

West's Louisiana Statutes Annotated  
Louisiana Revised Statutes  
Title 22. Insurance Code (Refs & Annos)  
Chapter 5. Producers and Other Regulated Entities  
Part V. Public Adjusters

LSA-R.S. 22:1704  
Formerly cited as LA R.S. 22:1210.104

§ 1704. Contract between public adjuster and insured

Effective: January 1, 2012  
[Currentness](#)

A. Public adjusters shall ensure that all contracts for their services are in writing and contain the following terms:

- (1) Legible full name of the adjuster signing the contract, as specified in Department of Insurance records.
- (2) Permanent home state business address and phone number.
- (3) Department of Insurance license number.
- (4) Title of “Public Adjuster Contract”.
- (5) The insured's full name, street address, insurance company name, and policy number, if known or upon notification.
- (6) A description of the loss and its location, if applicable.
- (7) Description of services to be provided to the insured.
- (8) Signatures of the public adjuster and the insured.
- (9) Date contract was signed by the public adjuster and date that the contract was signed by the insured.
- (10) Attestation language stating that the public adjuster has satisfied the financial responsibility requirements of state law.
- (11) Full salary, fee, compensation, or other considerations the public adjuster is to receive for services.

(12) If applicable, an acknowledgment that a mortgage holder exists on any property adjusted by the public adjuster and that such mortgage holder is or may be an additional insured on the claim.

B. Compensation provisions in a public adjusting contract shall not be redacted in any copy of the contract provided to the commissioner of insurance. Such a redaction shall constitute an omission of material fact.

C. If the insurer, not later than seventy-two hours after the date on which the loss is reported to the insurer, either pays or commits in writing to pay to the insured the policy limit of the insurance policy, the public adjuster shall:

(1) Inform the insured that the loss recovery amount cannot be increased by the insurer.

(2) Be entitled only to reasonable compensation from the insured for services provided by the public adjuster on behalf of the insured, based on the time spent on a claim and expenses incurred by the public adjuster, until the claim is paid or the insured receives a written commitment to pay from the insurer.

D. A public adjuster contract may not contain any contract term that:

(1) Allows the public adjuster's fee to be collected when money is due from an insurance company, but not paid, or that allows a public adjuster to collect the entire fee from the first check issued by an insurance company, rather than as a percentage of each check issued by an insurance company.

(2)(a) When any payment on a claim is made and the insured is represented by a public adjuster, the insurer's check or checks may be made payable to the insured and the public adjuster when all of the following occurs:

(i) The amount of the check does not exceed the public adjuster's fee.

(ii) The amount of the fee is indicated in a written compensation agreement signed by the insured.

(iii) The balance of the proceeds, not included in the check made payable to the insured and the public adjuster, is made payable to the insured or to the insured and other lienholder or holders as is required by law.

(b) Should a dispute arise between a public adjuster and the insured with which he contracts, the public adjuster is prohibited from acting in any manner which would interfere with or cause the insured not to receive the undisputed portion of the insurance proceeds. Should the insured's check, which contains that amount not associated with the public adjuster's fee, be mailed to or received by the public adjuster, the public adjuster shall promptly present the check to the insured.

(3) Imposes collection costs or late fees.

(4) Precludes the insured from pursuing civil or judicial remedies.

E. Prior to the signing of the contract, the public adjuster shall provide the insured with a separate disclosure document regarding the claim process that states:

(1) Property insurance policies obligate the insured to present a claim to his insurance company for consideration. There are three types of adjusters that could be involved in that process. The definitions of the three types are as follows:

(a) “Company adjusters” means the insurance adjusters who are employees of an insurance company. They represent the interest of the insurance company and are paid by the insurance company. Company adjusters shall not charge insureds a fee.

(b) “Independent adjusters” means the insurance adjusters who are hired on a contract basis by an insurance company to represent the insurance company's interest. They are paid by your insurance company. Independent adjusters shall not charge insureds a fee.

(c) “Public adjusters” means the insurance adjusters who do not work for any insurance company. They work for the insured to assist in the investigation, appraisal, evaluation, and reporting of the claim. The insured hires them by signing a contract agreeing to pay them a fee.

(2) The insured is not required to hire a public adjuster to help the insured meet his obligations under the policy but has the right to do so.

(3) The insured always has the right to initiate direct communications with the insured's attorney, the insurer, the insurer's adjuster, and the insurer's attorney, or any other person regarding the settlement of the insured's claim. Once a public adjuster has been retained, the public adjuster shall not restrict communications between the insurer and its insured.

(4) The public adjuster is not a representative or employee of the insurer.

(5) The salary, fee, or other consideration to be paid to the public adjuster is the obligation of the insured, not the insurer.

F. The contracts shall be executed in duplicate to provide an original contract to the public adjuster and an original contract to the insured. The public adjuster's original contract shall be available at all times for inspection without notice by the commissioner of insurance.

G. The public adjuster shall provide the insurer a notification letter, which has been signed by the insured, indicating that the insured and the public adjuster have a contract pursuant to this Part. Delivery of this letter shall not prohibit or impede the right of the insured to communicate directly with the insurer.

H. The insured has the right to rescind the contract within three business days after the date the contract was signed. The rescission shall be in writing and mailed or delivered to the public adjuster at the address in the contract within the three business day period.

I. If the insured exercises the right to rescind the contract, any thing of value given by the insured under the contract will be returned to the insured within fifteen business days following the receipt by the public adjuster of the cancellation notice.

J. The contract shall not be construed to prevent an insured from pursuing any civil or judicial remedy.

#### Credits

Renumbered from R.S. 22:1210.104 by Acts 2008, No. 415, § 1, eff. Jan. 1, 2009. Added by Acts 2006, No. 806, § 1. Amended by Acts 2011, No. 94, § 1, eff. Jan. 1, 2012.

#### Editors' Notes

##### REDESIGNATION AND RENUMBERING OF TITLE 22--ACTS 2008, NO. 415

<Acts 2008, No. 415, § 1 amended and reenacted Title 22 of the Louisiana Revised Statutes of 1950, the Louisiana Insurance Code, and directed the Louisiana State Law Institute to redesignate the provisions of Title 22, formerly comprised of R.S. 22:1 to 22:3311, into a new format and numbering scheme comprised of R.S. 22:1 to 22:2371, without changing the substance of the provisions.>

<Sections 2 and 3 of Act 415 provide:>

<“Section 2. The Louisiana State Law Institute is hereby directed to change any citations, Chapters, Parts, Subparts, or other references contained in the current provisions of Title 22 of the Louisiana Revised Statutes of 1950 or in any other Title or Code of the Revised Statutes to reflect the new citations, Chapters, Parts, Subparts, or other references found in this Act.>

<“Section 3. This Act shall become effective on January 1, 2009”.>

##### PRE-2008 STATUTORY REFERENCES IN EDITORIAL NOTES

<Statutory references in italic and historical notes and notes of decisions written before 2008 conform to the Title 22 numbering scheme as it existed prior to the complete renumbering of Title 22 by Acts 2008, No. 415. For Title 22 provisions as renumbered in 2008, see the Disposition Table at the beginning of this volume.>

LSA-R.S. 22:1704, LA R.S. 22:1704

The Revised Statutes and the Codes are current through the 2021 Regular Session and Veto Session.