

522C.10 Public adjuster and insured — contract for services.

1. *a.* A public adjuster shall not provide services to an insured until a written contract with the insured has been executed on a form filed with and approved by the commissioner pursuant to [section 522C.5A, subsection 9](#), [section 522C.5B, subsection 8](#), [section 522C.5C, subsection 7](#), or [section 522C.5D, subsection 7](#). The contract must have a heading that indicates the contract is a public adjuster contract and must contain all of the following:

(1) The full name, address, telephone number, and license number of the public adjuster presenting and negotiating the contract and, if applicable, the full name, address, telephone number, and license number of the business entity the public adjuster is associated with.

(2) The insured's full name, street address, insurance company name, and, if known or upon notification, the insurance policy number and claim number.

(3) A description of the insured's loss claim and the address at which the loss is located, if applicable.

(4) A description of services to be provided by the public adjuster on behalf of the insured.

(5) A signature of the public adjuster and of the insured, and the date the public adjuster and the insured each signed the contract.

(6) An attestation that the public adjuster has a surety bond pursuant to [section 522C.7](#).

(7) An explanation of the amount payable to the public adjuster, and how the amount is calculated, which may include any of the following:

(a) If an hourly rate, the contract shall state the hourly rate and how the rate is applied to the hours of service provided by the public adjuster to calculate the amount payable.

(b) If a flat fee, the contract must state the exact amount payable to the public adjuster.

(c) If a percentage of settlement, the contract must state the exact percentage applied to the settlement on the claim.

(d) If any other consideration, the contract must detail how the amount payable is calculated or determined.

(8) A public adjuster may charge a reasonable fee that shall not exceed any of the following:

(a) Fifteen percent of all claim payments approved by the insurer for any noncatastrophic disaster insurance claim settlement.

(b) Ten percent of all claim payments approved by the insurer for any catastrophic disaster insurance claim settlement.

(9) That compensation for any reopened or supplemental claim may not exceed the limitations set forth in the contract.

(10) That the insured has the right to agree to or reject a loss settlement even if the public adjuster objects to the insured's decision.

(11) The initial expenses of the public adjuster that will be reimbursed from the proceeds of the claim payment shall be specified by expense type, with reimbursement estimates set forth in the contract. Any additional expenses for which the public adjuster requests reimbursement shall be disclosed in writing to the insured, and must be approved by the insured prior to reimbursement.

(12) A statement that the public adjuster shall not render services or perform acts that constitute the practice of law.

(13) A statement that the public adjuster shall not act on behalf of or aid any person in negotiation or settlement of a claim related to bodily injury, death, or noneconomic damages.

(14) The process for rescinding the contract, including the date by which rescission of the contract by the public adjuster or the insured must occur. The public adjuster shall provide notice of the insured's rights under [chapter 555A](#), and the insured may rescind the contract as provided in [chapter 555A](#). A contract shall not be construed to prevent an insured from pursuing a civil remedy after the revocation or cancellation period. If the insured rescinds the contract, anything of value given by the insured shall be returned to the insured within fifteen business days following receipt of the cancellation notice by the public adjuster.

b. A contract provision shall not be redacted in a copy of the contract submitted to the commissioner. Such redaction shall constitute a violation of [this chapter](#), and shall be subject to penalties under [sections 522C.13](#) and [522C.14](#).

2. If the insurer, no later than five calendar days after the date on which the insured’s loss is reported to the insurer, either pays or commits in writing to pay to the insured the policy limit of the insured’s insurance policy, the public adjuster shall:

a. Inform the insured that the total amount of loss claimed by the insured may not be agreed to by the insurer.

b. Only be entitled to reasonable compensation from the insured for services provided on behalf of the insured based on the time spent on the claim, and the expenses incurred by the public adjuster, until the date the insurer pays the claim or provides the insured with a written commitment that the insurer will pay the claim.

3. A public adjuster contract shall not contain a provision that does any of the following:

a. Allows the public adjuster’s percentage of a settlement to be collected if money is still due from an insurer, or that allows the public adjuster to collect the entire percentage of a settlement from any single payment issued by an insurer rather than as a percentage of each payment issued by the insurer.

b. Requires or permits the insured to authorize an insurer to issue a check only in the name of the public adjuster.

c. Imposes collection costs or late fees prior to an insurance claim payment by an insurer to an insured.

d. Allows the public adjuster’s compensation to be increased based on the fact that a claim is litigated.

e. Precludes either an insured or the public adjuster from pursuing civil remedies.

f. Restricts an insured’s right to initiate or maintain direct communication with the insured’s attorney or insurer, with the insurer’s adjuster or attorney, or any other person regarding settlement of the insured’s claim.

g. Grants the public adjuster power of attorney for the insured. However, a public adjuster may obtain a limited power of attorney for an insured for the sole purpose of depositing claim payments in the insured’s name into a fiduciary trust account pursuant to [section 522C.11, subsection 26](#).

h. Requires the insured to use a particular business entity or individual for the reconstruction, repair, or restoration of the insured’s damaged property.

4. Prior to execution of the contract, the public adjuster shall review the terms of the contract with the insured and provide the insured with a separate disclosure document regarding the claim process that shall include the following:

DISCLOSURE DOCUMENT
REGARDING THE CLAIM PROCESS

1. PROPERTY INSURANCE POLICIES OBLIGATE THE INSURED TO PRESENT A CLAIM TO THE INSURED’S INSURER FOR CONSIDERATION. THERE ARE THREE TYPES OF ADJUSTERS THAT MAY BE INVOLVED IN THAT PROCESS. THE THREE TYPES ARE AS FOLLOWS:

(A) “STAFF ADJUSTER” IS DEFINED IN IOWA CODE [SECTION 522C.2](#). A STAFF ADJUSTER IS EMPLOYED BY THE INSURER. THEY WILL NOT CHARGE THE INSURED A FEE.

(B) “INDEPENDENT ADJUSTER” IS DEFINED IN IOWA CODE [SECTION 522C.2](#). AN INDEPENDENT ADJUSTER IS CONTRACTED BY THE INSURER TO REPRESENT THE INSURER. THEY WILL NOT CHARGE THE INSURED A FEE.

(C) “PUBLIC ADJUSTER” IS DEFINED IN IOWA CODE [SECTION 522C.2](#). A PUBLIC ADJUSTER IS NOT AN EMPLOYEE OR REPRESENTATIVE OF THE INSURER. THEY ARE HIRED BY THE INSURED TO ASSIST IN THE PREPARATION, PRESENTATION, AND SETTLEMENT OF A CLAIM.

2. THE INSURED IS NOT REQUIRED TO HIRE A PUBLIC ADJUSTER TO HELP THE INSURED MEET THE INSURED’S

OBLIGATIONS UNDER THE INSURED'S POLICY, BUT HAS THE RIGHT TO DO SO.

3. THE INSURED HAS THE RIGHT TO INITIATE DIRECT COMMUNICATIONS WITH THE INSURED'S ATTORNEY, THE INSURED'S INSURANCE COMPANY, THE INSURANCE COMPANY'S STAFF ADJUSTER OR INDEPENDENT ADJUSTER, THE INSURANCE COMPANY'S ATTORNEY, OR ANY OTHER PERSON REGARDING THE SETTLEMENT OF THE INSURED'S CLAIM.

4. THE INSURED MAY BE RESPONSIBLE FOR ANY AMOUNT PAYABLE TO A PUBLIC ADJUSTER RELATED TO ANY PORTION OF A CLAIM THAT WAS PREVIOUSLY PAID IN PART, IN FULL, OR SETTLED BY THE INSURER PRIOR TO A CONTRACT BEING ENTERED INTO BETWEEN THE PUBLIC ADJUSTER AND THE INSURED.

5. THE AMOUNT PAYABLE TO A PUBLIC ADJUSTER, WHICH CAN INCLUDE A SALARY, FEE, COMMISSION, OR OTHER CONSIDERATION AS OUTLINED IN THE CONTRACT, IS THE OBLIGATION OF THE INSURED, NOT THE INSURER.

6. THE INSURED MAY FILE A COMPLAINT WITH THE IOWA INSURANCE DIVISION BY CALLING (877) 955-1212 OR VISITING IID.IOWA.GOV.

5. An original copy of a completed contract shall be provided to the public adjuster and to the insured. The commissioner may inspect the original contract in possession of the public adjuster at any time without prior notice. A contract may be executed electronically if done so in compliance with [chapter 554D](#).

6. Within seventy-two hours of executing a contract with an insured under [this section](#), the public adjuster shall provide the insured's insurer a notification letter, which has been signed by the insured, authorizing the public adjuster to represent the insured's interest. The insurer shall verify that the public adjuster is currently licensed with the division.

7. A contract between a public adjuster and an insured executed on a form in violation of [subsection 1](#), paragraph "a", shall not be enforceable in this state.

[2025 Acts, ch 28, §44, 52](#)

Referred to in [§522C.11](#)

Section applies beginning July 22, 2025, to a person currently doing business in this state as an independent adjuster or a staff adjuster as of January 1, 2025; [2025 Acts, ch 28, §52](#)

NEW section