



Sen. Napoleon Harris, III

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10300SB1495sam001

LRB103 05818 BMS 58383 a

1 AMENDMENT TO SENATE BILL 1495

2 AMENDMENT NO. _____. Amend Senate Bill 1495 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Sections 1510, 1550, 1555, 1560, 1575, 1585, and 1590
6 and by adding Section 1586 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

1 provisions.

2 "Associated contractor" means any contractor or related
3 service provider owned or operated by:

4 (1) the named public adjuster, spouse, or any family
5 member; or

6 (2) any contractor recommended by the public adjuster
7 if the fee stated in the public adjuster contract is
8 waived when the recommended contractor is utilized by the
9 insured.

10 "Business entity" means a corporation, association,
11 partnership, limited liability company, limited liability
12 partnership, or other legal entity.

13 "Department" means the Department of Insurance.

14 "Director" means the Director of Insurance.

15 "Fingerprints" means an impression of the lines on the
16 finger taken for the purpose of identification. The impression
17 may be electronic or in ink converted to electronic format.

18 "Home state" means the District of Columbia and any state
19 or territory of the United States where the public adjuster's
20 principal place of residence or principal place of business is
21 located. If neither the state in which the public adjuster
22 maintains the principal place of residence nor the state in
23 which the public adjuster maintains the principal place of
24 business has a substantially similar law governing public
25 adjusters, the public adjuster may declare another state in
26 which it becomes licensed and acts as a public adjuster to be

1 the home state.

2 "Individual" means a natural person.

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

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

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

11 (ii) advertises for employment as a public adjuster of
12 insurance claims or solicits business or represents
13 himself or herself to the public as a public adjuster of
14 first party insurance claims for losses or damages arising
15 out of policies of insurance that insure real or personal
16 property; or

17 (iii) directly or indirectly solicits business,
18 investigates or adjusts losses, or advises an insured
19 about first party claims for losses or damages arising out
20 of policies of insurance that insure real or personal
21 property for another person engaged in the business of
22 adjusting losses or damages covered by an insurance policy
23 for the insured.

24 "Scope of damages" means a document that describes the
25 amount and type of damage to a structure and includes, at
26 minimum, an itemized description of the materials to be used

1 in the repair estimates of the quantity and costs of the
2 materials.

3 "Uniform individual application" means the current version
4 of the National Association of Directors (NAIC) Uniform
5 Individual Application for resident and nonresident
6 individuals.

7 "Uniform business entity application" means the current
8 version of the National Association of Insurance Commissioners
9 (NAIC) Uniform Business Entity Application for resident and
10 nonresident business entities.

11 "Webinar" means an online educational presentation during
12 which a live and participating instructor and participating
13 viewers, whose attendance is periodically verified throughout
14 the presentation, actively engage in discussion and in the
15 submission and answering of questions.

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

17 (215 ILCS 5/1550)

18 Sec. 1550. Applicant convictions.

19 (a) The Director and the Department shall not require
20 applicants to report the following information and shall not
21 collect or consider the following criminal history records in
22 connection with a public adjuster license application:

23 (1) Juvenile adjudications of delinquent minors as
24 defined in Section 5-105 of the Juvenile Court Act of
25 1987, subject to the restrictions set forth in Section

1 5-130 of that Act.

2 (2) Law enforcement records, court records, and
3 conviction records of an individual who was 17 years old
4 at the time of the offense and before January 1, 2014,
5 unless the nature of the offense required the individual
6 to be tried as an adult.

7 (3) Records of arrest not followed by a formal charge
8 or conviction.

9 (4) Records of arrest where charges were dismissed
10 unless related to the duties and responsibilities of a
11 public adjuster. However, applicants shall not be asked to
12 report any arrests, and any arrest not followed by a
13 conviction shall not be the basis of a denial and may be
14 used only to assess an applicant's rehabilitation.

15 (5) Convictions overturned by a higher court.

16 (6) Convictions or arrests that have been sealed or
17 expunged.

18 (b) The Director, upon a finding that an applicant for a
19 license under this Act was previously convicted of any a
20 felony or a misdemeanor involving dishonesty or fraud, shall
21 consider any mitigating factors and evidence of rehabilitation
22 contained in the applicant's record, including any of the
23 following factors and evidence, to determine if a license may
24 be denied because the prior conviction will impair the ability
25 of the applicant to engage in the position for which a license
26 is sought:

1 (1) the bearing, if any, of the offense for which the
2 applicant was previously convicted on the duties,
3 functions, and responsibilities of the position for which
4 a license is sought;

5 (2) whether the conviction suggests a future
6 propensity to endanger the safety and property of others
7 while performing the duties and responsibilities for which
8 a license is sought;

9 (3) if the applicant was previously licensed or
10 employed in this State or other states or jurisdictions,
11 then the lack of prior misconduct arising from or related
12 to the licensed position or position of employment;

13 (4) whether 5 years since a felony conviction or 3
14 years since release from confinement for the conviction,
15 whichever is later, have passed without a subsequent
16 conviction;

17 (5) successful completion of sentence and, for
18 applicants serving a term of parole or probation, a
19 progress report provided by the applicant's probation or
20 parole officer that documents the applicant's compliance
21 with conditions of supervision;

22 (6) evidence of the applicant's present fitness and
23 professional character;

24 (7) evidence of rehabilitation or rehabilitative
25 effort during or after incarceration or during or after a
26 term of supervision, including, but not limited to, a

1 certificate of good conduct under Section 5-5.5-25 of the
2 Unified Code of Corrections or certificate of relief from
3 disabilities under Section 5-5.5-10 of the Unified Code of
4 Corrections; and

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

8 (c) If a nonresident licensee meets the standards set
9 forth in items (1) through (4) of subsection (a) of Section
10 1540 and has received consent pursuant to 18 U.S.C. 1033(e) (2)
11 from his or her home state, the Director shall grant the
12 nonresident licensee a license.

13 (d) If the Director refuses to issue a license to an
14 applicant based on a conviction or convictions, in whole or in
15 part, then the Director shall notify the applicant of the
16 denial in writing with the following included in the notice of
17 denial:

18 (1) a statement about the decision to refuse to issue
19 a license;

20 (2) a list of convictions that the Director determined
21 will impair the applicant's ability to engage in the
22 position for which a license is sought;

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

25 (4) a summary of the appeal process or the earliest
26 the applicant may reapply for a license, whichever is

1 applicable.

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

3 (215 ILCS 5/1555)

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

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

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

11 (2) violating any insurance laws, or violating any
12 regulation, subpoena, or order of the Director or of
13 another state's Director;

14 (3) obtaining or attempting to obtain a license
15 through misrepresentation or fraud;

16 (4) improperly withholding, misappropriating, or
17 converting any monies or properties received in the course
18 of doing insurance business;

19 (5) intentionally misrepresenting the terms of an
20 actual or proposed insurance contract or application for
21 insurance;

22 (6) having been convicted of any ~~a~~ felony or a
23 misdemeanor involving dishonesty or fraud, unless the
24 individual demonstrates to the Director sufficient
25 rehabilitation to warrant the public trust; consideration

1 of such conviction of an applicant shall be in accordance
2 with Section 1550;

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

5 (8) using fraudulent, coercive, or dishonest
6 practices; or demonstrating incompetence,
7 untrustworthiness, or financial irresponsibility in the
8 conduct of business in this State or elsewhere;

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

12 (10) forging another's name to an application for
13 insurance or to any document related to an insurance
14 transaction;

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

18 (12) knowingly accepting insurance business from or
19 transacting business with an individual who is not
20 licensed but who is required to be licensed by the
21 Director;

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

24 (14) failing to pay State income tax or comply with
25 any administrative or court order directing payment of
26 State income tax;

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

3 (16) failing to maintain the records required by
4 Section 1585 of this Law; or -

5 (17) failing to comply with Section 1586 of this Law.

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

18 (c) The license of a business entity may be suspended,
19 revoked, or refused if the Director finds, after hearing, that
20 an individual licensee's violation was known or should have
21 been known by one or more of the partners, officers, or
22 managers acting on behalf of the business entity and the
23 violation was neither reported to the Director, nor corrective
24 action taken.

25 (d) In addition to or in lieu of any applicable denial,
26 suspension or revocation of a license, a person may, after

1 hearing, be subject to a civil penalty. In addition to or
2 instead of any applicable denial, suspension, or revocation of
3 a license, a person may, after hearing, be subject to a civil
4 penalty of up to \$10,000 for each cause for denial,
5 suspension, or revocation, however, the civil penalty may
6 total no more than \$100,000.

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

13 (f) Any individual whose public adjuster's license is
14 revoked or whose application is denied pursuant to this
15 Section shall be ineligible to apply for a public adjuster's
16 license for 5 years. A suspension pursuant to this Section may
17 be for any period of time up to 5 years.

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

19 (215 ILCS 5/1560)

20 Sec. 1560. Bond or letter of credit.

21 (a) Prior to the issuance of a license as a public adjuster
22 and for the duration of the license, the applicant shall
23 secure evidence of financial responsibility in a format
24 prescribed by the Director through a surety bond or
25 irrevocable letter of credit, subject to all of the following

1 requirements:

2 (1) A surety bond executed and issued by an insurer
3 authorized to issue surety bonds in this State, which
4 bond:

5 (A) shall be in the minimum amount of \$50,000
6 ~~\$20,000~~;

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

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

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

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

21 (B) shall be to an account to the Director and
22 subject to lawful levy of execution on behalf of any
23 person to whom the public adjuster has been found to be
24 legally liable as the result of erroneous acts,
25 failure to act, fraudulent acts, or unfair practices
26 in his or her capacity as a public adjuster; and

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

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

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

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

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

13 (215 ILCS 5/1575)

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

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

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

19 (2) permanent home state business address, email
20 address, and phone number;

21 (3) license number;

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

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

1 (6) a description of the loss and its location and a
2 scope of damages, ~~if applicable;~~

3 (7) description of services to be provided to the
4 insured;

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

6 (9) date and time the contract was signed by the
7 public adjuster and date and time the contract was signed
8 by the insured;

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

11 (11) full salary, fee, commission, compensation, or
12 other considerations the public adjuster is to receive for
13 services.

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

17 (1) If the compensation is based on a share of the
18 insurance settlement, the exact percentage shall be
19 specified.

20 (2) Initial expenses to be reimbursed to the public
21 adjuster from the proceeds of the claim payment shall be
22 specified by type, with dollar estimates set forth in the
23 contract and with any additional expenses first approved
24 by the insured.

25 (3) Compensation provisions in a public adjuster
26 contract shall not be redacted in any copy of the contract

1 provided to the Director.

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

6 (1) not receive a commission consisting of a
7 percentage of the total amount paid by an insurer to
8 resolve a claim;

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

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

17 (d) A public adjuster shall provide the insured a written
18 disclosure concerning any direct or indirect financial
19 interest that the public adjuster has with any other party or
20 associated contractor who is involved in any aspect of the
21 claim, other than the salary, fee, commission, or other
22 consideration established in the written contract with the
23 insured, including, but not limited to, any ownership of or
24 any compensation expected to be received from, any
25 construction firm, salvage firm, building appraisal firm,
26 board-up company, or any other firm that provides estimates

1 for work, or that performs any work, in conjunction with
2 damages caused by the insured loss on which the public
3 adjuster is engaged. The word "firm" shall include any
4 corporation, partnership, association, joint-stock company, or
5 person. The written disclosure must contain, at a minimum, the
6 following:

7 (1) A statement clarifying the amount of ownership in
8 the recommended contractor by the public adjuster and the
9 name and relation of the family member that owns or
10 operates the recommended contractor, if applicable.

11 (2) The specific amount of compensation the public
12 adjuster will receive from the recommended contractor;
13 this disclosure of compensation may be stated in an actual
14 dollar amount or as a percentage of the payment.

15 (e) A public adjuster contract may not contain any
16 contract term that:

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

23 (2) requires the insured to authorize an insurance
24 company to issue a check only in the name of the public
25 adjuster;

26 (3) precludes a public adjuster or an insured from

1 pursuing civil remedies;

2 (4) includes any hold harmless agreement that provides
3 indemnification to the public adjuster by the insured for
4 liability resulting from the public adjuster's negligence;
5 or

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

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

10 (1) Prior to the signing of the contract, the public
11 adjuster shall provide the insured with a separate signed
12 and dated disclosure document regarding the claim process
13 that states:

14 "Property insurance policies obligate the insured to
15 present a claim to his or her insurance company for
16 consideration. There are 3 types of adjusters that could
17 be involved in that process. The definitions of the 3
18 types are as follows:

19 (A) "Company adjuster" means the insurance
20 adjusters who are employees of an insurance company.
21 They represent the interest of the insurance company
22 and are paid by the insurance company. They will not
23 charge you a fee.

24 (B) "Independent adjuster" means the insurance
25 adjusters who are hired on a contract basis by an
26 insurance company to represent the insurance company's

1 interest in the settlement of the claim. They are paid
2 by your insurance company. They will not charge you a
3 fee.

4 (C) "Public adjuster" means the insurance
5 adjusters who do not work for any insurance company.
6 They represent ~~work for~~ the insured to assist in the
7 preparation, presentation and settlement of the claim.
8 The insured hires them by signing a contract agreeing
9 to pay them a fee or commission based on a percentage
10 of the settlement, or other method of compensation."

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

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

16 (4) The salary, fee, commission, or other
17 consideration is the obligation of the insured, not the
18 insurer, except when rights have been assigned to the
19 public adjuster by the insured.

20 (g) The contracts shall be executed in duplicate to
21 provide an original contract to the public adjuster, and an
22 original contract to the insured. The public adjuster's
23 original contract shall be available at all times for
24 inspection without notice by the Director.

25 (h) The public adjuster shall provide the insurer or its
26 authorized representative for receiving notice of loss or

1 damage with an exact copy of the contract with ~~by~~ the insured
2 by email within 2 business days after execution of the
3 contract, authorizing the public adjuster to represent the
4 insured's interest.

5 (i) The public adjuster shall give the insured written
6 notice of the insured's rights as a consumer under the law of
7 this State.

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

21 (k) If the insured exercises the right to rescind the
22 contract, anything of value given by the insured under the
23 contract will be returned to the insured within 15 business
24 days following the receipt by the public adjuster of the
25 cancellation notice.

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

1 (215 ILCS 5/1585)

2 Sec. 1585. Record retention.

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

6 (1) name of the insured;

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

8 (3) a copy of the contract between the public adjuster
9 and insured, a copy of the scope of work document, and a
10 copy of the separate disclosure documents ~~document~~;

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

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

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

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

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

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

1 (10) evidence of financial responsibility in a format
2 prescribed by the Director.

3 (b) Records shall be maintained for at least 7 years after
4 the termination of the transaction with an insured and shall
5 be open to examination by the Director at all times.

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

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

12 (215 ILCS 5/1586 new)

13 Sec. 1586. Associated contractors.

14 (a) A public adjuster license may be denied, suspended, or
15 revoked under Section 1555 if the Director determines that,
16 during either of the 2 calendar years following the issuance
17 or extension date of the license, the aggregate amount of
18 insureds' recoveries that were referred to associated
19 contractors exceeded the aggregate amount of insureds'
20 recoveries that were not referred to associated contractors of
21 the licensee.

22 (b) A public adjuster who refers any insured to an
23 associated contractor shall be responsible for tracking and
24 maintaining current lists of all insureds' recoveries that
25 were referred to associated contractors and all insureds'

1 recoveries that were not referred to an associated contractor.

2 (215 ILCS 5/1590)

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

4 (a) A public adjuster is obligated, under his or her
5 license, to serve with objectivity and complete loyalty for
6 the interests of his client alone, and to render to the insured
7 such information, counsel, and service, as within the
8 knowledge, understanding, and opinion in good faith of the
9 licensee, as will best serve the insured's insurance claim
10 needs and interest.

11 (b) A public adjuster may not propose or attempt to
12 propose to any person that the public adjuster represent that
13 person while a loss-producing occurrence is continuing, nor
14 while the fire department or its representatives are engaged
15 at the damaged premises, nor between the hours of 7:00 p.m. and
16 8:00 a.m.

17 (c) A public adjuster shall not permit an unlicensed
18 employee or representative of the public adjuster to conduct
19 business for which a license is required under this Article.

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

1 (e) A public adjuster shall not acquire any interest in
2 the salvage of property subject to the contract with the
3 insured unless the public adjuster obtains written permission
4 from the insured after settlement of the claim with the
5 insurer as set forth in subsection (d) ~~(g)~~ of Section 1575 of
6 this Article.

7 (f) The public adjuster shall abstain from referring or
8 directing the insured to get needed repairs or services in
9 connection with a loss from any person, unless disclosed to
10 the insured:

11 (1) with whom the public adjuster has a financial
12 interest or who is an associated contractor of the public
13 adjuster; or

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

16 (g) The public adjuster shall disclose to an insured if he
17 or she has any interest or will be compensated by any
18 construction firm, salvage firm, building appraisal firm,
19 board-up company, or any other firm that performs any work in
20 conjunction with damages caused by the insured loss. The word
21 "firm" shall include any corporation, partnership,
22 association, joint-stock company or individual as set forth in
23 Section 1575 of this Article.

24 (h) Any compensation or anything of value in connection
25 with an insured's specific loss that will be received by a
26 public adjuster shall be disclosed by the public adjuster to

1 the insured in writing including the source and amount of any
2 such compensation.

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

16 (j) Public adjusters shall adhere to the following general
17 ethical requirements:

18 (1) a public adjuster shall not undertake the
19 adjustment of any claim if the public adjuster is not
20 competent and knowledgeable as to the terms and conditions
21 of the insurance coverage, or which otherwise exceeds the
22 public adjuster's current expertise;

23 (2) a public adjuster shall not knowingly make any
24 oral or written material misrepresentations or statements
25 which are false or maliciously critical and intended to
26 injure any person engaged in the business of insurance to

1 any insured client or potential insured client;

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

5 (4) the contract shall not be construed to prevent an
6 insured from pursuing any civil remedy after the
7 5-business day revocation or cancellation period;

8 (5) a public adjuster shall not enter into a contract
9 or accept a power of attorney that vests in the public
10 adjuster the effective authority to choose the persons who
11 shall perform repair work;

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

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

18 (k) A public adjuster may not agree to any loss settlement
19 without the insured's knowledge and consent and shall, upon
20 the insured's request, provide the insured with a document
21 setting forth the scope, amount, and value of the damages
22 prior to request by the insured for authority to settle the
23 loss.

24 (l) A public adjuster shall not provide legal advice or
25 representation to the insured or engage in the unauthorized
26 practice of law.

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

9 (n) A public adjuster shall not act in the place and
10 instead of the insured.

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

12 (815 ILCS 625/Act rep.)

13 Section 10. The Fire Damage Representation Agreement Act
14 is repealed."