

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Insurance Code is amended by
5 changing Sections 1510, 1515, 1550, 1555, 1560, 1570, 1575,
6 1585, and 1590 as follows:

7 (215 ILCS 5/1510)

8 Sec. 1510. Definitions. In this Article:

9 "Adjusting a claim for loss or damage covered by an
10 insurance contract" means negotiating values, damages, or
11 depreciation or applying the loss circumstances to insurance
12 policy provisions.

13 "Adjusting insurance claims" means representing an insured
14 with an insurer for compensation and, while representing that
15 insured, either negotiating values, damages, or depreciation
16 or applying the loss circumstances to insurance policy
17 provisions.

18 "Business entity" means a corporation, association,
19 partnership, limited liability company, limited liability
20 partnership, or other legal entity.

21 "Department" means the Department of Insurance.

22 "Director" means the Director of Insurance.

23 "Fingerprints" means an impression of the lines on the

1 finger taken for the purpose of identification. The impression
2 may be electronic or in ink converted to electronic format.

3 "Home state" means the District of Columbia and any state
4 or territory of the United States where the public adjuster's
5 principal place of residence or principal place of business is
6 located. If neither the state in which the public adjuster
7 maintains the principal place of residence nor the state in
8 which the public adjuster maintains the principal place of
9 business has a substantially similar law governing public
10 adjusters, the public adjuster may declare another state in
11 which it becomes licensed and acts as a public adjuster to be
12 the home state.

13 "Individual" means a natural person.

14 "Person" means an individual or a business entity.

15 "Public adjuster" means any person who, for compensation
16 or any other thing of value on behalf of the insured:

17 (i) acts, ~~or~~ aids, or represents the insured solely in
18 relation to first party claims arising under insurance
19 contracts that insure the real or personal property of the
20 insured, ~~on behalf of an insured~~ in adjusting a claim for
21 loss or damage covered by an insurance contract;

22 (ii) advertises for employment as a public adjuster of
23 insurance claims or solicits business or represents
24 himself or herself to the public as a public adjuster of
25 first party insurance claims for losses or damages arising
26 out of policies of insurance that insure real or personal

1 property; or

2 (iii) directly or indirectly solicits business,
3 investigates or adjusts losses, or advises an insured
4 about first party claims for losses or damages arising out
5 of policies of insurance that insure real or personal
6 property for another person engaged in the business of
7 adjusting losses or damages covered by an insurance policy
8 for the insured.

9 "Uniform individual application" means the current version
10 of the National Association of Directors (NAIC) Uniform
11 Individual Application for resident and nonresident
12 individuals.

13 "Uniform business entity application" means the current
14 version of the National Association of Insurance Commissioners
15 (NAIC) Uniform Business Entity Application for resident and
16 nonresident business entities.

17 "Webinar" means an online educational presentation during
18 which a live and participating instructor and participating
19 viewers, whose attendance is periodically verified throughout
20 the presentation, actively engage in discussion and in the
21 submission and answering of questions.

22 (Source: P.A. 102-135, eff. 7-23-21.)

23 (215 ILCS 5/1515)

24 Sec. 1515. License required.

25 (a) A person shall not act, advertise, solicit, or hold

1 himself out as a public adjuster or to be in the business of
2 adjusting insurance claims in this State, nor attempt to
3 obtain a contract for public adjusting services, unless the
4 person is licensed as a public adjuster in accordance with
5 this Article.

6 (b) A person licensed as a public adjuster shall not
7 misrepresent to a claimant that he or she is an adjuster
8 representing an insurer in any capacity, including acting as
9 an employee of the insurer or acting as an independent
10 adjuster unless so appointed by an insurer in writing to act on
11 the insurer's behalf for that specific claim or purpose. A
12 licensed public adjuster is prohibited from charging that
13 specific claimant a fee when appointed by the insurer and the
14 appointment is accepted by the public adjuster.

15 (c) A business entity acting as a public adjuster is
16 required to obtain a public adjuster license. Application
17 shall be made using the Uniform Business Entity Application.
18 Before approving the application, the Director shall find
19 that:

20 (1) the business entity has paid the required fees to
21 be registered as a business entity in this State; and

22 (2) all officers, shareholders, and persons with
23 ownership interests in the business entity are licensed
24 public adjusters responsible for the business entity's
25 compliance with the insurance laws, rules, and regulations
26 of this State.

1 (d) Notwithstanding subsections (a) through (c) of this
2 Section, a license as a public adjuster shall not be required
3 of the following:

4 (1) an attorney admitted to practice in this State,
5 when acting in his or her professional capacity as an
6 attorney;

7 (2) a person who negotiates or settles claims arising
8 under a life or health insurance policy or an annuity
9 contract;

10 (3) a person employed only for the purpose of
11 obtaining facts surrounding a loss or furnishing technical
12 assistance to a licensed public adjuster, including
13 photographers, estimators, private investigators,
14 engineers, and handwriting experts;

15 (4) a licensed health care provider, or employee of a
16 licensed health care provider, who prepares or files a
17 health claim form on behalf of a patient; or

18 (5) a person who settles subrogation claims between
19 insurers.

20 (e) All contracts entered into that are in violation of
21 this Section are void and invalid.

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

23 (215 ILCS 5/1550)

24 Sec. 1550. Applicant convictions.

25 (a) The Director and the Department shall not require

1 applicants to report the following information and shall not
2 collect or consider the following criminal history records in
3 connection with a public adjuster license application:

4 (1) Juvenile adjudications of delinquent minors as
5 defined in Section 5-105 of the Juvenile Court Act of
6 1987, subject to the restrictions set forth in Section
7 5-130 of that Act.

8 (2) Law enforcement records, court records, and
9 conviction records of an individual who was 17 years old
10 at the time of the offense and before January 1, 2014,
11 unless the nature of the offense required the individual
12 to be tried as an adult.

13 (3) Records of arrest not followed by a formal charge
14 or conviction.

15 (4) Records of arrest where charges were dismissed
16 unless related to the duties and responsibilities of a
17 public adjuster. However, applicants shall not be asked to
18 report any arrests, and any arrest not followed by a
19 conviction shall not be the basis of a denial and may be
20 used only to assess an applicant's rehabilitation.

21 (5) Convictions overturned by a higher court.

22 (6) Convictions or arrests that have been sealed or
23 expunged.

24 (b) The Director, upon a finding that an applicant for a
25 license under this Act was previously convicted of any ~~a~~
26 felony or a misdemeanor involving dishonesty or fraud, shall

1 consider any mitigating factors and evidence of rehabilitation
2 contained in the applicant's record, including any of the
3 following factors and evidence, to determine if a license may
4 be denied because the prior conviction will impair the ability
5 of the applicant to engage in the position for which a license
6 is sought:

7 (1) the bearing, if any, of the offense for which the
8 applicant was previously convicted on the duties,
9 functions, and responsibilities of the position for which
10 a license is sought;

11 (2) whether the conviction suggests a future
12 propensity to endanger the safety and property of others
13 while performing the duties and responsibilities for which
14 a license is sought;

15 (3) if the applicant was previously licensed or
16 employed in this State or other states or jurisdictions,
17 then the lack of prior misconduct arising from or related
18 to the licensed position or position of employment;

19 (4) whether 5 years since a felony conviction or 3
20 years since release from confinement for the conviction,
21 whichever is later, have passed without a subsequent
22 conviction;

23 (5) successful completion of sentence and, for
24 applicants serving a term of parole or probation, a
25 progress report provided by the applicant's probation or
26 parole officer that documents the applicant's compliance

1 with conditions of supervision;

2 (6) evidence of the applicant's present fitness and
3 professional character;

4 (7) evidence of rehabilitation or rehabilitative
5 effort during or after incarceration or during or after a
6 term of supervision, including, but not limited to, a
7 certificate of good conduct under Section 5-5.5-25 of the
8 Unified Code of Corrections or certificate of relief from
9 disabilities under Section 5-5.5-10 of the Unified Code of
10 Corrections; and

11 (8) any other mitigating factors that contribute to
12 the person's potential and current ability to perform the
13 duties and responsibilities of a public adjuster.

14 (c) If a nonresident licensee meets the standards set
15 forth in items (1) through (4) of subsection (a) of Section
16 1540 and has received consent pursuant to 18 U.S.C. 1033(e) (2)
17 from his or her home state, the Director shall grant the
18 nonresident licensee a license.

19 (d) If the Director refuses to issue a license to an
20 applicant based on a conviction or convictions, in whole or in
21 part, then the Director shall notify the applicant of the
22 denial in writing with the following included in the notice of
23 denial:

24 (1) a statement about the decision to refuse to issue
25 a license;

26 (2) a list of convictions that the Director determined

1 will impair the applicant's ability to engage in the
2 position for which a license is sought;

3 (3) a list of the convictions that were the sole or
4 partial basis for the refusal to issue a license; and

5 (4) a summary of the appeal process or the earliest
6 the applicant may reapply for a license, whichever is
7 applicable.

8 (Source: P.A. 100-286, eff. 1-1-18.)

9 (215 ILCS 5/1555)

10 Sec. 1555. License denial, nonrenewal, or revocation.

11 (a) The Director may place on probation, suspend, revoke,
12 deny, or refuse to issue or renew a public adjuster's license
13 or may levy a civil penalty or any combination of actions, for
14 any one or more of the following causes:

15 (1) providing incorrect, misleading, incomplete, or
16 materially untrue information in the license application;

17 (2) violating any insurance laws, or violating any
18 regulation, subpoena, or order of the Director or of
19 another state's Director;

20 (3) obtaining or attempting to obtain a license
21 through misrepresentation or fraud;

22 (4) improperly withholding, misappropriating, or
23 converting any monies or properties received in the course
24 of doing insurance business;

25 (5) intentionally misrepresenting the terms of an

1 actual or proposed insurance contract or application for
2 insurance;

3 (6) having been convicted of any ~~a~~ felony or a
4 misdemeanor involving dishonesty or fraud, unless the
5 individual demonstrates to the Director sufficient
6 rehabilitation to warrant the public trust; consideration
7 of such conviction of an applicant shall be in accordance
8 with Section 1550;

9 (7) having admitted or been found to have committed
10 any insurance unfair trade practice or insurance fraud;

11 (8) using fraudulent, coercive, or dishonest
12 practices; or demonstrating incompetence,
13 untrustworthiness, or financial irresponsibility in the
14 conduct of business in this State or elsewhere;

15 (9) having an insurance license or public adjuster
16 license or its equivalent, denied, suspended, or revoked
17 in any other state, province, district, or territory;

18 (10) forging another's name to an application for
19 insurance or to any document related to an insurance
20 transaction;

21 (11) cheating, including improperly using notes or any
22 other reference material, to complete an examination for
23 an insurance license or public adjuster license;

24 (12) knowingly accepting insurance business from or
25 transacting business with an individual who is not
26 licensed but who is required to be licensed by the

1 Director;

2 (13) failing to comply with an administrative or court
3 order imposing a child support obligation;

4 (14) failing to pay State income tax or comply with
5 any administrative or court order directing payment of
6 State income tax;

7 (15) failing to comply with or having violated any of
8 the standards set forth in Section 1590 of this Law; ~~or~~

9 (16) failing to maintain the records required by
10 Section 1585 of this Law.

11 (b) If the action by the Director is to nonrenew, suspend,
12 or revoke a license or to deny an application for a license,
13 the Director shall notify the applicant or licensee and
14 advise, in writing, the applicant or licensee of the reason
15 for the suspension, revocation, denial, or nonrenewal of the
16 applicant's or licensee's license. The applicant or licensee
17 may make written demand upon the Director within 30 days after
18 the date of mailing for a hearing before the Director to
19 determine the reasonableness of the Director's action. The
20 hearing must be held within not fewer than 20 days nor more
21 than 30 days after the mailing of the notice of hearing and
22 shall be held pursuant to 50 Ill. Adm. Code 2402.

23 (c) The license of a business entity may be suspended,
24 revoked, or refused if the Director finds, after hearing, that
25 an individual licensee's violation was known or should have
26 been known by one or more of the partners, officers, or

1 managers acting on behalf of the business entity and the
2 violation was neither reported to the Director, nor corrective
3 action taken.

4 (d) In addition to or in lieu of any applicable denial,
5 suspension or revocation of a license, a person may, after
6 hearing, be subject to a civil penalty. In addition to or
7 instead of any applicable denial, suspension, or revocation of
8 a license, a person may, after hearing, be subject to a civil
9 penalty of up to \$10,000 for each cause for denial,
10 suspension, or revocation, however, the civil penalty may
11 total no more than \$100,000.

12 (e) The Director shall retain the authority to enforce the
13 provisions of and impose any penalty or remedy authorized by
14 this Article against any person who is under investigation for
15 or charged with a violation of this Article even if the
16 person's license or registration has been surrendered or has
17 lapsed by operation of law.

18 (f) Any individual whose public adjuster's license is
19 revoked or whose application is denied pursuant to this
20 Section shall be ineligible to apply for a public adjuster's
21 license for 5 years. A suspension pursuant to this Section may
22 be for any period of time up to 5 years.

23 (Source: P.A. 100-286, eff. 1-1-18.)

24 (215 ILCS 5/1560)

25 Sec. 1560. Bond or letter of credit.

1 (a) Prior to the issuance of a license as a public adjuster
2 and for the duration of the license, the applicant shall
3 secure evidence of financial responsibility in a format
4 prescribed by the Director through a surety bond or
5 irrevocable letter of credit, subject to all of the following
6 requirements:

7 (1) A surety bond executed and issued by an insurer
8 authorized to issue surety bonds in this State, which
9 bond:

10 (A) shall be in the minimum amount of \$50,000
11 ~~\$20,000~~;

12 (B) shall be in favor of this State and shall
13 specifically authorize recovery by the Director on
14 behalf of any person in this State who sustained
15 damages as the result of erroneous acts, failure to
16 act, conviction of fraud, or conviction of unfair
17 practices in his or her capacity as a public adjuster;
18 and

19 (C) shall not be terminated unless at least 30
20 days' prior written notice will have been filed with
21 the Director and given to the licensee; and

22 (2) An irrevocable letter of credit issued by a
23 qualified financial institution, which letter of credit:

24 (A) shall be in the minimum amount of \$50,000
25 ~~\$20,000~~;

26 (B) shall be to an account to the Director and

1 subject to lawful levy of execution on behalf of any
2 person to whom the public adjuster has been found to be
3 legally liable as the result of erroneous acts,
4 failure to act, fraudulent acts, or unfair practices
5 in his or her capacity as a public adjuster; and

6 (C) shall not be terminated unless at least 30
7 days' prior written notice will have been filed with
8 the and given to the licensee.

9 (b) The issuer of the evidence of financial responsibility
10 shall notify the Director upon termination of the bond or
11 letter of credit, unless otherwise directed by the Director.

12 (c) The Director may ask for the evidence of financial
13 responsibility at any time he or she deems relevant.

14 (d) The authority to act as a public adjuster shall
15 automatically terminate if the evidence of financial
16 responsibility terminates or becomes impaired.

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

18 (215 ILCS 5/1570)

19 Sec. 1570. Public adjuster fees.

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

25 (b) A person shall not accept a commission, service fee,

1 or other valuable consideration for investigating or settling
2 claims in this State if that person is required to be licensed
3 under this Article and is not so licensed.

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

8 (d) If the loss giving rise to the claim for which the
9 public adjuster was retained arises from damage to property
10 that is anything but a personal residence, a ~~A~~ public adjuster
11 may not charge, agree to, or accept any compensation, payment,
12 commission ~~commissions~~, fee, or other valuable consideration
13 in excess of 10% of the amount of the insurance settlement
14 claim paid by the insurer on any claim resulting from a
15 catastrophic event, unless approved in writing by the
16 Director. Application for exception to the 10% limit must be
17 made in writing. The request must contain specific reasons as
18 to why the consideration should be in excess of 10% and proof
19 that the policyholder would accept the consideration. The
20 Director must act on any request within 5 business days after
21 receipt of the request.

22 For the purpose of this subsection (d), "catastrophic
23 event" means an occurrence of widespread or severe damage or
24 loss of property producing an overwhelming demand on State and
25 local response resources and mechanisms and a severe long-term
26 effect on general economic activity, and that severely affects

1 State, local, and private sector capabilities to begin to
2 sustain response activities resulting from any catastrophic
3 cause, including, but not limited to, fire, including arson
4 (provided the fire was not caused by the willful action of an
5 owner or resident of the property), flood, earthquake, wind,
6 storm, explosion, or extended periods of severe inclement
7 weather as determined by declaration of a State of disaster by
8 the Governor. This declaration may be made on a
9 county-by-county basis and shall be in effect for 90 days, but
10 may be renewed for 30-day intervals thereafter.

11 (e) If the loss giving rise to the claim for which the
12 public adjuster was retained arises from damage to a personal
13 residence, a public adjuster may not charge, agree to, or
14 accept any compensation, payment, commission, fee, or other
15 valuable consideration in excess of 10% of the amount of the
16 insurance settlement claim paid by the insurer on any claim.

17 (Source: P.A. 98-701, eff. 1-1-15.)

18 (215 ILCS 5/1575)

19 Sec. 1575. Contract between public adjuster and insured.

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

22 (1) legible full name of the adjuster signing the
23 contract, as specified in Department records;

24 (2) permanent home state business address, email
25 address, and phone number;

1 (3) license number;

2 (4) title of "Public Adjuster Contract";

3 (5) the insured's full name, street address, insurance
4 company name, and policy number, if known or upon
5 notification;

6 (6) a description of the loss and its location,~~if~~
7 ~~applicable;~~

8 (7) description of services to be provided to the
9 insured;

10 (8) signatures of the public adjuster and the insured;

11 (9) date and time the contract was signed by the
12 public adjuster and date and time the contract was signed
13 by the insured;

14 (10) attestation language stating that the public
15 adjuster is fully bonded pursuant to State law; and

16 (11) full salary, fee, commission, compensation, or
17 other considerations the public adjuster is to receive for
18 services, including any applicable cap under Section 1570.

19 (b) The contract may specify that the public adjuster
20 shall be named as a co-payee on an insurer's payment of a
21 claim.

22 (1) If the compensation is based on a share of the
23 insurance settlement, the exact percentage shall be
24 specified.

25 (2) Initial expenses to be reimbursed to the public
26 adjuster from the proceeds of the claim payment shall be

1 specified by type, with dollar estimates set forth in the
2 contract and with any additional expenses first approved
3 by the insured.

4 (3) Compensation provisions in a public adjuster
5 contract shall not be redacted in any copy of the contract
6 provided to the Director.

7 (c) If the insurer, not later than 5 business days after
8 the date on which the loss is reported to the insurer, either
9 pays or commits in writing to pay to the insured the policy
10 limit of the insurance policy, the public adjuster shall:

11 (1) not receive a commission consisting of a
12 percentage of the total amount paid by an insurer to
13 resolve a claim;

14 (2) inform the insured that loss recovery amount might
15 not be increased by insurer; and

16 (3) be entitled only to reasonable compensation from
17 the insured for services provided by the public adjuster
18 on behalf of the insured, based on the time spent on a
19 claim and expenses incurred by the public adjuster, until
20 the claim is paid or the insured receives a written
21 commitment to pay from the insurer.

22 (d) A public adjuster shall provide the insured a written
23 disclosure concerning any direct or indirect financial
24 interest that the public adjuster has with any other party who
25 is involved in any aspect of the claim, other than the salary,
26 fee, commission, or other consideration established in the

1 written contract with the insured, including, but not limited
2 to, any ownership of or any compensation expected to be
3 received from, any construction firm, salvage firm, building
4 appraisal firm, board-up company, or any other firm that
5 provides estimates for work, or that performs any work, in
6 conjunction with damages caused by the insured loss on which
7 the public adjuster is engaged. The word "firm" shall include
8 any corporation, partnership, association, joint-stock
9 company, or person.

10 (e) A public adjuster contract may not contain any
11 contract term that:

12 (1) allows the public adjuster's percentage fee to be
13 collected when money is due from an insurance company, but
14 not paid, or that allows a public adjuster to collect the
15 entire fee from the first check issued by an insurance
16 company, rather than as a percentage of each check issued
17 by an insurance company;

18 (2) requires the insured to authorize an insurance
19 company to issue a check only in the name of the public
20 adjuster;

21 (3) precludes a public adjuster or an insured from
22 pursuing civil remedies;

23 (4) includes any hold harmless agreement that provides
24 indemnification to the public adjuster by the insured for
25 liability resulting from the public adjuster's negligence;
26 or

1 (5) provides power of attorney by which the public
2 adjuster can act in the place and instead of the insured.

3 (f) The following provisions apply to a contract between a
4 public adjuster and an insured:

5 (1) Prior to the signing of the contract, the public
6 adjuster shall provide the insured with a separate signed
7 and dated disclosure document regarding the claim process
8 that states:

9 "Property insurance policies obligate the insured to
10 present a claim to his or her insurance company for
11 consideration. There are 3 types of adjusters that could
12 be involved in that process. The definitions of the 3
13 types are as follows:

14 (A) "Company adjuster" means the insurance
15 adjusters who are employees of an insurance company.
16 They represent the interest of the insurance company
17 and are paid by the insurance company. They will not
18 charge you a fee.

19 (B) "Independent adjuster" means the insurance
20 adjusters who are hired on a contract basis by an
21 insurance company to represent the insurance company's
22 interest in the settlement of the claim. They are paid
23 by your insurance company. They will not charge you a
24 fee.

25 (C) "Public adjuster" means the insurance
26 adjusters who do not work for any insurance company.

1 They represent ~~work for~~ the insured to assist in the
2 preparation, presentation and settlement of the claim.
3 The insured hires them by signing a contract agreeing
4 to pay them a fee or commission based on a percentage
5 of the settlement, or other method of compensation.".

6 (2) The insured is not required to hire a public
7 adjuster to help the insured meet his or her obligations
8 under the policy, but has the right to do so.

9 (3) The public adjuster is not a representative or
10 employee of the insurer or the Department of Insurance.

11 (4) The salary, fee, commission, or other
12 consideration is the obligation of the insured, not the
13 insurer, except when rights have been assigned to the
14 public adjuster by the insured.

15 (g) The contracts shall be executed in duplicate to
16 provide an original contract to the public adjuster, and an
17 original contract to the insured. The public adjuster's
18 original contract shall be available at all times for
19 inspection without notice by the Director.

20 (h) The public adjuster shall provide the insurer or its
21 authorized representative for receiving notice of loss or
22 damage with an exact copy of the contract with ~~by~~ the insured
23 by email no later than 5 business days after execution of the
24 contract, authorizing the public adjuster to represent the
25 insured's interest.

26 (i) The public adjuster shall give the insured written

1 notice of the insured's rights as a consumer under the law of
2 this State.

3 (j) A public adjuster shall not provide services, other
4 than emergency services, until a written contract with the
5 insured has been executed, on a form filed with and approved by
6 the Director, and an exact copy of the contract has been
7 provided to the insurer in accordance with subsection (h). At
8 the option of the insured, any such contract shall be voidable
9 for 5 business days after the contract is received by the
10 insurer ~~execution~~. The insured may void the contract by
11 notifying the public adjuster in writing by (i) registered or
12 certified mail, return receipt requested, to the address shown
13 on the contract, ~~or~~ (ii) personally serving the notice on the
14 public adjuster, or (iii) sending an email to the email
15 address shown on the contract.

16 (k) If the insured exercises the right to rescind the
17 contract, anything of value given by the insured under the
18 contract will be returned to the insured within 15 business
19 days following the receipt by the public adjuster of the
20 cancellation notice.

21 (l) All contracts entered into that are in violation of
22 this Section are void and invalid.

23 (Source: P.A. 96-1332, eff. 1-1-11; 97-333, eff. 8-12-11.)

24 (215 ILCS 5/1585)

25 Sec. 1585. Record retention.

1 (a) A public adjuster shall maintain a complete record of
2 each transaction as a public adjuster. The records required by
3 this Section shall include the following:

4 (1) name of the insured;

5 (2) date, location and amount of the loss;

6 (3) a copy of the contract between the public adjuster
7 and insured and a copy of the separate disclosure
8 documents ~~document~~;

9 (4) name of the insurer, amount, expiration date and
10 number of each policy carried with respect to the loss;

11 (5) itemized statement of the insured's recoveries;

12 (6) itemized statement of all compensation received by
13 the public adjuster, from any source whatsoever, in
14 connection with the loss;

15 (7) a register of all monies received, deposited,
16 disbursed, or withdrawn in connection with a transaction
17 with an insured, including fees transfers and
18 disbursements from a trust account and all transactions
19 concerning all interest bearing accounts;

20 (8) name of public adjuster who executed the contract;

21 (9) name of the attorney representing the insured, if
22 applicable, and the name of the claims representatives of
23 the insurance company; and

24 (10) evidence of financial responsibility in a format
25 prescribed by the Director.

26 (b) Records shall be maintained for at least 7 years after

1 the termination of the transaction with an insured and shall
2 be open to examination by the Director at all times.

3 (c) Records submitted to the Director in accordance with
4 this Section that contain information identified in writing as
5 proprietary by the public adjuster shall be treated as
6 confidential by the Director and shall not be subject to the
7 Freedom of Information Act.

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

9 (215 ILCS 5/1590)

10 Sec. 1590. Standards of conduct of public adjuster.

11 (a) A public adjuster is obligated, under his or her
12 license, to serve with objectivity and complete loyalty for
13 the interests of his client alone, and to render to the insured
14 such information, counsel, and service, as within the
15 knowledge, understanding, and opinion in good faith of the
16 licensee, as will best serve the insured's insurance claim
17 needs and interest.

18 (b) A public adjuster may not propose or attempt to
19 propose to any person that the public adjuster represent that
20 person while a loss-producing occurrence is continuing, nor
21 while the fire department or its representatives are engaged
22 at the damaged premises, nor between the hours of 7:00 p.m. and
23 8:00 a.m.

24 (c) A public adjuster shall not permit an unlicensed
25 employee or representative of the public adjuster to conduct

1 business for which a license is required under this Article.

2 (d) A public adjuster shall not have a direct or indirect
3 financial interest in any aspect of the claim, other than the
4 salary, fee, commission, or other consideration established in
5 the written contract with the insured, unless full written
6 disclosure has been made to the insured as set forth in
7 subsection (d) ~~(g)~~ of Section 1575.

8 (e) A public adjuster shall not acquire any interest in
9 the salvage of property subject to the contract with the
10 insured unless the public adjuster obtains written permission
11 from the insured after settlement of the claim with the
12 insurer as set forth in subsection (d) ~~(g)~~ of Section 1575 of
13 this Article.

14 (f) The public adjuster shall abstain from referring or
15 directing the insured to get needed repairs or services in
16 connection with a loss from any person, unless disclosed to
17 the insured:

18 (1) with whom the public adjuster has a direct or
19 indirect financial interest; or

20 (2) from whom the public adjuster may receive direct
21 or indirect compensation for the referral.

22 (g) The public adjuster shall disclose to an insured if he
23 or she has any interest or will be compensated by any
24 construction firm, salvage firm, building appraisal firm,
25 board-up company, or any other firm that performs any work in
26 conjunction with damages caused by the insured loss. The word

1 "firm" shall include any corporation, partnership,
2 association, joint-stock company or individual as set forth in
3 Section 1575 of this Article.

4 (h) Any compensation or anything of value in connection
5 with an insured's specific loss that will be received by a
6 public adjuster shall be disclosed by the public adjuster to
7 the insured in writing including the source and amount of any
8 such compensation.

9 (i) In all cases where the loss giving rise to the claim
10 for which the public adjuster was retained arise from damage
11 to a personal residence, the insurance proceeds shall be
12 delivered to the named insured or his or her designee. Where
13 proceeds paid by an insurance company are paid jointly to the
14 insured and the public adjuster, the insured shall release
15 such portion of the proceeds that are due the public adjuster
16 within 30 calendar days after the insured's receipt of the
17 insurance company's check, money order, draft, or release of
18 funds. If the proceeds are not so released to the public
19 adjuster within 30 calendar days, the insured shall provide
20 the public adjuster with a written explanation of the reason
21 for the delay.

22 (j) Public adjusters shall adhere to the following general
23 ethical requirements:

24 (1) a public adjuster shall not undertake the
25 adjustment of any claim if the public adjuster is not
26 competent and knowledgeable as to the terms and conditions

1 of the insurance coverage, or which otherwise exceeds the
2 public adjuster's current expertise;

3 (2) a public adjuster shall not knowingly make any
4 oral or written material misrepresentations or statements
5 which are false or maliciously critical and intended to
6 injure any person engaged in the business of insurance to
7 any insured client or potential insured client;

8 (3) no public adjuster, while so licensed by the
9 Department, may represent or act as a company adjuster or
10 independent adjuster on the same claim;

11 (4) the contract shall not be construed to prevent an
12 insured from pursuing any civil remedy after the
13 5-business day revocation or cancellation period;

14 (5) a public adjuster shall not enter into a contract
15 or accept a power of attorney that vests in the public
16 adjuster the effective authority to choose the persons who
17 shall perform repair work;

18 (6) a public adjuster shall ensure that all contracts
19 for the public adjuster's services are in writing and set
20 forth all terms and conditions of the engagement; and

21 (7) a public adjuster shall not advance money or any
22 valuable consideration, except emergency services to an
23 insured pending adjustment of a claim.

24 (k) A public adjuster may not agree to any loss settlement
25 without the insured's knowledge and consent and shall, upon
26 the insured's request, provide the insured with a document

1 setting forth the scope, amount, and value of the damages
2 prior to request by the insured for authority to settle the
3 loss.

4 (l) A public adjuster shall not provide legal advice or
5 representation to the insured or engage in the unauthorized
6 practice of law.

7 (m) A public adjuster shall not represent that he or she is
8 a representative of an insurance company, a fire department,
9 or the State of Illinois, that he or she is a fire
10 investigator, that his or her services are required for the
11 insured to submit a claim to the insured's insurance company,
12 or that he or she may provide legal advice or representation to
13 the insured. A public adjuster may represent that he or she has
14 been licensed by the State of Illinois.

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

16 (815 ILCS 625/Act rep.)

17 Section 10. The Fire Damage Representation Agreement Act
18 is repealed.