



National News

Why Public Adjusters Are Not Enemies of Independent Agents

By Ronald R. Reitz, CPPA
March 5, 2010

Here's why working with a public adjuster can be good for an independent insurance agency and for its customers:

1. After a disaster, insureds have hundreds or even thousands of questions and worries. In a large-scale disaster, many of your local customers will be coming to you for answers. You may find yourself answering the phone every few minutes to address more questions and to resolve their fears. As an agent you will find it necessary to read the policy and then get back to the insured with their answers. You may find yourself at odds with the insurer if you add your own opinion or interpretation of the policy language and it differs from the insurer's. This is an area where a public adjuster can add value since they will be the ones working directly with the insured and the insurer to address all coverage issues.

2. Customers who have suffered a loss are very emotional and upset. You will likely be the first person they call about their loss. Your customer will be in need of some immediate assistance and resources. Some of the things they will need are emergency services and temporary housing. Customers will also ask you to report their claim for them and will inquire as to the entire process. It is likely they will ask for a copy of their policy with a full explanation of their coverages. This is an important process that can be handled by a public insurance adjuster.

3. For the insured who experiences a disaster, working with numerous company adjusters, independent adjusters and contractors can be cumbersome, time-consuming and sometimes may even be infuriating. However, you as an independent agent want to stay neutral - you don't want your customers yelling at you for decisions the insurer may be making and you certainly do not want your insurance company clients upset with you either. This can be a very challenging position to find yourself in. This is another reason why it makes sense to engage a public insurance adjuster – they are outside of the decision making process and will be an advocate for the insured.

4. Our experience in adjusting large losses and large scale disasters has shown there are a large number of insureds that are underinsured. This is usually the result of the insured shopping for the lowest rates and ending up with inadequate coverage limits. If your insured finds themselves underinsured, the natural thing for them to do is to point their finger at their agent and accuse them of not properly insuring them. Sometimes, a very skilled and astute public adjuster can find additional coverage within the policy to minimize the impact. When selling a policy I recommend the agent spend additional time with the insured to fully explain the coverages that may quickly reach or exceed limits in case of a large loss – such as personal property with the sublimits; additional structures; landscaping; and building code upgrade to name a few. A good public adjuster will look for all coverages within the policy with a goal of minimizing the effect of an under-insured situation.

5. During the entire claim process it is common for the insurer and insured to have differing opinions on a variety of issues. A professional public insurance adjuster will relieve the burden from the agent by answering and explaining coverages, processes, values and options available to them. In addition, the public adjuster will be able to obtain a value of the loss that is independent from the insurer's. The goal of the public insurance adjuster is to pursue all coverage the insured is entitled to under the policy. Our experience has shown this is not always the same goal the insurer has. A professional public insurance adjuster can be a strong advocate for the insured and will work with the agent, insured and the insurer to resolve the claim expeditiously for its full value.

6. Remember that a professional public insurance adjuster is the only adjuster that can represent the insured. The company adjuster and independent adjuster are only authorized to work for the insurer. If the customer does not engage a public insurance adjuster, then they will find themselves without their own representation – or will rely upon their agent to perform that work and you will quickly discover you have a second full-time job. It is an arduous and tenacious task to juggle all elements of a claim and one that should really be performed by someone that does this on a full-time basis.

If you help your customer pick a claims professional who understands the insurance claims business, adheres to a professional code of ethics and has an excellent reputation, you will have done a great service for them.

Guidelines for How to Pick the Right Public Adjuster:

They should:

- Be licensed in the state the loss occurs in
- Be a member of the National Association of Public Insurance Adjusters (NAPIA)
- Have experience with a range of disasters and worked with many insurance companies
- Possess local knowledge of contractors, repair and remediation prices, building codes, etc.
- Have knowledge of your insurance company - its top adjusters and claims handling processes and policies
- Provide references from satisfied customers

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