

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Insurance Code is amended by changing Section 1570 as follows:

(215 ILCS 5/1570)

Sec. 1570. Public adjuster fees.

(a) A public adjuster shall not pay a commission, service fee, or other valuable consideration to a person for investigating or settling claims in this State if that person is required to be licensed under this Article and is not so licensed.

(b) A person shall not accept a commission, service fee, or other valuable consideration for investigating or settling claims in this State if that person is required to be licensed under this Article and is not so licensed.

(c) A public adjuster may pay or assign commission, service fees, or other valuable consideration to persons who do not investigate or settle claims in this State, unless the payment would violate State law.

(d) A public adjuster may not charge, agree to, or accept any compensation, payment, commissions, fee, or other valuable consideration in excess of 10% of the amount of the insurance

settlement claim paid by the insurer on any claim resulting from a catastrophic event, unless approved in writing by the Director. Application for exception to the 10% limit must be made in writing. The request must contain specific reasons as to why the consideration should be in excess of 10% and proof that the policyholder would accept the consideration. The Director must act on any request within 5 business days after receipt of the request.

For the purpose of this subsection (d), "catastrophic event" means an occurrence of widespread or severe damage or loss of property producing an overwhelming demand on State and local response resources and mechanisms and a severe long-term effect on general economic activity, and that severely affects State, local, and private sector capabilities to begin to sustain response activities resulting from any catastrophic cause, including, but not limited to, fire, including arson (provided the fire was not caused by the willful action of an owner or resident of the property), flood, earthquake, wind, storm, explosion, or extended periods of severe inclement weather as determined by declaration of a State of disaster by the Governor. This declaration may be made on a county-by-county basis and shall be in effect for 90 days, but may be renewed for 30-day intervals thereafter.

(Source: P.A. 96-1332, eff. 1-1-11.)