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Adopted by the Property and Casualty (C) Committee, March 26, 2018

**Template for Notice to Contractors (Modified Version of Maryland Advisory)
Advisory for Home Improvement Contractors and Salesmen**

If you are a contractor and a customer asks you to help with an insurance claim, here is what you can and cannot do according to the laws of (Insert Jurisdiction):

What contractors **can do** without a public adjuster license:

1. Approach a homeowner or business owner offering repair or reconstruction services.
2. Offer an opinion to a policyholder as to whether damage is from a storm or other incident normally covered by a homeowners policy.
3. Prepare an estimate and scope of work for the loss.
4. Discuss the estimate or scope of work with their customer.
5. Recommend that the policyholder file an insurance claim with his or her insurer.
6. Be present when an insurer's adjuster inspects the damage.
7. Answer questions the insurer or the insurer's adjuster has about the estimates.

What contractors **cannot do**, unless they are licensed as a public adjuster by the (Insert State Department of Insurance):

1. Investigate, appraise, evaluate, give advice, advocate on behalf of or assist their customer in adjusting a claim.
2. Prepare the insurance claim for their customer.
3. Negotiate the claim with the insurance company on their customer's behalf.
4. Offer to review the insurance policy or advise their customer on the insurance policy's coverage.
5. Advertise or provide written materials that they can negotiate or investigate a claim on their customer's behalf. This includes advertising to be "claim specialists" or "claim analysts," or any other similar terms, or advertising or claiming that they can "deal with insurance companies" or in any way increase the claim settlement amount for the policyholder.

Drafting note: States that have a law on the books prohibiting a public adjuster from acting as both a public adjuster and a contractor should amend the above prohibitions to reflect that law.

An individual who is hired by a property owner to help resolve a property insurance claim directly with an insurance company is known as public adjuster.

Option One:

Insert Reference to State Public Adjuster Definition.

Option Two:

According to the NAIC's *Public Adjuster Licensing Model Act* (#228), "public adjuster" means any person who, for compensation or any other thing of value on behalf of the insured:

1. Acts or aids, solely in relation to first-party claims arising under insurance contracts that insure the real or personal property of the insured, on behalf of an insured in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an insurance contract.
2. Advertises for employment as an public adjuster of insurance claims or solicits business or represents himself or herself to the public as an public adjuster of first party insurance claims for losses or damages arising out of policies of insurance that insure real or personal property.
3. Directly or indirectly solicits business, investigates or adjusts losses, or advises an insured about first-party claims for losses or damages arising out of policies of insurance that insure real or personal property for another person engaged in the business of adjusting losses or damages covered by an insurance policy, for the insured.

In order to become a public adjuster, one must obtain a license from the (Insert State Department of Insurance). Additional information on how to obtain a license may be found at (Insert Appropriate State Weblink).

Drafting note: Some states do not limit public adjusters to only first-party claims. In states that allow public adjusters to represent third-party claimants, the terms of this notice should be revised to reflect that state's law.