

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 Section 1570 as follows:

6 (215 ILCS 5/1570)

7 Sec. 1570. Public adjuster fees.

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

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

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

21 (d) A public adjuster may not charge, agree to, or accept  
22 any compensation, payment, commissions, fee, or other valuable  
23 consideration in excess of 10% of the amount of the insurance

1 settlement claim paid by the insurer on any claim resulting  
2 from a catastrophic event, unless approved in writing by the  
3 Director. Application for exception to the 10% limit must be  
4 made in writing. The request must contain specific reasons as  
5 to why the consideration should be in excess of 10% and proof  
6 that the policyholder would accept the consideration. The  
7 Director must act on any request within 5 business days after  
8 receipt of the request.

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

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