



FAPIA CONSUMER ADVISORY BULLETIN

BEWARE OF CONTRACTORS OFFERING TO HANDLE YOUR INSURANCE CLAIM

It has been brought to our attention that homeowners are being solicited by contractors and remediation companies to handle their insurance claim when they have sustained a loss to their property i.e. roof damage, water damage, mold or fire losses. Persons who represent a policyholder in an insurance claim must be specifically licensed to adjust claims by the State of Florida. These individuals and/or companies may try to convince the home or business owner that their contractor/roofing license permits them to “handle the insurance claim”. They may advertise that they can handle everything, from start to finish, meet with the adjusters to discuss the damages to get the insurance company to pay for the work they want to perform on the property. The truth is, they are not trained or licensed to assist in the claim process, are in violation of Florida Statutes and are committing a third degree felony.

Florida Statute 626.8738 states “... any person who acts as a resident or nonresident public adjuster or holds himself or herself out to be a public adjuster to adjust claims in this state, without being licensed by the department as a public adjuster and appointed as a public adjuster, commits a felony of the third degree ...”

Florida Statute 626.854 section 1 defines a public adjuster as any person, except an attorney, who “... acts or aids in any manner on behalf of an insured or third party claimant in negotiating for or effecting the settlement of a claim ...” and further states this “... also includes any person who, for money, commission, **or any other thing of value, solicits, investigates, or adjusts such claims on behalf of any such public adjuster.**”

If a contractor or remediator offering to adjust your claim is also a licensed public adjuster, Florida Statute 626.8795 clearly states they cannot participate directly or indirectly in the repair or replacement of the damaged property. The statute further *prohibits the adjuster from soliciting or accepting any remuneration from the entity performing the repair or replacement, nor can the adjuster have any financial interest in the entity performing the work.*

The aforementioned conflict of interest statutes prohibit the entity assisting in the claim from having anything to do with the work being performed. Home and business owners are encouraged to use a reputable and licensed public insurance adjuster to assist them with obtaining their claim settlement. A good public adjuster will have the training, knowledge and understanding to assist the home or business owner with understanding their policy and coverage, where a contractor does not. In many instances when a contractor has assisted a homeowner with their insurance claim, the claims have either been wrongfully denied, damages have been placed under the wrong coverage, or the insured has not been adequately paid by their insurance company. Once the public adjuster has obtained a proper claim settlement, the homeowner can freely select a licensed contractor, remediator or roofer of their choosing to repair their home. By letting the claim process to be handled efficiently and through the proper channels, there is no act of crime being committed. If a contractor, remediator or roofer is not concerned with committing a felony, they will surely not be concerned with properly repairing your home.

If you have been contacted by any person or company not licensed to adjust claims stating they will assist you with your claim, and will repair/replace the damage to your home, please report them to the Florida Department of Financial Services at 1-877-693-5236. You may also contact the Florida Association of Public Insurance Adjusters (FAPIA) at 1-866-235-6489, Unlicensed Practice of Public Adjusting (UPPA) Committee or visit www.fapia.net to report this activity and to locate the names of licensed and reputable public adjusters in our state.

End