

2022 Regular Session

SENATE BILL NO. 186

BY SENATOR HENRY

INSURANCE POLICIES. Provides relative to public adjuster fees. (1/1/23)

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AN ACT

To amend and reenact R.S. 22:1703, the introductory paragraph of 1704(A), (A)(11), and the introductory paragraph of (E) and (E)(5), relative to public adjuster fees; to provide for certain fees; to provide for limitations on contracts or agreements between public adjusters and insureds; to provide terms and conditions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1703, the introductory paragraph of 1704(A), (A)(11), and the introductory paragraph of (E) and (E)(5) are hereby amended and reenacted to read as follows:

§1703. Public adjuster fees

A. **Except as provided in R.S. 22:1704(C)(2), A a public adjuster may charge who enters into a contract or arrangement with the an insured may charge a reasonable fee that includes a full flat fee, an hourly fee, or a percentage fee that is calculated as a percentage of the total amount paid by an insurer to resolve a claim, or any other valuable consideration to another for services rendered, and the fee shall not exceed ten percent for all combined coverages**

1 of the claim. ~~A public adjuster shall not solicit for or enter into any contract or~~  
2 ~~arrangement between an insured and a public adjuster which provides for payment~~  
3 ~~of a fee to the public adjuster which is contingent upon, or calculated as a percentage~~  
4 ~~of, the amount of any claim or claims paid to or on behalf of an insured by the~~  
5 ~~insurer and any such contract shall be against public policy and is null and void.~~

6 B. A public adjuster shall not pay a ~~commission, service fee,~~ **full flat fee, an**  
7 **hourly fee, or a percentage fee** or other valuable consideration to another for public  
8 adjusting in this state if that person is required to be licensed under this Part and is  
9 not so licensed.

10 C. A person shall not accept a ~~commission, service fee,~~ **full flat fee, an**  
11 **hourly fee, or a percentage fee** or other valuable consideration for public adjusting  
12 in this state if that person is required to be licensed under this Part and is not so  
13 licensed.

14 §1704. Contract between public adjuster and insured

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

17 \* \* \*

18 (11) ~~Full salary, compensation, or other considerations~~ **The full fee, an hourly fee, a percentage fee,**  
19 **or other valuable consideration** the public  
20 adjuster is to receive for services.

21 \* \* \*

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

25 \* \* \*

26 (5) The ~~salary,~~ **full flat fee, or the percentage fee, or** other **valuable**  
27 **consideration** to be paid to the public adjuster is the obligation of the insured, not the  
28 insurer.

29 \* \* \*

1 Section 2. This Act shall become effective on January 1, 2023.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

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DIGEST

SB 186 Original 2022 Regular Session Henry

Present law provides that a public adjuster can charge a reasonable fee, but also provides that a contingency fee agreement between a public adjuster and an insured is contrary to public policy and is null and void.

Proposed law provides that, except for the fee limitation set forth under present law, a public adjuster who enters into a contract or arrangement with an insured can charge a reasonable fee that includes full flat fees, hourly fees, percentage fees, or any other valuable consideration for services rendered, and the fee cannot exceed 10% for all combined coverages of the claim.

Present law provides that a public adjuster cannot be paid commissions, service fees, or other valuable considerations to another for public adjusting in this state if the state requires a public adjuster to be licensed under present law and he is not licensed.

Proposed law retains present law but deletes commissions and service fees and adds full flat fees, hourly fees, and percentage fees provided for by proposed law.

Present law provides that a person cannot accept commissions, service fees, or other valuable consideration for public adjusting in this state if the state requires a public adjuster to be licensed under present law but he is not licensed.

Proposed law retains present law but deletes commissions and service fees and adds full flat fees, hourly fees, and adds percentage fees provided for by proposed law.

Present law requires that public adjusters have written contracts for their services that include the full salary, fees, compensations, or other valuable considerations paid for their services.

Proposed law retains present law but deletes commissions and service fees and adds full flat fees, hourly fees, and adds percentage fees provided for by proposed law.

Present law provides that prior to the signing of a contract, a public adjuster is required to provide an insured a disclosure document that includes the full salary, commissions, fees, or other considerations to be paid to the public adjuster.

Proposed law retains present law but deletes full salary, fees, compensations, and other considerations, and adds full flat fees, hourly fees, percentage fees, and other valuable considerations.

Effective on January 1, 2023.

(Amends R.S. 22:1703, 1704(A) (intro para) and (A)(11), and (E) (intro para) and (E)(5))