS TO GO UP.

**FALSE:** Insurance companies are regulated by the state code of ethics which does not allow gauging.

While insurance companies tend to dislike it when you hire a Public Adjuster (because they end up paying out 747% more), they cannot go up on your insurance premium because of that reason. If insurance premiums are raised, it's usually when many claims are being filed in one small area and the entire region's premiums will go up, not just yours.

### 4.) YOUR INSURANCE CARRIER WILL DROP YOU IF YOU USE A PUBLIC ADJUSTER.

**FALSE:** Because of the state code of ethics, they cannot drop your coverage to retaliate.

While your insurance carrier can choose to non-renew your policy for ANY reason they see fit after your policy period is up, they cannot suddenly drop your coverage because you've decided to hire an advocate. Usually carriers only drop coverage if you stop paying your premiums or a loss is deemed negligent on your part. (Example: You fell asleep with a cigarette in your mouth and subsequently burned your house down.)

### 5.) PUBLIC ADJUSTERS COMMIT INSURANCE FRAUD

**FALSE:** Insurance carriers agree to pay the negotiated amount, they are not defrauded.

Many are under the impression that Public Adjusters somehow defraud insurance carriers into paying out outrageous amounts of money so that they can capitalize off of it, leaving the poor carrier broken and penniless. Be sure not to confuse your local agent with the insurance company. They are not one and the same. Insurance companies are billion dollar businesses that don't really want a pity-party or your allegiance, they want your business. Local agents simply sell you a policy and collect premiums for the carrier, but are a separate business.

Public Adjusters build a case for the policyholder using state statutes, building codes and insurance intel and they present it to the insurance carrier. Then the insurance company tries to refute the case, much like a trial case. The two go back and forth negotiating, until a fair settlement is reached. Once the settlement is reached, the carrier issues payment to the policyholder and the Public Adjuster. There is no trickery or fraud, it's simply that the insurance company sees the loss for what it truly is and agrees to pay what is owed. No, they don't like it, but they agree, nevertheless, to pay the proper amount. Insurance fraud is a serious offense and not many adjusters get away with it. If an adjuster is found to have committed fraud, they lose their license, pay fines and face criminal charges. Not only that, but they are NEVER aloud to apply for licensure again. Most Adjusters are not willing to put it all on the line for a few extra bucks.

The most important thing, when considering hiring a Public Adjuster, is to do your homework. Just like you would for any professional service, you should research reviews, company history and ask for references. The government study by OPPAGA determined that hiring a public adjuster, policyholders get a 747% higher claim payout, than if they attempt to file a claim alone. A difference that big, my friends, is definitely worth a little research. If you have a claim or think you might, call Noble Public Adjusting Group, a leader in the industry. 1-800-705-0570.



### SUBSCRIBE TO OUR NEWSLETTER

Noble Public Adjusting Group

Name

Email \*