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**MISSISSIPPI DEPARTMENT OF INSURANCE
BULLETIN 2006-10
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CLARIFICATION OF BULLETIN 2005-8, AS AMENDED

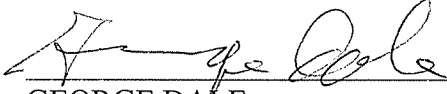
On September 16, 2005, the Mississippi Department of Insurance ("Department") issued Bulletin 2005-8 which temporarily established emergency guidelines governing the registration and other activities of public adjusters in this State. On April 26, 2006, this Bulletin was amended to extend the effective period for the registration and requirements contained therein to May 31, 2007.

Since the issuance of Bulletin 2005-8, as amended, the Department has received complaints concerning problems some policyholders have had with their emergency public adjusters. As a result of these complaints, the Department is issuing this Bulletin to clarify certain provisions contained within Bulletin 2005-8, as amended, as follows:

- Section II(A) states that any person acting as an emergency public adjuster must register with the Department. Some complaints the Department has received involve persons that are not registered with the Department. Upon information of a person acting as an emergency public adjuster without registering with the Department, the Department may refer said matter to the Attorney General's Office for further action.
- Section III(A) states that no emergency public adjuster shall charge more than seven percent (7%) of any insurance settlement or proceeds. The Department has received information that some emergency public adjusters are charging the seven percent (7%) fee on insurance settlements or proceeds that the policyholder may have agreed to, received, or negotiated prior to retaining the emergency public adjuster. It is implicit in the terms of Bulletin 2005-8, as amended, that any fee charged by an emergency public adjuster would be upon the settlement or monies that he or she actually adjusted. Any emergency public adjuster charging the seven percent (7%) fee on any settlement or monies that the policyholder agreed to, received, or negotiated prior to retaining the emergency public adjuster shall have their registration to act as an emergency public adjuster revoked immediately by the Department upon proof thereof. Furthermore, the Department may refer said matter to the Attorney General's Office for further action.
- Section III(C) states that any cost to be reimbursed to the emergency public adjuster out of

the proceeds shall be specified by type, with dollar estimates set forth in the contract. The Department has learned that some emergency public adjusters are setting forth percentage amounts in the contract instead of dollar estimates. While the Department is aware emergency public adjusters in other states usually receive ten percent (10%) recovery as their standard amount, in Mississippi that recovery is limited to seven percent (7%). Any contract that provides a percentage cost recovery amount is null and void as to that provision, and the emergency public adjuster will have to provide proof to the policyholder of any additional costs that he or she incurred in adjusting said claim in order to recover that dollar amount from the policyholder.

Any questions concerning this Bulletin should be directed to the Legal Division of the Department at (601) 359-3577.



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