



Property Casualty Insurers  
Association of America

Advocacy. Leadership. Results.

**Comments of Larrie Ann Brown, Legislative Counsel  
Before the Senate Financial Institutions and Insurance Committee  
Opposition to SB 138**

February 13, 2013

Mister Chairman and members of the Committee, thank you for allowing me to appear before you today on behalf of The Property Casualty Insurers Association of America (PCI). PCI opposes SB 138, which removes the commercial lines limitation on public adjusters and will allow them to adjust personal lines claims. PCI is a national trade association consisting of over 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI member companies write approximately half of all auto insurance sold in Kansas and members represent 44.5 percent of the total property casualty business and 40.2 percent of the homeowners business.

Just three years ago the Legislature passed legislation allowing persons to act as public adjusters for commercial lines of insurance only. At that time, to my knowledge no one opposed the legislation because it was limited to commercial lines of insurance only. SB 138 expands the authority of public adjusters to personal lines of property and casualty insurance. PCI opposes this expansion for the following reasons:

For their services, public adjusters charge a percentage of the payment, 10 percent in Kansas. Intuitively, there is an incentive to try to maximize the claims settlement to make as much money as possible

A study on public adjuster representation in Florida's Citizens Property Insurance Corporation<sup>1</sup> found the following results:

- Public adjuster representation dramatically increased claim settlements.
- When public adjusters represented policyholders, claims processing typically took between 132 to 296 days longer than claims without public adjuster representation.
- When new catastrophe claims from the 2004 hurricanes were represented by public adjusters, the typical settlement period was 306 days compared to only 10 days for claims without representation. Non-catastrophe claims with public adjuster involvement took nearly 3 times as long to settle than without adjuster involvement.

---

<sup>1</sup> Office of Program Policy Analysis & Government Accountability (OPPAGA, office of the Florida Legislature), Report No. 10-06, January 2010