

URGENT
ACTION REQUIRED

Commissioner of Insurance J. Robert Wooley
Louisiana Department of Insurance

On August 26, 2005, Governor Kathleen Babineaux Blanco declared a state of emergency for Louisiana. Hurricane Katrina caused extensive power outages and massive flooding that destroyed many homes and impacted the livelihood of the citizens of Louisiana.

Because of the catastrophic and devastating effects of the hurricane, the Louisiana Department of Insurance (LDOI) is issuing this urgent request in regards to the settlement and business practices of insurance adjusters in the state of Louisiana. In an effort to protect the public interest and welfare of citizens of this state, all public adjusters operating in this state are to register with the LDOI. This request is directed to the attention of public adjusters, as defined in LSA-R.S. 22:1476(A).

An electronic registration form has been developed and is available by using the direct link below. The form is also on the Department's website and may be printed, if necessary. Persons may fax a completed form to the Department at (225) 219-9322 or may walk in and complete the form here at the Department. No notice will be sent out advising that the registration has been received as that information can be accessed using our Company Search option on the Department's website at www.ldi.state.la.us.

In the settlement of claims for losses and damages, adjusters should be aware of the following prohibitions:

- 1) Any contracts or arrangements made between insured persons and public adjusters are against public policy and are null and void if the adjuster's fee is contingent upon or calculated as a percentage of the amount of any claims paid to or paid on behalf of the insured persons.[LSA-R.S. 22:1476(B)]
- 2) Insurance companies shall not pay affiliated adjusters any fee or compensation in excess of a regular fixed salary or stipend. An insurer cannot contract to pay an adjuster a percentage of costs saved to the insurer through efforts of the adjuster. [LSA-R.S. 22:1453(A)]

In compliance with LSA-R.S. 22:1220, insurance companies, as well as adjusters, owe a duty of good faith and fair dealing to insured persons in the state of Louisiana. As such, it is expected that the adjusters and insurance companies make every effort to work with the citizens of Louisiana in a fair and equitable manner.

The LDOI requests all insurance companies to provide, in writing, the names and social security numbers of those adjusters who will be actively engaged in the settlement

of losses and damages resulting from this catastrophe. The list may be sent to Mike Boutwell at mboutwell@ldi.state.la.us or via facsimile to (225) 219-9322.

Every insurer shall distribute copies of this urgent request to every person or entity directly responsible for the handling and settlement of claims in conjunction herewith.

If you have any questions or need any additional information, please contact the Louisiana Department of Insurance at (225) 342-5900 or (800) 259-5300 (toll free within Louisiana).

<https://www.lidi.state.la.us/AdjusterRegistration/AdjusterRegistration.aspx>