

TERESA MCUSIC MAY 20, 2016 3:30 PM

Hiring a public adjuster can help with home insurance claims

HIGHLIGHTS

Public adjusters help homeowners win damage claims from insurers

They are licensed and regulated by the state of Texas

They take up to 10 percent of the claim as compensation





Not happy with what's being offered on your home insurance claim?

You might want to consider hiring a public insurance adjuster to fight for you.

A largely unknown group, public insurance adjusters are licensed and bonded and represent the property owner — either business or home — with damage claims.

“Once hired, we take over the claim for them,” said Loy Vickers, owner of Empire Public Adjusters in McKinney and a board member of the Texas Association of Public Insurance Adjusters (TAPIA.) “A public adjuster is the only one who can negotiate an insurance claim besides an attorney.”

For their work, public insurance adjusters typically don't charge upfront but take a percentage of the claim settlement, Vickers said. The adjusters are regulated by the Texas Department of Insurance (TDI), which limits fees to 10 percent of any claim paid.

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Robert Richardson, McKinney homeowner

Kathy Reiter, who owns a home in south Arlington, said the fee was “well worth it.”

The single mother tried to get a new roof three times after storms dating back to the devastating tornadoes in 2012 that damaged hundreds of homes in her area. Instead, her insurer would only give her small reimbursements for outside damage each time.

“Every roof in my neighborhood was replaced, but I couldn't get my insurer to replace mine,” she said. “Then they jacked up the rates because I filed claims. At the same time, no one else would insure me because I didn't have a new roof. It's been a nightmare.”

She heard about public insurance adjusters and decided to give one a try, calling Jason Fulgham, co-owner of Valor Claims Consulting in Fort Worth.

“Jason came out and told me I absolutely should have a new roof,” she said. “We opened up the third claim again. At first the insurance company wouldn’t respond, but he was very diligent.”

Finally, an adjuster from her insurer came out again and inspected the roof, finding that a replacement was necessary. Within a few months of hiring Valor, she had a new roof.

“If I’d have known about this service, I would have used it years before,” she said.

Robert Richardson, a McKinney homeowner, had a similar fight after an April 2014 hailstorm damaged his concrete tile roof. He was unaware of the extent of the damage until a year later, when spring rains started leaking down his walls.

Richardson said the insurance adjuster recommended a new roof, but the main insurance office didn’t agree.

“They said the roof looks pretty old and started giving excuses for not paying the claim,” he said. “I told them I’d been a customer since 1980 and was willing to go to court.”

Then he heard about public insurance adjustors. He called Vickers’ firm and they set to work.

“He reviewed my policy, sent out an engineer, took photos of the roof and interior and put a report together,” he said. “It was a lengthy process to get to come to terms with the insurer—8 or 9 months—so you have to be patient.”

Finally, Richardson’s insurer settled on a \$134,000 claim to replace the roof and interior damage. Vickers received 10 percent of the settlement.

“That was a whole lot cheaper than getting a lawyer and going to court,” Richardson said. “And you can’t do it yourself. The layman doesn’t realize the legal mumbo jumbo in these policies. I wasn’t even aware my deductible had grown to \$8,500.”

Vickers said most people are not aware of what is in their insurance policies, and that most have narrowed coverage and timelines for making claims. In addition, some insurers are removing the process in policies that public insurance adjusters use to resettle claims.

“The adjuster process is a low-cost way of settling insurance claims,” he said. “You should shop your policy every year and make sure that is in it.”

Robert Hunter, a former Texas Insurance Commissioner and now director of insurance for the Consumer Federation of America, said homeowners should take careful notes during the claims process and try to work within the insurer's consumer affairs department on any disagreement.

After that, Hunter recommends complaining to the TDI. If nothing comes of that, consider a public adjuster or attorney.

“If it's a large claim, I would consider an attorney first,” he said.

Finding a public adjuster — particularly after a big weather event that causes widespread damage — may take time. Vickers said there were only around 25-30 public insurance adjusters in DFW, and not all will do residential claims.

“Our industry is growing,” he said. “Part of the problem is we don't get paid until we close a claim, so it's hard to start up. And the bigger the claim, the longer it takes to close.”

Fulgham, with Valor Claims, said the market is ready for more public adjusters.

“Insurance adjusters are not as thorough as they should be, and when a big storm comes through they have limited time to do their job,” he said. “We hold their feet to the fire and ask that the insurer pays what they owe — nothing more and nothing less.”

Teresa McUsic's column appears Saturdays. TMcUsic@SavvyConsumer.net

HIRING A PUBLIC INSURANCE ADJUSTER

- For a list of public insurance adjusters in Texas, go to www.tapia.org.
- Make sure they have a current license to practice in Texas. Check by contacting the Texas Department of Insurance by email at license@tditexas.gov or call 512-676-6500.
- Beware of contractors who offer to handle your claim “for free” if you let them do the work (this is sometimes called a “contingent agreement”). Because public adjusters must be licensed, such services are illegal. Also, beware of contractors and public adjusters who push for adding an attorney. Most property insurance claims can be settled without legal help.

Source: Texas Association of Public Insurance Adjusters



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