

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by  
5 changing Sections 1510, 1515, 1550, 1555, 1560, 1570, 1575,  
6 1585, and 1590 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  
17 provisions.

18 "Business entity" means a corporation, association,  
19 partnership, limited liability company, limited liability  
20 partnership, or other legal entity.

21 "Department" means the Department of Insurance.

22 "Director" means the Director of Insurance.

23 "Fingerprints" means an impression of the lines on the

1 finger taken for the purpose of identification. The impression  
2 may be electronic or in ink converted to electronic format.

3 "Home state" means the District of Columbia and any state  
4 or territory of the United States where the public adjuster's  
5 principal place of residence or principal place of business is  
6 located. If neither the state in which the public adjuster  
7 maintains the principal place of residence nor the state in  
8 which the public adjuster maintains the principal place of  
9 business has a substantially similar law governing public  
10 adjusters, the public adjuster may declare another state in  
11 which it becomes licensed and acts as a public adjuster to be  
12 the home state.

13 "Individual" means a natural person.

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

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

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

22 (ii) advertises for employment as a public adjuster of  
23 insurance claims or solicits business or represents  
24 himself or herself to the public as a public adjuster of  
25 first party insurance claims for losses or damages arising  
26 out of policies of insurance that insure real or personal

1 property; or

2 (iii) directly or indirectly solicits business,  
3 investigates or adjusts losses, or advises an insured  
4 about first party claims for losses or damages arising out  
5 of policies of insurance that insure real or personal  
6 property for another person engaged in the business of  
7 adjusting losses or damages covered by an insurance policy  
8 for the insured.

9 "Uniform individual application" means the current version  
10 of the National Association of Directors (NAIC) Uniform  
11 Individual Application for resident and nonresident  
12 individuals.

13 "Uniform business entity application" means the current  
14 version of the National Association of Insurance Commissioners  
15 (NAIC) Uniform Business Entity Application for resident and  
16 nonresident business entities.

17 "Webinar" means an online educational presentation during  
18 which a live and participating instructor and participating  
19 viewers, whose attendance is periodically verified throughout  
20 the presentation, actively engage in discussion and in the  
21 submission and answering of questions.

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

23 (215 ILCS 5/1515)

24 Sec. 1515. License required.

25 (a) A person shall not act, advertise, solicit, or hold

1 himself out as a public adjuster or to be in the business of  
2 adjusting insurance claims in this State, nor attempt to  
3 obtain a contract for public adjusting services, unless the  
4 person is licensed as a public adjuster in accordance with  
5 this Article.

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

15 (c) A business entity acting as a public adjuster is  
16 required to obtain a public adjuster license. Application  
17 shall be made using the Uniform Business Entity Application.  
18 Before approving the application, the Director shall find  
19 that:

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

22 (2) all officers, shareholders, and persons with  
23 ownership interests in the business entity are licensed  
24 public adjusters responsible for the business entity's  
25 compliance with the insurance laws, rules, and regulations  
26 of this State.

1 (d) Notwithstanding subsections (a) through (c) of this  
2 Section, a license as a public adjuster shall not be required  
3 of the following:

4 (1) an attorney admitted to practice in this State,  
5 when acting in his or her professional capacity as an  
6 attorney;

7 (2) a person who negotiates or settles claims arising  
8 under a life or health insurance policy or an annuity  
9 contract;

10 (3) a person employed only for the purpose of  
11 obtaining facts surrounding a loss or furnishing technical  
12 assistance to a licensed public adjuster, including  
13 photographers, estimators, private investigators,  
14 engineers, and handwriting experts;

15 (4) a licensed health care provider, or employee of a  
16 licensed health care provider, who prepares or files a  
17 health claim form on behalf of a patient; or

18 (5) a person who settles subrogation claims between  
19 insurers.

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

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

23 (215 ILCS 5/1550)

24 Sec. 1550. Applicant convictions.

25 (a) The Director and the Department shall not require

1 applicants to report the following information and shall not  
2 collect or consider the following criminal history records in  
3 connection with a public adjuster license application:

4 (1) Juvenile adjudications of delinquent minors as  
5 defined in Section 5-105 of the Juvenile Court Act of  
6 1987, subject to the restrictions set forth in Section  
7 5-130 of that Act.

8 (2) Law enforcement records, court records, and  
9 conviction records of an individual who was 17 years old  
10 at the time of the offense and before January 1, 2014,  
11 unless the nature of the offense required the individual  
12 to be tried as an adult.

13 (3) Records of arrest not followed by a formal charge  
14 or conviction.

15 (4) Records of arrest where charges were dismissed  
16 unless related to the duties and responsibilities of a  
17 public adjuster. However, applicants shall not be asked to  
18 report any arrests, and any arrest not followed by a  
19 conviction shall not be the basis of a denial and may be  
20 used only to assess an applicant's rehabilitation.

21 (5) Convictions overturned by a higher court.

22 (6) Convictions or arrests that have been sealed or  
23 expunged.

24 (b) The Director, upon a finding that an applicant for a  
25 license under this Act was previously convicted of any ~~a~~  
26 felony or a misdemeanor involving dishonesty or fraud, shall

1 consider any mitigating factors and evidence of rehabilitation  
2 contained in the applicant's record, including any of the  
3 following factors and evidence, to determine if a license may  
4 be denied because the prior conviction will impair the ability  
5 of the applicant to engage in the position for which a license  
6 is sought:

7 (1) the bearing, if any, of the offense for which the  
8 applicant was previously convicted on the duties,  
9 functions, and responsibilities of the position for which  
10 a license is sought;

11 (2) whether the conviction suggests a future  
12 propensity to endanger the safety and property of others  
13 while performing the duties and responsibilities for which  
14 a license is sought;

15 (3) if the applicant was previously licensed or  
16 employed in this State or other states or jurisdictions,  
17 then the lack of prior misconduct arising from or related  
18 to the licensed position or position of employment;

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

23 (5) successful completion of sentence and, for  
24 applicants serving a term of parole or probation, a  
25 progress report provided by the applicant's probation or  
26 parole officer that documents the applicant's compliance

1 with conditions of supervision;

2 (6) evidence of the applicant's present fitness and  
3 professional character;

4 (7) evidence of rehabilitation or rehabilitative  
5 effort during or after incarceration or during or after a  
6 term of supervision, including, but not limited to, a  
7 certificate of good conduct under Section 5-5.5-25 of the  
8 Unified Code of Corrections or certificate of relief from  
9 disabilities under Section 5-5.5-10 of the Unified Code of  
10 Corrections; and

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

14 (c) If a nonresident licensee meets the standards set  
15 forth in items (1) through (4) of subsection (a) of Section  
16 1540 and has received consent pursuant to 18 U.S.C. 1033(e) (2)  
17 from his or her home state, the Director shall grant the  
18 nonresident licensee a license.

19 (d) If the Director refuses to issue a license to an  
20 applicant based on a conviction or convictions, in whole or in  
21 part, then the Director shall notify the applicant of the  
22 denial in writing with the following included in the notice of  
23 denial:

24 (1) a statement about the decision to refuse to issue  
25 a license;

26 (2) a list of convictions that the Director determined



1 will impair the applicant's ability to engage in the  
2 position for which a license is sought;

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

5 (4) a summary of the appeal process or the earliest  
6 the applicant may reapply for a license, whichever is  
7 applicable.

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

9 (215 ILCS 5/1555)

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

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

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

17 (2) violating any insurance laws, or violating any  
18 regulation, subpoena, or order of the Director or of  
19 another state's Director;

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

22 (4) improperly withholding, misappropriating, or  
23 converting any monies or properties received in the course  
24 of doing insurance business;

25 (5) intentionally misrepresenting the terms of an

1 actual or proposed insurance contract or application for  
2 insurance;

3 (6) having been convicted of any ~~a~~ felony or a  
4 misdemeanor involving dishonesty or fraud, unless the  
5 individual demonstrates to the Director sufficient  
6 rehabilitation to warrant the public trust; consideration  
7 of such conviction of an applicant shall be in accordance  
8 with Section 1550;

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

11 (8) using fraudulent, coercive, or dishonest  
12 practices; or demonstrating incompetence,  
13 untrustworthiness, or financial irresponsibility in the  
14 conduct of business in this State or elsewhere;

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

18 (10) forging another's name to an application for  
19 insurance or to any document related to an insurance  
20 transaction;

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

24 (12) knowingly accepting insurance business from or  
25 transacting business with an individual who is not  
26 licensed but who is required to be licensed by the

1 Director;

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

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

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

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

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

23 (c) The license of a business entity may be suspended,  
24 revoked, or refused if the Director finds, after hearing, that  
25 an individual licensee's violation was known or should have  
26 been known by one or more of the partners, officers, or

1 managers acting on behalf of the business entity and the  
2 violation was neither reported to the Director, nor corrective  
3 action taken.

4 (d) In addition to or in lieu of any applicable denial,  
5 suspension or revocation of a license, a person may, after  
6 hearing, be subject to a civil penalty. In addition to or  
7 instead of any applicable denial, suspension, or revocation of  
8 a license, a person may, after hearing, be subject to a civil  
9 penalty of up to \$10,000 for each cause for denial,  
10 suspension, or revocation, however, the civil penalty may  
11 total no more than \$100,000.

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

18 (f) Any individual whose public adjuster's license is  
19 revoked or whose application is denied pursuant to this  
20 Section shall be ineligible to apply for a public adjuster's  
21 license for 5 years. A suspension pursuant to this Section may  
22 be for any period of time up to 5 years.

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

24 (215 ILCS 5/1560)

25 Sec. 1560. Bond or letter of credit.

1 (a) Prior to the issuance of a license as a public adjuster  
2 and for the duration of the license, the applicant shall  
3 secure evidence of financial responsibility in a format  
4 prescribed by the Director through a surety bond or  
5 irrevocable letter of credit, subject to all of the following  
6 requirements:

7 (1) A surety bond executed and issued by an insurer  
8 authorized to issue surety bonds in this State, which  
9 bond:

10 (A) shall be in the minimum amount of \$50,000  
11 ~~\$20,000~~;

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

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

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

24 (A) shall be in the minimum amount of \$50,000  
25 ~~\$20,000~~;

26 (B) shall be to an account to the Director and

1 subject to lawful levy of execution on behalf of any  
2 person to whom the public adjuster has been found to be  
3 legally liable as the result of erroneous acts,  
4 failure to act, fraudulent acts, or unfair practices  
5 in his or her capacity as a public adjuster; and

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

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

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

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

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

18 (215 ILCS 5/1570)

19 Sec. 1570. Public adjuster fees.

20 (a) A public adjuster shall not pay a commission, service  
21 fee, or other valuable consideration to a person for  
22 investigating or settling claims in this State if that person  
23 is required to be licensed under this Article and is not so  
24 licensed.

25 (b) A person shall not accept a commission, service fee,

1 or other valuable consideration for investigating or settling  
2 claims in this State if that person is required to be licensed  
3 under this Article and is not so licensed.

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

8 (d) If the loss giving rise to the claim for which the  
9 public adjuster was retained arises from damage to property  
10 that is anything but a personal residence, a ~~A~~ public adjuster  
11 may not charge, agree to, or accept any compensation, payment,  
12 commission ~~commissions~~, fee, or other valuable consideration  
13 in excess of 10% of the amount of the insurance settlement  
14 claim paid by the insurer on any claim resulting from a  
15 catastrophic event, unless approved in writing by the  
16 Director. Application for exception to the 10% limit must be  
17 made in writing. The request must contain specific reasons as  
18 to why the consideration should be in excess of 10% and proof  
19 that the policyholder would accept the consideration. The  
20 Director must act on any request within 5 business days after  
21 receipt of the request.

22 For the purpose of this subsection (d), "catastrophic  
23 event" means an occurrence of widespread or severe damage or  
24 loss of property producing an overwhelming demand on State and  
25 local response resources and mechanisms and a severe long-term  
26 effect on general economic activity, and that severely affects

1 State, local, and private sector capabilities to begin to  
2 sustain response activities resulting from any catastrophic  
3 cause, including, but not limited to, fire, including arson  
4 (provided the fire was not caused by the willful action of an  
5 owner or resident of the property), flood, earthquake, wind,  
6 storm, explosion, or extended periods of severe inclement  
7 weather as determined by declaration of a State of disaster by  
8 the Governor. This declaration may be made on a  
9 county-by-county basis and shall be in effect for 90 days, but  
10 may be renewed for 30-day intervals thereafter.

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

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

18 (215 ILCS 5/1575)

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

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

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

24 (2) permanent home state business address, email  
25 address, and phone number;



1 (3) license number;

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

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

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

8 (7) description of services to be provided to the  
9 insured;

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

11 (9) date and time the contract was signed by the  
12 public adjuster and date and time the contract was signed  
13 by the insured;

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

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

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

22 (1) If the compensation is based on a share of the  
23 insurance settlement, the exact percentage shall be  
24 specified.

25 (2) Initial expenses to be reimbursed to the public  
26 adjuster from the proceeds of the claim payment shall be

1 specified by type, with dollar estimates set forth in the  
2 contract and with any additional expenses first approved  
3 by the insured.

4 (3) Compensation provisions in a public adjuster  
5 contract shall not be redacted in any copy of the contract  
6 provided to the Director.

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

11 (1) not receive a commission consisting of a  
12 percentage of the total amount paid by an insurer to  
13 resolve a claim;

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

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

22 (d) A public adjuster shall provide the insured a written  
23 disclosure concerning any direct or indirect financial  
24 interest that the public adjuster has with any other party who  
25 is involved in any aspect of the claim, other than the salary,  
26 fee, commission, or other consideration established in the

1 written contract with the insured, including, but not limited  
2 to, any ownership of or any compensation expected to be  
3 received from, any construction firm, salvage firm, building  
4 appraisal firm, board-up company, or any other firm that  
5 provides estimates for work, or that performs any work, in  
6 conjunction with damages caused by the insured loss on which  
7 the public adjuster is engaged. The word "firm" shall include  
8 any corporation, partnership, association, joint-stock  
9 company, or person.

10 (e) A public adjuster contract may not contain any  
11 contract term that:

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

18 (2) requires the insured to authorize an insurance  
19 company to issue a check only in the name of the public  
20 adjuster;

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

23 (4) includes any hold harmless agreement that provides  
24 indemnification to the public adjuster by the insured for  
25 liability resulting from the public adjuster's negligence;  
26 or

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

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

5           (1) Prior to the signing of the contract, the public  
6           adjuster shall provide the insured with a separate signed  
7           and dated disclosure document regarding the claim process  
8           that states:

9           "Property insurance policies obligate the insured to  
10          present a claim to his or her insurance company for  
11          consideration. There are 3 types of adjusters that could  
12          be involved in that process. The definitions of the 3  
13          types are as follows:

14                 (A) "Company adjuster" means the insurance  
15                 adjusters who are employees of an insurance company.  
16                 They represent the interest of the insurance company  
17                 and are paid by the insurance company. They will not  
18                 charge you a fee.

19                 (B) "Independent adjuster" means the insurance  
20                 adjusters who are hired on a contract basis by an  
21                 insurance company to represent the insurance company's  
22                 interest in the settlement of the claim. They are paid  
23                 by your insurance company. They will not charge you a  
24                 fee.

25                 (C) "Public adjuster" means the insurance  
26                 adjusters who do not work for any insurance company.

1           They represent ~~work for~~ the insured to assist in the  
2           preparation, presentation and settlement of the claim.  
3           The insured hires them by signing a contract agreeing  
4           to pay them a fee or commission based on a percentage  
5           of the settlement, or other method of compensation.".

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

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

11          (4) The salary, fee, commission, or other  
12          consideration is the obligation of the insured, not the  
13          insurer, except when rights have been assigned to the  
14          public adjuster by the insured.

15          (g) The contracts shall be executed in duplicate to  
16          provide an original contract to the public adjuster, and an  
17          original contract to the insured. The public adjuster's  
18          original contract shall be available at all times for  
19          inspection without notice by the Director.

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

26          (i) The public adjuster shall give the insured written

1 notice of the insured's rights as a consumer under the law of  
2 this State.

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

16 (k) If the insured exercises the right to rescind the  
17 contract, anything of value given by the insured under the  
18 contract will be returned to the insured within 15 business  
19 days following the receipt by the public adjuster of the  
20 cancellation notice.

21 (l) All contracts entered into that are in violation of  
22 this Section are void and invalid.

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

24 (215 ILCS 5/1585)

25 Sec. 1585. Record retention.

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

4 (1) name of the insured;

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

6 (3) a copy of the contract between the public adjuster  
7 and insured and a copy of the separate disclosure  
8 documents ~~document~~;

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

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

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

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

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

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

24 (10) evidence of financial responsibility in a format  
25 prescribed by the Director.

26 (b) Records shall be maintained for at least 7 years after

1 the termination of the transaction with an insured and shall  
2 be open to examination by the Director at all times.

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

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

9 (215 ILCS 5/1590)

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

11 (a) A public adjuster is obligated, under his or her  
12 license, to serve with objectivity and complete loyalty for  
13 the interests of his client alone, and to render to the insured  
14 such information, counsel, and service, as within the  
15 knowledge, understanding, and opinion in good faith of the  
16 licensee, as will best serve the insured's insurance claim  
17 needs and interest.

18 (b) A public adjuster may not propose or attempt to  
19 propose to any person that the public adjuster represent that  
20 person while a loss-producing occurrence is continuing, nor  
21 while the fire department or its representatives are engaged  
22 at the damaged premises, nor between the hours of 7:00 p.m. and  
23 8:00 a.m.

24 (c) A public adjuster shall not permit an unlicensed  
25 employee or representative of the public adjuster to conduct



1 business for which a license is required under this Article.

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

8 (e) A public adjuster shall not acquire any interest in  
9 the salvage of property subject to the contract with the  
10 insured unless the public adjuster obtains written permission  
11 from the insured after settlement of the claim with the  
12 insurer as set forth in subsection (d) ~~(g)~~ of Section 1575 of  
13 this Article.

14 (f) The public adjuster shall abstain from referring or  
15 directing the insured to get needed repairs or services in  
16 connection with a loss from any person, unless disclosed to  
17 the insured:

18 (1) with whom the public adjuster has a direct or  
19 indirect financial interest; or

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

22 (g) The public adjuster shall disclose to an insured if he  
23 or she has any interest or will be compensated by any  
24 construction firm, salvage firm, building appraisal firm,  
25 board-up company, or any other firm that performs any work in  
26 conjunction with damages caused by the insured loss. The word

1 "firm" shall include any corporation, partnership,  
2 association, joint-stock company or individual as set forth in  
3 Section 1575 of this Article.

4 (h) Any compensation or anything of value in connection  
5 with an insured's specific loss that will be received by a  
6 public adjuster shall be disclosed by the public adjuster to  
7 the insured in writing including the source and amount of any  
8 such compensation.

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

22 (j) Public adjusters shall adhere to the following general  
23 ethical requirements:

24 (1) a public adjuster shall not undertake the  
25 adjustment of any claim if the public adjuster is not  
26 competent and knowledgeable as to the terms and conditions

1 of the insurance coverage, or which otherwise exceeds the  
2 public adjuster's current expertise;

3 (2) a public adjuster shall not knowingly make any  
4 oral or written material misrepresentations or statements  
5 which are false or maliciously critical and intended to  
6 injure any person engaged in the business of insurance to  
7 any insured client or potential insured client;

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

11 (4) the contract shall not be construed to prevent an  
12 insured from pursuing any civil remedy after the  
13 5-business day revocation or cancellation period;

14 (5) a public adjuster shall not enter into a contract  
15 or accept a power of attorney that vests in the public  
16 adjuster the effective authority to choose the persons who  
17 shall perform repair work;

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

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

24 (k) A public adjuster may not agree to any loss settlement  
25 without the insured's knowledge and consent and shall, upon  
26 the insured's request, provide the insured with a document

1 setting forth the scope, amount, and value of the damages  
2 prior to request by the insured for authority to settle the  
3 loss.

4 (l) A public adjuster shall not provide legal advice or  
5 representation to the insured or engage in the unauthorized  
6 practice of law.

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

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

16 (815 ILCS 625/Act rep.)

17 Section 10. The Fire Damage Representation Agreement Act  
18 is repealed.