

FLORIDA ASSOCIATION OF PUBLIC INSURANCE ADJUSTERS

~ Since 1993 ~

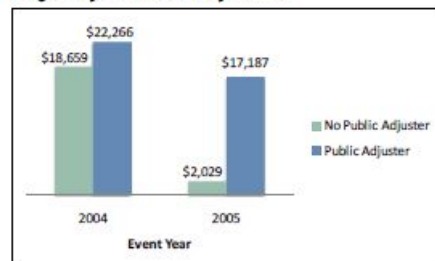
**Office of Program Policy Analysis and Government Accountability  
Public Adjuster Representation in Citizens Property Insurance  
Corporation Claims Study Summary**

As directed by the Florida Legislature, the Office of Program Policy Analysis and Government Accountability (OPPAGA) conducted a study of Public Adjuster representation in Citizens Property Insurance Corporation (Citizens) claims. Following are key highlights from this study, released January 13, 2010.

- Citizens policyholders who used public adjusters received much higher compensation on claims.
  - During the study period (March 2008 and June 2009), a review of 61,324 non-catastrophe claims (those unrelated to a declared state of emergency) found that policyholders using public adjusters received an estimated \$9,379 per claim. Those not using a public adjuster received an estimated \$1,391, a difference of 574%.
  - For catastrophic claims filed during the study period related to the 2005 hurricanes, policyholders using public adjusters received an estimated \$17,187 per claim. Those not using public adjusters received an estimated \$2,029, a difference of 747%.
  - For catastrophic claims filed during the study period related to the 2004 hurricanes, policyholders using public adjusters received an estimated \$22,266 per claim. Those not using public adjusters received an estimated \$18,659, a difference of 18%.
- The report found that “the number of complaints, investigations, and disciplinary actions against public adjusters is generally low. FAPIA believes this is reflective of the strict ethical guidelines to which Florida Public Insurance adjusters adhere.
- The report found that “Florida’s public adjuster licensing requirements appear to be similar to or more stringent than those of other states.”
  - Florida imposes some licensure requirements not included in other states’ laws. For instance, Florida’s year-long apprenticeship requirement, which was supported by FAPIA, is not required in any of the other states examined.
  - FAPIA believes these findings show that additional regulations are unnecessary to ensure consumer protections. As shared with OPPAGA, it is FAPIA’s position that adequate laws are on the books, and that stronger enforcement of existing regulations will help to protect consumer rights.
- The report noted that in 2010 the number of licensed public insurance adjusters was just 2914. FAPIA has confirmed with the Department of Financial Services through a public record request that as of 2014, there are fewer than 1700 Public Adjuster are currently licensed. Of those there are just over 1200 who are appointed and authorized to transact business in Florida.

**Policyholders with public adjuster representation typically received higher settlements than those without public adjusters.** Policyholders that filed catastrophe claims in 2008 and 2009 generally received larger insurance settlements than policyholders that did not hire these persons. The typical payment to a policyholder represented by a public adjuster was \$22,266 for claims filed in 2008 and 2009 related to the 2004 hurricanes (see Exhibit 6). In contrast, policyholders who did not use a public adjuster received typical payments of \$18,659. The difference in payments was larger for claims related to 2005 hurricanes, with public adjuster claims resulting in payments that were 747% higher. However, as policyholders pay public adjuster fees as a percentage of their settlement, their net settlement would be lower than this amount.

**Exhibit 6  
Public Adjuster Representation Typically Resulted in Larger Payments to Policyholders**



Source: OPPAGA analysis. Data refers to the median (50<sup>th</sup> percentile or typical) payment.