

*Regulations of Connecticut State Agencies*

TITLE 38a. Insurance Department

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*Agency*

**Insurance Department**

*Subject*

**Public Adjusters**

*Inclusive Sections*

**§§ 38a-788-1—38a-788-8**

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**Public Adjusters**

**Sec. 38a-788-1. Authority**

The following regulations are promulgated under the authority set forth in Section 38a-788 of the Connecticut General Statutes.

(Effective September 25, 1992; Transferred June 22, 1995; Amended June 3, 2020)

**Sec. 38a-788-2. Definitions**

(a) “Public adjuster” means any person, partnership, association or corporation who or which practices as a business the adjusting of loss or damage by fire or other hazard under any policies of insurance in behalf of the insured under such policies, or who advertises or solicits business as such adjuster, or holds himself out to the public as engaging in such adjusting as a business.

(b) “Employment Contract” refers to that contract between a public adjuster and a client mandated by Section 38a-788 of the Connecticut General Statutes.

(Effective September 25, 1992; Transferred June 22, 1995; Amended September 9, 2013)

**Sec. 38a-788-3. Prohibited practices**

(a) No public adjuster shall pay any money or give anything of value to any person in consideration of a direct or indirect referral of a client or potential client.

(b) No public adjuster shall pay any money or give anything of value to any person as an inducement to refer business or clients.

(c) No public adjuster shall rebate to a client any part of a fee specified in any employment contract.

(d) No public adjuster shall solicit a client between the hours of 8 p.m. and 8 a.m.

(e) No public adjuster shall split his fee or pay any money to any person for services rendered to a client unless such other person is also licensed as a public adjuster.

(f) No public adjuster shall have any interest directly or indirectly in any construction firm, salvage firm, or appraisal firm. The word “firm” includes any corporation, partnership, association or individual.

(g) No public adjuster shall, in connection with the transaction of his business as a public adjuster, make any misrepresentation of facts or advise any person on any question of law.

(h) No public adjuster shall make any false statements about any insurance company or its employees, agents or representatives.

(i) No public adjuster shall solicit employment of a client in connection with any loss which is the subject of an employment contract with another public adjuster.

(j) No public adjuster shall represent both an insurer and insured simultaneously.

(k) No public adjuster shall advance any monies to a client pending the settlement of a loss where such amount would be included in a final settlement.

(Effective September 25, 1992; Transferred June 22, 1995)

**Sec. 38a-788-4. Disclosures**

(a) A public adjuster shall disclose in writing to the client any interest the public adjuster has in loss proceeds other than those acquired by his employment contract.

(b) A public adjuster in soliciting a client for employment shall display his license and immediately inform such client that the adjuster does not represent any insurance company, or insurance company adjusting firm. The adjuster shall inform such client that his services are available for a fee to be paid by the client, and shall give such client a card identifying the public adjuster and specifying on such card the amount of fee charged by the public adjuster.

(Effective September 25, 1992; Transferred June 22, 1995)

**Sec. 38a-788-5. Settlement offers**

Any written offer to settle a loss received by a public adjuster shall be transmitted to the client and, if rejected by the client, such offer shall be acknowledged by an appropriate endorsement thereto.

(Effective September 25, 1992; Transferred June 22, 1995)

**Sec. 38a-788-6. Form of contract**

No public adjuster shall enter into an employment contract except in conformity with this regulation. There shall be a true copy of the employment contract which shall be given to the client at the time the contract is signed. The contract and all copies of the contract shall (1) be printed on white or cream paper in dark or black ink; (2) have section titles captioned in bold face type which otherwise stands out significantly from the text; (3) have statements on the contract which read “read both sides before signing” and “I have read the information on both sides of this contract” printed in 18 point bookman type; (4) use layout and spacing which separates the paragraphs from each other and from the border of the paper; and (5) be on one piece of paper measuring 8½” x 11” to be printed on both sides and which shall state:

*(continued next page)*

(1) On side one:

**INFORMATION ABOUT YOUR  
PUBLIC ADJUSTER EMPLOYMENT CONTRACT**

**YOUR LEGAL RIGHTS:**

**Cancellation:** You may cancel this contract by notifying us at the address shown on the other side of this page, in writing, by certified mail, return receipt requested, or, if agreed upon by you and us, by electronic means with proof of a delivery receipt posted or delivered not later than midnight of the fourth calendar day following the day this contract is signed. If the contract is signed on a Friday, Saturday or Sunday, you will have until midnight on the following Thursday to send the notice of cancellation to us as described above.

**Settlement offer:** We shall forward to you any written settlement offer from the insurance

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company.

**Fee:** Our services are available for a fee to be paid by you. We cannot charge you a fee greater than ten percent (10%) of the actual or final settlement of the loss covered by this contract nor can we rebate any part of the fee specified in this Employment Contract.

**Copy of the contract:** We must give you a true copy of this Employment Contract at the time you sign it.

**LIMITATIONS OF PUBLIC ADJUSTERS:**

We are not allowed:

- to solicit your employment between 8:00 p.m. and 8:00 a.m.
- to solicit your employment if you have already hired or contracted with another public adjuster.
- to have any interest whatsoever in any construction, salvage, or appraisal business.
- to represent both an insurer and an insured at the same time.
- to pay anything of value to any person as an inducement to refer business to us.
- to share our fee, except with another licensed Public Adjuster.
- to advise you on any question of law.
- to advance any monies to you before settlement of the loss, where such amount would be included in the final settlement.
- to make false statements about an insurance company or its representatives.

We must:

- sign this Contract.
- inform you that we do not represent any insurance company or any insurance company adjusting firm.

(2) On side two:

**\*NAME OF LICENSED PUBLIC ADJUSTER  
ADDRESS  
TELEPHONE NUMBER**

\_\_\_\_\_  
Names of individual public  
Adjuster licensee(s) to appear  
here

**READ BOTH SIDES BEFORE SIGNING***(18 point bookman type)*  
**PUBLIC ADJUSTER EMPLOYMENT CONTRACT**

To the Interested Insurance Companies and Others Whom it May Concern: I/we  
retain \_\_\_\_\_ to act

(name of public adjuster)

as my/our public adjuster(s) and to advise and assist in the adjustment and settlement  
of my/our \_\_\_\_\_ loss at

(type)

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\_\_\_\_\_ which occurred on or  
\_\_\_\_\_ (address)  
about \_\_\_\_\_. In consideration for these services, I/we hereby  
\_\_\_\_\_ (date)  
assign out of the monies due or to become due from said Insurance Companies on  
account of the said loss a sum equivalent to \_\_\_\_\_ % percent of the amount of  
the loss when adjusted with the Insurance Companies or otherwise recovered.

\_\_\_\_\_ Signed: \_\_\_\_\_  
(date) (signature of insured)  
\_\_\_\_\_  
(signature of insured)  
\_\_\_\_\_  
(name)  
\_\_\_\_\_  
(address)  
\_\_\_\_\_  
(city & state)  
Agreed to: \_\_\_\_\_  
(name of individual or firm licensee)  
By: \_\_\_\_\_  
(signature of public adjuster)

This form is in compliance with Section 38a-788-6 of the Regulations of Connecticut State Agencies. This form must be signed by the licensed Public Adjuster and by the Insured.

\*The name of the licensee must appear here. If you operate as a firm or on behalf of a firm, show name of firm licensee here and names of all individual licensees in designated area.

(Effective September 25, 1992; Transferred June 22, 1995; Amended June 3, 2020)

**Sec. 38a-788-7. Records: contracts**

(a) All public adjusters shall maintain an office which shall contain the records of all documents pertaining to the settlement of the claim and files of all clients and said records shall be available for inspection by any duly authorized Examiner or employee of the Insurance Department. Such record will be kept by the public adjuster for a period of at least 5 years following the ending of the contracted employment period.

(b) All employment contracts used by public adjusters to be valid shall be signed by an insured and property owner of the property involved, or their duly authorized agent or

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representative.

(Effective September 25, 1992; Transferred June 22, 1995)

**Sec. 38a-788-8. Compensation**

No public adjuster shall receive compensation in excess of 10% of the actual or final settlement of a loss covered by the employment contract.

(Effective September 25, 1992; Transferred June 22, 1995)