



Sen. Napoleon Harris, III

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10300SB1495sam002

LRB103 05818 BMS 59974 a

1 AMENDMENT TO SENATE BILL 1495

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1495, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Insurance Code is amended by  
6 changing Sections 1510, 1515, 1550, 1555, 1560, 1570, 1575,  
7 1585, and 1590 as follows:

8 (215 ILCS 5/1510)

9 Sec. 1510. Definitions. In this Article:

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

14 "Adjusting insurance claims" means representing an insured  
15 with an insurer for compensation and, while representing that  
16 insured, either negotiating values, damages, or depreciation

1 or applying the loss circumstances to insurance policy  
2 provisions.

3 "Business entity" means a corporation, association,  
4 partnership, limited liability company, limited liability  
5 partnership, or other legal entity.

6 "Department" means the Department of Insurance.

7 "Director" means the Director of Insurance.

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

11 "Home state" means the District of Columbia and any state  
12 or territory of the United States where the public adjuster's  
13 principal place of residence or principal place of business is  
14 located. If neither the state in which the public adjuster  
15 maintains the principal place of residence nor the state in  
16 which the public adjuster maintains the principal place of  
17 business has a substantially similar law governing public  
18 adjusters, the public adjuster may declare another state in  
19 which it becomes licensed and acts as a public adjuster to be  
20 the home state.

21 "Individual" means a natural person.

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

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

25 (i) acts, ~~or~~ aids, or represents the insured solely in  
26 relation to first party claims arising under insurance

1 contracts that insure the real or personal property of the  
2 insured, ~~on behalf of an insured~~ in adjusting a claim for  
3 loss or damage covered by an insurance contract;

4 (ii) advertises for employment as a public adjuster of  
5 insurance claims or solicits business or represents  
6 himself or herself to the public as a public adjuster of  
7 first party insurance claims for losses or damages arising  
8 out of policies of insurance that insure real or personal  
9 property; or

10 (iii) directly or indirectly solicits business,  
11 investigates or adjusts losses, or advises an insured  
12 about first party claims for losses or damages arising out  
13 of policies of insurance that insure real or personal  
14 property for another person engaged in the business of  
15 adjusting losses or damages covered by an insurance policy  
16 for the insured.

17 "Uniform individual application" means the current version  
18 of the National Association of Directors (NAIC) Uniform  
19 Individual Application for resident and nonresident  
20 individuals.

21 "Uniform business entity application" means the current  
22 version of the National Association of Insurance Commissioners  
23 (NAIC) Uniform Business Entity Application for resident and  
24 nonresident business entities.

25 "Webinar" means an online educational presentation during  
26 which a live and participating instructor and participating

1 viewers, whose attendance is periodically verified throughout  
2 the presentation, actively engage in discussion and in the  
3 submission and answering of questions.

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

5 (215 ILCS 5/1515)

6 Sec. 1515. License required.

7 (a) A person shall not act, advertise, solicit, or hold  
8 himself out as a public adjuster or to be in the business of  
9 adjusting insurance claims in this State, nor attempt to  
10 obtain a contract for public adjusting services, unless the  
11 person is licensed as a public adjuster in accordance with  
12 this Article.

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

22 (c) A business entity acting as a public adjuster is  
23 required to obtain a public adjuster license. Application  
24 shall be made using the Uniform Business Entity Application.  
25 Before approving the application, the Director shall find

1 that:

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

4 (2) all officers, shareholders, and persons with  
5 ownership interests in the business entity are licensed  
6 public adjusters responsible for the business entity's  
7 compliance with the insurance laws, rules, and regulations  
8 of this State.

9 (d) Notwithstanding subsections (a) through (c) of this  
10 Section, a license as a public adjuster shall not be required  
11 of the following:

12 (1) an attorney admitted to practice in this State,  
13 when acting in his or her professional capacity as an  
14 attorney;

15 (2) a person who negotiates or settles claims arising  
16 under a life or health insurance policy or an annuity  
17 contract;

18 (3) a person employed only for the purpose of  
19 obtaining facts surrounding a loss or furnishing technical  
20 assistance to a licensed public adjuster, including  
21 photographers, estimators, private investigators,  
22 engineers, and handwriting experts;

23 (4) a licensed health care provider, or employee of a  
24 licensed health care provider, who prepares or files a  
25 health claim form on behalf of a patient; or

26 (5) a person who settles subrogation claims between

1 insurers.

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

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

5 (215 ILCS 5/1550)

6 Sec. 1550. Applicant convictions.

7 (a) The Director and the Department shall not require  
8 applicants to report the following information and shall not  
9 collect or consider the following criminal history records in  
10 connection with a public adjuster license application:

11 (1) Juvenile adjudications of delinquent minors as  
12 defined in Section 5-105 of the Juvenile Court Act of  
13 1987, subject to the restrictions set forth in Section  
14 5-130 of that Act.

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

20 (3) Records of arrest not followed by a formal charge  
21 or conviction.

22 (4) Records of arrest where charges were dismissed  
23 unless related to the duties and responsibilities of a  
24 public adjuster. However, applicants shall not be asked to  
25 report any arrests, and any arrest not followed by a

1 conviction shall not be the basis of a denial and may be  
2 used only to assess an applicant's rehabilitation.

3 (5) Convictions overturned by a higher court.

4 (6) Convictions or arrests that have been sealed or  
5 expunged.

6 (b) The Director, upon a finding that an applicant for a  
7 license under this Act was previously convicted of any ~~a~~  
8 felony or a misdemeanor involving dishonesty or fraud, shall  
9 consider any mitigating factors and evidence of rehabilitation  
10 contained in the applicant's record, including any of the  
11 following factors and evidence, to determine if a license may  
12 be denied because the prior conviction will impair the ability  
13 of the applicant to engage in the position for which a license  
14 is sought:

15 (1) the bearing, if any, of the offense for which the  
16 applicant was previously convicted on the duties,  
17 functions, and responsibilities of the position for which  
18 a license is sought;

19 (2) whether the conviction suggests a future  
20 propensity to endanger the safety and property of others  
21 while performing the duties and responsibilities for which  
22 a license is sought;

23 (3) if the applicant was previously licensed or  
24 employed in this State or other states or jurisdictions,  
25 then the lack of prior misconduct arising from or related  
26 to the licensed position or position of employment;

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

5           (5) successful completion of sentence and, for  
6 applicants serving a term of parole or probation, a  
7 progress report provided by the applicant's probation or  
8 parole officer that documents the applicant's compliance  
9 with conditions of supervision;

10           (6) evidence of the applicant's present fitness and  
11 professional character;

12           (7) evidence of rehabilitation or rehabilitative  
13 effort during or after incarceration or during or after a  
14 term of supervision, including, but not limited to, a  
15 certificate of good conduct under Section 5-5.5-25 of the  
16 Unified Code of Corrections or certificate of relief from  
17 disabilities under Section 5-5.5-10 of the Unified Code of  
18 Corrections; and

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

22           (c) If a nonresident licensee meets the standards set  
23 forth in items (1) through (4) of subsection (a) of Section  
24 1540 and has received consent pursuant to 18 U.S.C. 1033(e) (2)  
25 from his or her home state, the Director shall grant the  
26 nonresident licensee a license.



1 (d) If the Director refuses to issue a license to an  
2 applicant based on a conviction or convictions, in whole or in  
3 part, then the Director shall notify the applicant of the  
4 denial in writing with the following included in the notice of  
5 denial:

6 (1) a statement about the decision to refuse to issue  
7 a license;

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

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

13 (4) a summary of the appeal process or the earliest  
14 the applicant may reapply for a license, whichever is  
15 applicable.

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

17 (215 ILCS 5/1555)

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

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

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

25 (2) violating any insurance laws, or violating any

1 regulation, subpoena, or order of the Director or of  
2 another state's Director;

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

5 (4) improperly withholding, misappropriating, or  
6 converting any monies or properties received in the course  
7 of doing insurance business;

8 (5) intentionally misrepresenting the terms of an  
9 actual or proposed insurance contract or application for  
10 insurance;

11 (6) having been convicted of any ~~a~~ felony or a  
12 misdemeanor involving dishonesty or fraud, unless the  
13 individual demonstrates to the Director sufficient  
14 rehabilitation to warrant the public trust; consideration  
15 of such conviction of an applicant shall be in accordance  
16 with Section 1550;

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

19 (8) using fraudulent, coercive, or dishonest  
20 practices; or demonstrating incompetence,  
21 untrustworthiness, or financial irresponsibility in the  
22 conduct of business in this State or elsewhere;

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

26 (10) forging another's name to an application for

1 insurance or to any document related to an insurance  
2 transaction;

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

6 (12) knowingly accepting insurance business from or  
7 transacting business with an individual who is not  
8 licensed but who is required to be licensed by the  
9 Director;

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

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

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

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

19 (b) If the action by the Director is to nonrenew, suspend,  
20 or revoke a license or to deny an application for a license,  
21 the Director shall notify the applicant or licensee and  
22 advise, in writing, the applicant or licensee of the reason  
23 for the suspension, revocation, denial, or nonrenewal of the  
24 applicant's or licensee's license. The applicant or licensee  
25 may make written demand upon the Director within 30 days after  
26 the date of mailing for a hearing before the Director to

1 determine the reasonableness of the Director's action. The  
2 hearing must be held within not fewer than 20 days nor more  
3 than 30 days after the mailing of the notice of hearing and  
4 shall be held pursuant to 50 Ill. Adm. Code 2402.

5 (c) The license of a business entity may be suspended,  
6 revoked, or refused if the Director finds, after hearing, that  
7 an individual licensee's violation was known or should have  
8 been known by one or more of the partners, officers, or  
9 managers acting on behalf of the business entity and the  
10 violation was neither reported to the Director, nor corrective  
11 action taken.

12 (d) In addition to or in lieu of any applicable denial,  
13 suspension or revocation of a license, a person may, after  
14 hearing, be subject to a civil penalty. In addition to or  
15 instead of any applicable denial, suspension, or revocation of  
16 a license, a person may, after hearing, be subject to a civil  
17 penalty of up to \$10,000 for each cause for denial,  
18 suspension, or revocation, however, the civil penalty may  
19 total no more than \$100,000.

20 (e) The Director shall retain the authority to enforce the  
21 provisions of and impose any penalty or remedy authorized by  
22 this Article against any person who is under investigation for  
23 or charged with a violation of this Article even if the  
24 person's license or registration has been surrendered or has  
25 lapsed by operation of law.

26 (f) Any individual whose public adjuster's license is

1 revoked or whose application is denied pursuant to this  
2 Section shall be ineligible to apply for a public adjuster's  
3 license for 5 years. A suspension pursuant to this Section may  
4 be for any period of time up to 5 years.

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

6 (215 ILCS 5/1560)

7 Sec. 1560. Bond or letter of credit.

8 (a) Prior to the issuance of a license as a public adjuster  
9 and for the duration of the license, the applicant shall  
10 secure evidence of financial responsibility in a format  
11 prescribed by the Director through a surety bond or  
12 irrevocable letter of credit, subject to all of the following  
13 requirements:

14 (1) A surety bond executed and issued by an insurer  
15 authorized to issue surety bonds in this State, which  
16 bond:

17 (A) shall be in the minimum amount of \$50,000  
18 ~~\$20,000~~;

19 (B) shall be in favor of this State and shall  
20 specifically authorize recovery by the Director on  
21 behalf of any person in this State who sustained  
22 damages as the result of erroneous acts, failure to  
23 act, conviction of fraud, or conviction of unfair  
24 practices in his or her capacity as a public adjuster;  
25 and

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

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

6 (A) shall be in the minimum amount of \$50,000  
7 ~~\$20,000~~;

8 (B) shall be to an account to the Director and  
9 subject to lawful levy of execution on behalf of any  
10 person to whom the public adjuster has been found to be  
11 legally liable as the result of erroneous acts,  
12 failure to act, fraudulent acts, or unfair practices  
13 in his or her capacity as a public adjuster; and

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

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

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

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

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

1 (215 ILCS 5/1570)

2 Sec. 1570. Public adjuster fees.

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

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

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

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

1 that the policyholder would accept the consideration. The  
2 Director must act on any request within 5 business days after  
3 receipt of the request.

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

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

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



1 (215 ILCS 5/1575)

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

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

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

7 (2) permanent home state business address, email  
8 address, and phone number;

9 (3) license number;

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

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

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

16 (7) description of services to be provided to the  
17 insured;

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

19 (9) date and time the contract was signed by the  
20 public adjuster and date and time the contract was signed  
21 by the insured;

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

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

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

4 (1) If the compensation is based on a share of the  
5 insurance settlement, the exact percentage shall be  
6 specified.

7 (2) Initial expenses to be reimbursed to the public  
8 adjuster from the proceeds of the claim payment shall be  
9 specified by type, with dollar estimates set forth in the  
10 contract and with any additional expenses first approved  
11 by the insured.

12 (3) Compensation provisions in a public adjuster  
13 contract shall not be redacted in any copy of the contract  
14 provided to the Director.

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

19 (1) not receive a commission consisting of a  
20 percentage of the total amount paid by an insurer to  
21 resolve a claim;

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

24 (3) be entitled only to reasonable compensation from  
25 the insured for services provided by the public adjuster  
26 on behalf of the insured, based on the time spent on a

1 claim and expenses incurred by the public adjuster, until  
2 the claim is paid or the insured receives a written  
3 commitment to pay from the insurer.

4 (d) A public adjuster shall provide the insured a written  
5 disclosure concerning any direct or indirect financial  
6 interest that the public adjuster has with any other party who  
7 is involved in any aspect of the claim, other than the salary,  
8 fee, commission, or other consideration established in the  
9 written contract with the insured, including, but not limited  
10 to, any ownership of or any compensation expected to be  
11 received from, any construction firm, salvage firm, building  
12 appraisal firm, board-up company, or any other firm that  
13 provides estimates for work, or that performs any work, in  
14 conjunction with damages caused by the insured loss on which  
15 the public adjuster is engaged. The word "firm" shall include  
16 any corporation, partnership, association, joint-stock  
17 company, or person.

18 (e) A public adjuster contract may not contain any  
19 contract term that:

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

26 (2) requires the insured to authorize an insurance

1 company to issue a check only in the name of the public  
2 adjuster;

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

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

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

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

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

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

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

1 (B) "Independent adjuster" means the insurance  
2 adjusters who are hired on a contract basis by an  
3 insurance company to represent the insurance company's  
4 interest in the settlement of the claim. They are paid  
5 by your insurance company. They will not charge you a  
6 fee.

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

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

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

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

23 (g) The contracts shall be executed in duplicate to  
24 provide an original contract to the public adjuster, and an  
25 original contract to the insured. The public adjuster's  
26 original contract shall be available at all times for

1 inspection without notice by the Director.

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

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

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

24 (k) If the insured exercises the right to rescind the  
25 contract, anything of value given by the insured under the  
26 contract will be returned to the insured within 15 business

1 days following the receipt by the public adjuster of the  
2 cancellation notice.

3 (1) All contracts entered into that are in violation of  
4 this Section are void and invalid.

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

6 (215 ILCS 5/1585)

7 Sec. 1585. Record retention.

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

11 (1) name of the insured;

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

13 (3) a copy of the contract between the public adjuster  
14 and insured and a copy of the separate disclosure  
15 documents ~~document~~;

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

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

19 (6) itemized statement of all compensation received by  
20 the public adjuster, from any source whatsoever, in  
21 connection with the loss;

22 (7) a register of all monies received, deposited,  
23 disbursed, or withdrawn in connection with a transaction  
24 with an insured, including fees transfers and  
25 disbursements from a trust account and all transactions

1 concerning all interest bearing accounts;

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

3 (9) name of the attorney representing the insured, if  
4 applicable, and the name of the claims representatives of  
5 the insurance company; and

6 (10) evidence of financial responsibility in a format  
7 prescribed by the Director.

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

11 (c) Records submitted to the Director in accordance with  
12 this Section that contain information identified in writing as  
13 proprietary by the public adjuster shall be treated as  
14 confidential by the Director and shall not be subject to the  
15 Freedom of Information Act.

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

17 (215 ILCS 5/1590)

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

19 (a) A public adjuster is obligated, under his or her  
20 license, to serve with objectivity and complete loyalty for  
21 the interests of his client alone, and to render to the insured  
22 such information, counsel, and service, as within the  
23 knowledge, understanding, and opinion in good faith of the  
24 licensee, as will best serve the insured's insurance claim  
25 needs and interest.



1 (b) A public adjuster may not propose or attempt to  
2 propose to any person that the public adjuster represent that  
3 person while a loss-producing occurrence is continuing, nor  
4 while the fire department or its representatives are engaged  
5 at the damaged premises, nor between the hours of 7:00 p.m. and  
6 8:00 a.m.

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

10 (d) A public adjuster shall not have a direct or indirect  
11 financial interest in any aspect of the claim, other than the  
12 salary, fee, commission, or other consideration established in  
13 the written contract with the insured, unless full written  
14 disclosure has been made to the insured as set forth in  
15 subsection (d) ~~(e)~~ of Section 1575.

16 (e) A public adjuster shall not acquire any interest in  
17 the salvage of property subject to the contract with the  
18 insured unless the public adjuster obtains written permission  
19 from the insured after settlement of the claim with the  
20 insurer as set forth in subsection (d) ~~(e)~~ of Section 1575 of  
21 this Article.

22 (f) The public adjuster shall abstain from referring or  
23 directing the insured to get needed repairs or services in  
24 connection with a loss from any person, unless disclosed to  
25 the insured:

26 (1) with whom the public adjuster has a direct or

1        indirect financial interest; or

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

4            (g) The public adjuster shall disclose to an insured if he  
5        or she has any interest or will be compensated by any  
6        construction firm, salvage firm, building appraisal firm,  
7        board-up company, or any other firm that performs any work in  
8        conjunction with damages caused by the insured loss. The word  
9        "firm" shall include any corporation, partnership,  
10       association, joint-stock company or individual as set forth in  
11       Section 1575 of this Article.

12           (h) Any compensation or anything of value in connection  
13       with an insured's specific loss that will be received by a  
14       public adjuster shall be disclosed by the public adjuster to  
15       the insured in writing including the source and amount of any  
16       such compensation.

17           (i) In all cases where the loss giving rise to the claim  
18       for which the public adjuster was retained arise from damage  
19       to a personal residence, the insurance proceeds shall be  
20       delivered to the named insured or his or her designee. Where  
21       proceeds paid by an insurance company are paid jointly to the  
22       insured and the public adjuster, the insured shall release  
23       such portion of the proceeds that are due the public adjuster  
24       within 30 calendar days after the insured's receipt of the  
25       insurance company's check, money order, draft, or release of  
26       funds. If the proceeds are not so released to the public

1 adjuster within 30 calendar days, the insured shall provide  
2 the public adjuster with a written explanation of the reason  
3 for the delay.

4 (j) Public adjusters shall adhere to the following general  
5 ethical requirements:

6 (1) a public adjuster shall not undertake the  
7 adjustment of any claim if the public adjuster is not  
8 competent and knowledgeable as to the terms and conditions  
9 of the insurance coverage, or which otherwise exceeds the  
10 public adjuster's current expertise;

11 (2) a public adjuster shall not knowingly make any  
12 oral or written material misrepresentations or statements  
13 which are false or maliciously critical and intended to  
14 injure any person engaged in the business of insurance to  
15 any insured client or potential insured client;

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

19 (4) the contract shall not be construed to prevent an  
20 insured from pursuing any civil remedy after the  
21 5-business day revocation or cancellation period;

22 (5) a public adjuster shall not enter into a contract  
23 or accept a power of attorney that vests in the public  
24 adjuster the effective authority to choose the persons who  
25 shall perform repair work;

26 (6) a public adjuster shall ensure that all contracts

1 for the public adjuster's services are in writing and set  
2 forth all terms and conditions of the engagement; and

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

6 (k) A public adjuster may not agree to any loss settlement  
7 without the insured's knowledge and consent and shall, upon  
8 the insured's request, provide the insured with a document  
9 setting forth the scope, amount, and value of the damages  
10 prior to request by the insured for authority to settle the  
11 loss.

12 (l) A public adjuster shall not provide legal advice or  
13 representation to the insured or engage in the unauthorized  
14 practice of law.

15 (m) A public adjuster shall not represent that he or she is  
16 a representative of an insurance company, a fire department,  
17 or the State of Illinois, that he or she is a fire  
18 investigator, that his or her services are required for the  
19 insured to submit a claim to the insured's insurance company,  
20 or that he or she may provide legal advice or representation to  
21 the insured. A public adjuster may represent that he or she has  
22 been licensed by the State of Illinois.

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

24 (815 ILCS 625/Act rep.)

25 Section 10. The Fire Damage Representation Agreement Act

1 is repealed."