

State of Utah
Administrative Rule Analysis
Revised May 2023

NOTICE OF PROPOSED RULE

TYPE OF FILING: Repeal and Reenact

Title No. - Rule No. - Section No.

Rule or Section Number:

R590-274

Filing ID: Office Use Only

Agency Information

1. Department:	Insurance	
Agency:	Administration	
Room number:	Suite 2300	
Building:	Taylorsville State Office Building	
Street address:	4315 S. 2700 W.	
City, state and zip:	Taylorsville, UT 84129	
Mailing address:	PO Box 146901	
City, state and zip:	Salt Lake City, UT 84114-6901	
Contact persons:		
Name:	Phone:	Email:
Steve Gooch	801-957-9322	sgooch@utah.gov

Please address questions regarding information on this notice to the persons listed above.

General Information

2. Rule or section catchline:

R590-274. Submission and Required Disclosures of Public Adjuster Contracts

3. Purpose of the new rule or reason for the change:

The rule is being changed in compliance with Executive Order 2021-12. During the review of this rule, the department discovered a number of minor issues that needed to be amended.

4. Summary of the new rule or change:

The majority of the changes are being done to fix style issues to bring the rule text more in line with current rulewriting standards. Other changes make the language of the rule more clear, remove the Penalties and Enforcement Date sections, and update the Severability section to use the department's current language. The changes do not add, remove, or change any regulations or requirements.

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:

A) State budget:

There is no anticipated cost or savings to the state budget. The changes are largely clerical in nature, and will not change how the department functions.

B) Local governments:

There is no anticipated cost or savings to local governments. The changes are largely clerical in nature, and will not affect local governments.

C) Small businesses ("small business" means a business employing 1-49 persons):

There is no anticipated cost or savings to small businesses. The changes are largely clerical in nature, and will not affect small businesses.

D) Non-small businesses ("non-small business" means a business employing 50 or more persons):

There is no anticipated cost or savings to non-small businesses. The changes are largely clerical in nature, and will not affect non-small businesses.

E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

There is no anticipated cost or savings to any other persons. The changes are largely clerical in nature.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

There are no compliance costs for any affected persons. The changes are largely clerical in nature.

G) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

Regulatory Impact Table			
Fiscal Cost	FY2024	FY2025	FY2026
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits	FY2024	FY2025	FY2026
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

H) Department head comments on fiscal impact and approval of regulatory impact analysis:

The Commissioner of Insurance, Jonathan T. Pike, has reviewed and approved this regulatory impact analysis.

Citation Information

6. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:

Section 31A-26-401	Section 31A-26-403	

Incorporations by Reference Information

7. Incorporations by Reference (if this rule incorporates more than two items by reference, please include additional tables):

A) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

Official Title of Materials Incorporated (from title page)	
Publisher	
Issue Date	
Issue or Version	

B) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

Official Title of Materials Incorporated (from title page)	
Publisher	
Issue Date	

Issue or Version	
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Public Notice Information

8. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. See Section 63G-3-302 and Rule R15-1 for more information.)		
A) Comments will be accepted until:		07/17/2023
B) A public hearing (optional) will be held:		
Date (mm/dd/yyyy):	Time (hh:mm AM/PM):	Place (physical address or URL):
To the agency: If more space is needed for a physical address or URL, refer readers to Box 4 in General Information. If more than two hearings will take place, continue to add rows.		

9. This rule change MAY become effective on:	07/25/2023
NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date.	

Agency Authorization Information

To the agency: Information requested on this form is required by Sections 63G-3-301, 63G-3-302, 63G-3-303, and 63G-3-402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the <i>Utah State Bulletin</i> and delaying the first possible effective date.			
Agency head or designee and title:	Steve Gooch, Public Information Officer	Date:	06/01/2023

R590. Insurance, Administration.

R590-274. Submission and Required Disclosures of Public Adjuster Contracts.

~~R590-274 1. Authority.~~

~~_____ This rule is promulgated by the commissioner pursuant to Sections 31A-26-401 and 31A-26-403.~~

~~R590-274 2. Purpose and Scope.~~

- ~~_____ (1) The purpose of this rule is to:~~
- ~~_____ (a) Set forth procedures on how public adjusters must submit required form filings to the commissioner pursuant to Section 31A-26-401; and~~
- ~~_____ (b) provide notice requirements, information and disclosures that must be included in the adjuster contracts.~~
- ~~_____ (2) This rule applies to resident and nonresident public adjusters.~~

~~R590-274 3. Definitions.~~

~~_____ In addition to the definitions in Sections 31A-1-301 and 31A-19a-102, the following definitions shall apply for the purpose of this rule:~~

- ~~_____ (1) "Certification" means a statement that the filing being submitted is in compliance with Utah laws and rules.~~
- ~~_____ (2) "Electronic Filing" means a filing submitted via an email system.~~
- ~~_____ (3) "File And Use" means a filing can be used, sold, or offered for sale after it has been filed with the department.~~
- ~~_____ (4) "Filer" means a person who submits a filing.~~
- ~~_____ (5) "Filing Objection Letter" means a letter issued by the commissioner when a review has determined the filing fails to comply with Utah law and rules. The filing objection letter may, in addition to requiring correction of non-compliant items, request clarification or additional information pertaining to the filing.~~
- ~~_____ (6) "Form" for the purposes of this rule form shall also include contracts.~~
- ~~_____ (7) "Order to Prohibit Use" means an order issued by the commissioner that prohibits the use of a filing.~~
- ~~_____ (8) "Rejected" means a filing is:~~
 - ~~_____ (a) not submitted in accordance with applicable laws and rules;~~
 - ~~_____ (b) returned to the filer by the department with the reasons for rejection; and~~
 - ~~_____ (c) not considered filed with the department.~~
- ~~_____ (9) "Utah Filed Date" means the date provided to a filer by the Utah Insurance Department that indicates a filing has been accepted.~~

~~R590-274 4. General Filing Information.~~

- ~~_____ (1) Each filing submitted must be accurate, consistent, complete, and contain all required documents in order for the filing to be processed in a timely and efficient manner. The commissioner may request any additional information deemed necessary.~~
- ~~_____ (2) The filer is responsible for assuring that a filing is in compliance with Utah laws and rules. A filing not in compliance with~~

Utah laws and rules is subject to regulatory action under Section 31A-2-308.

- ~~_____ (3) A filing that does not comply with this rule will be rejected and returned to the filer. A rejected filing:~~
 - ~~_____ (a) is not considered filed with the department and may not be used;~~
 - ~~_____ (b) will not be reopened for purposes of resubmission, a new filing is required.~~
- ~~_____ (4) A prior filing will not be researched to determine the purpose of the current filing. The submitted filing must be complete.~~
- ~~_____ (5) The department does not review or proofread every filing.~~
 - ~~_____ (a) A filing may be reviewed:~~
 - ~~_____ (i) when submitted;~~
 - ~~_____ (ii) as a result of a complaint;~~
 - ~~_____ (iii) during a regulatory examination or investigation; or~~
 - ~~_____ (iv) at any other time the commissioner deems necessary.~~
 - ~~_____ (b) If a filing is reviewed and is not in compliance with Utah laws and rules, A Filing Objection Letter or an Order To Prohibit Use will be issued to the filer. The commissioner may require the licensee to disclose deficiencies in forms to affected consumers.~~
- ~~_____ (6) Filing correction:~~
 - ~~_____ (a) If the filing is in a review status corrections can be made at any time.~~
 - ~~_____ (b) If the filing has been closed a new filing is required. The filer must reference the original filing in the filing description.~~
- ~~_____ (7) Response to a Filing Objection Letter. When responding to a Filing Objection letter a filer must:~~
 - ~~_____ (a) provide an explanation identifying all changes made;~~
 - ~~_____ (b) include an underline and strikeout version for each revised document;~~
 - ~~_____ (c) a final version of revised documents that incorporates all changes.~~
- ~~_____ (8) Response to an Order to Prohibit Use.~~
 - ~~_____ (a) An Order to Prohibit Use becomes final 15 days after the date of the order.~~
 - ~~_____ (b) Use of the filing must be discontinued no later than the date specified in the Order.~~
 - ~~_____ (c) To contest an Order to Prohibit Use, the commissioner must receive a written request for a hearing no later than 15 days after the date of the Order.~~
 - ~~_____ (d) A new filing is required if the licensee chooses to make the requested changes addressed in the Filing Objection Letter. The new filing must reference the previously prohibited filing.~~
- ~~_____ (9) Filing withdrawal. A filer must notify the department when withdrawing a previously filed form.~~

R590-274.5. Filing Requirements.

- ~~_____ (1) All filings must be submitted as an electronic filing via email at peforms@utah.gov.~~
- ~~_____ (2) A complete filing consists of the following:~~
 - ~~_____ (a) the title of the email must display the company name only;~~
 - ~~_____ (b) the filer must certify that a filing has been properly completed and is in compliance with Utah laws and rules;~~
 - ~~_____ (i) To certify the following statement must be included in the email: "BY SUBMITTING THIS FILING I CERTIFY THAT THE ATTACHED FILING HAS BEEN COMPLETED IN ACCORDANCE WITH UTAH ADMINISTRATIVE RULE R590-274 AND IS IN COMPLIANCE WITH APPLICABLE UTAH LAWS AND RULES".~~
 - ~~_____ (ii) A filing will be rejected if the certification is false, missing, or incomplete.~~
 - ~~_____ (iii) A certification that is false may subject the licensee to administrative action.~~
 - ~~_____ (c) provide a description of the filing including:~~
 - ~~_____ (i) the intent of the filing; and~~
 - ~~_____ (ii) the purpose of each document within the filing.~~
 - ~~_____ (d) indicate if the filing:~~
 - ~~_____ (i) is new;~~
 - ~~_____ (ii) is replacing or modifying a previous submission; if so, describe the changes made, if previously rejected the reasons for rejection, and previous filing's Utah Filed Date; and~~
 - ~~_____ (e) identify if any of the provisions are unusual, controversial, have been previously objected to, or prohibited, and explain why the provision is included in the filing.~~
- ~~_____ (3) Forms being submitted for filing:~~
 - ~~_____ (a) must be in PDF format;~~
 - ~~_____ (b) are considered "File And Use" filings;~~
 - ~~_____ (c) each form must be identified by a unique form number. The form number may not be a variable; and~~
 - ~~_____ (d) must be in final printed form. A draft may not be submitted.~~

R590-274.6. Contract Requirements.

- ~~_____ (1) The contract must contain the following:~~
 - ~~_____ (a) the name of the company that employs the public adjuster;~~
 - ~~_____ (b) the mailing and physical address of the public adjuster's principal place of business;~~
 - ~~_____ (c) the public adjuster's telephone and fax number;~~
 - ~~_____ (d) the license number of the public adjuster and the Employer;~~
 - ~~_____ (e) the public adjuster's email address;~~
 - ~~_____ (f) the public adjuster's website, if applicable;~~

- _____ (g) the date and time the contract was signed and, if applicable, the service or process address for nonresident public adjusters;
 - _____ (h) a general description of services the public adjuster will provide under the contract;
 - _____ (i) a description of the claim, property damage, location, and event;
 - _____ (j) if based on an hourly rate, a provision that the public adjuster will provide an invoice for services that includes a detailed listing of service provided and separate costs payable to the public adjuster as part of any commission based on the claim settlement, including expenses, direct costs, and any other accrued costs; and
 - _____ (k) all terms or conditions that apply to the contract.
- _____ (2) The contract may not contain any terms or conditions that have the effect of limiting or nullifying any requirements of the law.
- _____ (3) A signed copy of the contract must be provided to the insured at the time of signing.

R590-274-7. Required Disclosures.

- _____ (1) The following separate disclosures are required in no smaller than 12-point boldface type to be located on the signature page of the contract:
- _____ (a) "WE REPRESENT THE INSURED ONLY";
 - _____ (b) "THIS CONTRACT MAY BE RESCINDED IN WRITING WITHIN 10 DAYS OF ENTERING INTO THE CONTRACT"; and
 - _____ (c) "YOU ARE ENTERING INTO A CONTRACT OF SERVICE. YOU ARE BEING CHARGED A FEE FOR THIS SERVICE. YOU DO NOT HAVE TO ENTER INTO THIS CONTRACT TO MAKE A CLAIM FOR LOSS OR DAMAGE ON A POLICY OF INSURANCE".
- _____ (2) A contract must contain the following statements in substantially the following form:
- _____ (a) A public adjuster may not participate directly or indirectly in the reconstruction, repair, or restoration of damaged property, or engage in any other activities that may reasonably be construed as presenting a conflict of interest, including soliciting or accepting any remuneration from, or having a financial interest in, any salvage firm, construction firm, repair firm, or other firm that obtains business in connection with any claim the public insurance adjuster has a contract or agreement to adjust.
 - _____ (b) A public adjuster may not act on behalf of an attorney by having you sign an attorney representation agreement.
 - _____ (c) A public adjuster cannot require you to sign a power of attorney.
 - _____ (d) A public adjuster cannot require you to refuse to work with your insurer.
 - _____ (e) Your insurance policy requires you to cooperate with your insurer to settle your claim
 - _____ (f) IMPORTANT NOTICE: You may contact the Utah Insurance Department to verify that the public adjuster is licensed to do business in Utah, what your rights are as a consumer, or for information about filing a complaint, by calling 801-957-9305 or toll free at 800-439-3805, or by visiting the department's website at www.insurance.utah.gov.
 - _____ (g) A public adjuster may not enter into a contract with an insured and collect compensation as provided in the contract without actually performing the service customarily provided by a licensed public adjuster for the insured.
- _____ (3)(a) A public adjuster contract must contain the following compensation disclosures in a clear and prominent statement:
- _____ (i) if an hourly rate, the contract must state the hourly rate and how it will be applied to hours of service provided by the public adjuster to calculate the amount payable;
 - _____ (ii) if a flat fee, the contract must state the amount that will be payable to the public adjuster;
 - _____ (iii) if a percentage, the contract must state the exact percentage that will be applied to the settlement of the claim to calculate the amount payable to the public insurance adjuster; or
 - _____ (iv) if another method of calculation is chosen, the contract must include a detailed explanation of how the amount payable will be determined based on service provided by the public adjuster.
- _____ (b) A public adjuster may not receive compensation in return for referring the insured to a particular attorney, appraiser, umpire, construction company, contractor, repair firm or salvage company.
 - _____ (c) A public adjuster may not receive compensation for a claim if the insurer commits in writing to pay or pays the policy limits within 72 hours of the loss report.
 - _____ (d) Except for direct payment of compensation by the insured, all drafts or checks must include the insured as a payee and require their written signature and endorsement. Public adjusters may not sign or endorse any payment draft or check on behalf of the insured.
 - _____ (e) A public adjuster may not enter into a contract with an insured and collect compensation as provided in the contract without actually performing the service customarily provided by a licensed public adjuster for the insured.

R590-274-8. Penalties.

_____ A person found to be in violation of this rule shall be subject to penalties as provided under Section 31A-2-308.

R590-274-9. Enforcement Date.

_____ The commissioner will begin enforcing the revised provisions of this rule 15 days from the effective date of this rule.

R590-274-10. Severability.

_____ If any provision of this rule or its application to any person or situation is held to be invalid, that invalidity shall not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.]

R590-274-1. Authority.

_____ This rule is promulgated by the commissioner pursuant to Sections 31A-26-401 and 31A-26-403.

R590-274-2. Purpose and Scope.

- (1) The purpose of this rule is to:
 - (a) set forth procedures for a public adjuster to submit a required form filing to the commissioner; and
 - (b) provide notice requirements, information, and disclosures that must be included in an adjuster contract.
- (2) This rule applies to a resident or nonresident public adjuster.

R590-274-3. Definitions.

Terms used in this rule are defined in Sections 31A-1-301 and 31A-19a-102. Additional terms are defined as follows:

- (1) "Certification" means a statement that a submitted filing is compliant.
- (2) "Compliant" means a filing that is complete and that complies with Title 31A, Insurance Code, and this rule.
- (3) "Electronic filing" means a filing submitted using an email system.
- (4) "File and use" means a filing is used, sold, or offered for sale after it is filed with the department.
- (5) "Filer" means a person who submits a filing.
- (6) "Filing objection letter" means a letter issued by the commissioner when a review determines the filing is not compliant and may require:
 - (a) correction of non-compliant items;
 - (b) clarification; or
 - (c) additional information pertaining to the filing.
- (7) "Form" has the same meaning as "contract" for the purposes of this rule.
- (8) "Order to prohibit use" means an order issued by the commissioner prohibiting the use of a filing.
- (9) "Rejected" means a filing is:
 - (a) not compliant;
 - (b) returned to the filer stating the reason for rejection; and
 - (c) not considered filed with the department.
- (10) "Utah filed date" means the date the department indicates a filing is accepted.

R590-274-4. General Filing Information.

- (1)(a) A filing shall be accurate, consistent, complete, and contain all required documents.
- (b) The commissioner may request additional information, as necessary.
- (2) A filer is responsible for assuring that a filing is compliant.
- (3) A filing that is not compliant will be rejected and returned to the filer.
- (4) A rejected filing:
 - (a) is not considered filed;
 - (b) shall not be used;
 - (c) shall be submitted as a new filing; and
 - (d) may not be reopened for purposes of resubmission.
- (5) A prior filing will not be researched to determine the purpose of the current filing.
- (6) The department does not review every filing.
 - (a) A filing may be reviewed:
 - (i) when submitted;
 - (ii) when a complaint is received;
 - (iii) during a regulatory examination or investigation; or
 - (iv) when the commissioner considers a review necessary.
 - (b) If a filing is reviewed and is found not complaint, the commissioner:
 - (i) shall issue a filing objection letter or an order to prohibit use; and
 - (ii) may require an insurer to disclose deficiencies in a form or rating practice to each affected consumer.
- (7) Correcting a Filing.
 - (a) A correction to a filing in a review status may be made at any time.
 - (b) A correction to a filing in a closed status:
 - (i) may not be made;
 - (ii) requires a new filing; and
 - (iii) shall reference the original filing in the filing description of the new filing.
- (8) Response to a Filing Objection Letter. A response to a filing objection letter shall include:
 - (a) an explanation identifying each change;
 - (b) an underline and strikethrough version of each revised document; and
 - (c) a final version of each revised document incorporating all changes.
- (9) Response to an Order to Prohibit Use.
 - (a) An order to prohibit use becomes final 15 days after the date of the order.
 - (b) Use of a filing shall be discontinued no later than the date specified in the order.
 - (c) To contest an order to prohibit use, a written request for a hearing shall be submitted no later than 15 days after the date of the order.

(d) A new filing is required if the filer chooses to make the requested changes addressed in the filing objection letter, and shall reference the previously prohibited filing.

(10) A filer shall notify the department when withdrawing a previously filed form.

(11) A filing that is withdrawn may not be used.

R590-274-5. Filing Requirements.

(1) Forms in General.

(a) A form is a file and use filing.

(b) A form shall be submitted in PDF format.

(c) A form shall be identified by a unique form number that may not be variable.

(d) A form shall be in final printed form and may not be submitted as a draft.

(e) Blank spaces within a form shall be completed to accurately represent the purpose and use.

(2) A filing shall be submitted as an electronic filing via email at pcforms@utah.gov.

(3) A complete filing shall contain the following information, in the sequence listed.

(a) The title of the email shall display the company name only.

(b) The filer shall certify that a filing is complete and compliant.

(i) To certify, the following statement shall be included in the email: "BY SUBMITTING THIS FILING I CERTIFY THAT THE ATTACHED FILING HAS BEEN COMPLETED IN ACCORDANCE WITH UTAH ADMINISTRATIVE RULE R590-274 AND IS IN COMPLIANCE WITH APPLICABLE UTAH LAWS AND RULES."

(ii) A filing may be rejected if the certification is false, missing, or incomplete.

(iii) A false certification may subject the licensee to administrative action.

(c) Provide a description of the filing, including:

(i) the intent of the filing; and

(ii) the purpose of each document within the filing.

(d) Indicate if the filing:

(i) is new; or

(ii) is replacing or modifying a previous filing, describing the changes made, the reasons for the previous rejection, and the previous filing's Utah filed date.

(e) Identify any provision that is unusual, innovative, controversial, or that was previously objected to or prohibited, and explain why the provision is included in the filing.

R590-274-6. Contract Requirements.

(1) A contract shall contain the following:

(a) the name of the company that employs the public adjuster;

(b) the mailing and physical addresses of the public adjuster's principal place of business;

(c) the public adjuster's telephone and fax numbers;

(d) the license number of the public adjuster and the employer;

(e) the public adjuster's email address;

(f) the public adjuster's website, if applicable;

(g) the date and time the contract was signed and, if applicable, the service of process address for a nonresident public adjuster;

(h) a general description of services the public adjuster will provide under the contract;

(i) a description of the claim, property damage, location, and event;

(j) if based on an hourly rate, a provision that the public adjuster shall provide an invoice for services that includes a detailed listing of service provided and separate costs payable to the public adjuster as part of any commission based on the claim settlement, including expenses, direct costs, and any other accrued costs; and

(k) any term or condition that applies to the contract.

(2) A contract may not contain a term or condition that limits or nullifies any law.

(3) A signed copy of the contract shall be provided to the insured at the time of signing.

R590-274-7. Required Disclosures.

(1) The following separate disclosures shall be located on the signature page of the contract in no smaller than 12-point boldface type:

(a) "WE REPRESENT THE INSURED ONLY";

(b) "THIS CONTRACT MAY BE RESCINDED IN WRITING WITHIN 10 DAYS OF ENTERING INTO THE CONTRACT"; and

(c) "YOU ARE ENTERING INTO A CONTRACT OF SERVICE. YOU ARE BEING CHARGED A FEE FOR THIS SERVICE. YOU DO NOT HAVE TO ENTER INTO THIS CONTRACT TO MAKE A CLAIM FOR LOSS OR DAMAGE ON A POLICY OF INSURANCE."

(2) A contract shall contain the following statements in substantially the following form:

(a) A public adjuster may not participate directly or indirectly in the reconstruction, repair, or restoration of damaged property, or engage in any other activities that may reasonably be construed as presenting a conflict of interest, including soliciting or accepting any remuneration from, or having a financial interest in, any salvage firm, construction firm, repair firm, or other firm that obtains business in

connection with any claim the public insurance adjuster has a contract or agreement to adjust.

(b) A public adjuster may not act on behalf of an attorney by having you sign an attorney representation agreement.

(c) A public adjuster cannot require you to sign a power of attorney.

(d) A public adjuster cannot require you to refuse to work with your insurer.

(e) Your insurance policy requires you to cooperate with your insurer to settle your claim.

(f) IMPORTANT NOTICE: You may contact the Utah Insurance Department to verify that the public adjuster is licensed to do business in Utah, what your rights are as a consumer, or for information about filing a complaint, by calling 801-957-9305 or toll free at 800-439-3805, or by visiting the department's website, <https://insurance.utah.gov>.

(g) A public adjuster may not enter into a contract with an insured and collect compensation as provided in the contract without actually performing the service customarily provided by a licensed public adjuster for the insured.

(3)(a) A public adjuster shall contain the following compensation disclosures in a clear and prominent statement:

(i) if an hourly rate, the contract shall state the hourly rate and how it will be applied to hours of service provided by the public adjuster to calculate the amount payable;

(ii) if a flat fee, the contract shall state the amount payable to the public adjuster;

(iii) if a percentage, the contract shall state the exact percentage that will be applied to the settlement of the claim to calculate the amount payable to the public insurance adjuster; or

(iv) if another method of calculation is chosen, the contract shall include a detailed explanation of how the amount payable will be determined based on service provided by the public adjuster.

(b) A public adjuster may not receive compensation for referring the insured to a particular attorney, appraiser, umpire, construction company, contractor, repair firm, or salvage company.

(c) A public adjuster may not receive compensation for a claim if the insurer pays or commits in writing to pay the policy limits within 72 hours of the loss report.

(d)(i) Except for direct payment of compensation by the insured, any draft or check shall include the insured as a payee and shall require the written signature or endorsement of the insured.

(ii) A public adjuster may not sign or endorse any payment draft or check on behalf of the insured.

(e) A public adjuster may not enter into a contract with an insured or collect compensation as provided in the contract without performing the service customarily provided by a licensed public adjuster for the insured.

R590-274-8. Severability.

If any provision of this rule, Rule R590-274, or its application to any person or situation is held invalid, such invalidity does not affect any other provision or application of this rule that can be given effect without the invalid provision or application. The remainder of this rule shall be given effect without the invalid provision or application.

KEY: insurance, public adjusters

Date of Last Change: August 23, 2017

Notice of Continuation: August 22, 2022

Authorizing, and Implemented or Interpreted Law: 31A-26-401; 31A-26-403