

191—55.14(522C) Contract between public adjuster and insured.

55.14(1) Public adjusters shall ensure that all contracts for their services are in writing and contain the following terms:

- a.* Name and address of the public adjuster negotiating the contract and, if applicable, the name, address, and license number of the business entity with which the public adjuster is associated;
- b.* Permanent home state business address and telephone number;
- c.* Public adjuster license number;
- d.* Title of “Public Adjuster Contract”;
- e.* Insured’s full name, street address, insurance company name and policy number, if known or upon notification;
- f.* Description of the loss and its location, if applicable;
- g.* Description of services to be provided to the insured;
- h.* Signatures of the public adjuster and the insured;
- i.* Date contract was signed by the public adjuster and date the contract was signed by the insured;
- j.* Attestation language stating that the public adjuster is fully bonded pursuant to state law; and
- k.* Compensation the public adjuster is to receive for services, whether it be an hourly rate, flat fee, percentage of settlement, or some other method of compensation, and a detailed explanation of how the amount is to be specifically calculated based on the services provided by the public adjuster.

55.14(2) The contract may specify that the public adjuster shall be named as a co-payee on an insurer’s payment of a claim.

- a.* If the compensation is based on a share of the insurance settlement, the exact percentage shall be specified.
- b.* Initial expenses to be reimbursed to the public adjuster from the proceeds of the claim payment shall be specified by type, with dollar estimates set forth in the contract. Any additional expenses shall be approved by the insured.
- c.* Compensation provisions in a public adjusting contract shall not be redacted in any copy of the contract provided to the division. Such a redaction shall constitute a dishonest practice in violation of paragraph 55.12(1)“i.”

55.14(3) If the insurer, not later than 72 hours after the date on which the loss is reported to the insurer, either pays or commits in writing to pay to the insured the policy limit of the insurance policy, the public adjuster shall:

- a.* Not receive a commission consisting of a percentage of the total amount paid by an insurer to resolve a claim;
- b.* Inform the insured that the loss recovery amount might not be increased by the insurer; and
- c.* Be entitled only to reasonable compensation from the insured for services provided by the public adjuster on behalf of the insured, based on the time spent on a claim and expenses incurred by the public adjuster, until the claim is paid or the insured receives a written commitment to pay from the insurer.

55.14(4) A public adjuster shall provide the insured a written disclosure concerning any direct or indirect financial interest that the public adjuster has with any other party who is involved in any aspect of the claim, other than the salary, fee, commission or other consideration established in the written contract with the insured, including but not limited to any ownership of, other than as a minority stockholder, or any compensation expected to be received from, any construction firm, salvage firm, building appraisal firm, motor vehicle repair shop, or any other firm that provides estimates for work, or that performs any work, in conjunction with damage caused by the insured loss on which the public adjuster is engaged. The term “firm” shall include any corporation, partnership, association, joint-stock company or person.

55.14(5) A public adjuster contract may not contain any contract term that:

- a.* Allows the public adjuster’s percentage fee to be collected when money is due from an insurance company, but not paid, or that allows a public adjuster to collect the entire fee from the first check issued by an insurance company, rather than as a percentage of each check issued by an insurance company;
- b.* Requires the insured to authorize an insurance company to issue a check only in the name of the public adjuster;
- c.* Imposes collection costs or late fees;

- d.* Precludes a public adjuster from pursuing civil remedies; or
- e.* Restricts an insured's right to initiate and maintain direct communications with the insured's attorney, the insurer, the insurer's adjuster, the insurer's attorney, or any other person regarding settlement of the insured's claim.

55.14(6) Prior to the signing of the contract, the public adjuster shall provide the insured with a separate disclosure document regarding the claim process as set forth in Appendix I.

55.14(7) The contract shall be executed in duplicate to provide an original contract to the public adjuster and an original contract to the insured. The public adjuster's original contract shall be available at all times for inspection without notice by the division.

55.14(8) The public adjuster shall provide the insurer a notification letter, which has been signed by the insured, authorizing the public adjuster to represent the insured's interest.

55.14(9) The public adjuster shall give the insured written notice of the insured's rights as provided in Iowa Code chapter 555A, and the insured may rescind the contract as provided in Iowa Code chapter 555A. The contract shall not be construed to prevent an insured from pursuing any civil remedy after the three-business-day revocation or cancellation period.

55.14(10) If the insured exercises the right to rescind the contract, anything of value given by the insured under the contract will be returned to the insured within 15 business days following the receipt by the public adjuster of the cancellation notice.

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