



**MID-ATLANTIC ASSOCIATION OF
PUBLIC INSURANCE ADJUSTERS**

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Hon. John R. McGinly, Jr. Esq.
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**RE: TITLE 31. INSURANCE. PART VII. PROPERTY, FIRE AND
CASUALTY INSURANCE. CHAPTER 115. PUBLIC ADJUSTER
CONTRACTS AND LICENSING REQUIREMENTS.**

Dear Hon McGinly:

MAPIA is an association with 28 member firms. Our members are from Philadelphia to Pittsburgh and many other parts of the State of Pennsylvania.

Our association fully supports the changes in the regulation with the exception of ¶115.9 and would appreciate if the following comments would be considered in the final form of the regulation.

Comment on ¶115.9:

In comparison to the ¶146 Penna. Unfair Claims settlement Practices Act 146.5 a, c and d and other provisions of this act in which the insurer typically has 10 days for responding to important insurance matters. ¶115.9 should be consistent with these and other acts governing insurance companies and allows 10 business days instead of 5 business days as proposed in ¶115.9.

10 business days still imposes a responsible standard that is important for the protection of the consumer. The insurance business as a whole should strive for prompt expedient processing, communication and settlement of claims. At times there are conditions that may occur making it difficult to investigate, correspond and communicate with an insured or an insurer.

Five business day to notify a claim is practical for some claims but not for all claims. Claim situations that occur and at times may require more than 5 business days are as follows:



- 1) Claims that occur and a Public Adjuster solicits representation of the claim for a claim that occurred within the last 5 days. This claim usually should be notified immediately.
- 2) Claims that are more than 5 days old and a Public Adjuster Solicitor solicits representation. These claims customarily require inspection by an adjuster before notification for the following reasons:
 - (keep in mind that there are two positions in public adjusting. The public adjuster solicitor and the public adjuster. The public adjuster solicitor identifies a covered loss and secures a contract. The public adjuster make the loss assessment, claim estimate and complete adjusting process)
 - i) If an insured had a previous claim with overlapping damage a complete investigation of the facts and previous correspondence needs to be review in order for the public adjuster to properly advise and assist the property owner whether or not to file a claim against their insurance company
 - ii) Part of the service of a Public Adjuster is to advise insured's when to and when not to file a claim.
- 3) Insurance companies are penalizing property owners for just calling in a claim even if the claim isn't paid.
 - i) Some insurance companies sur-charge policyholders just for notifying a claim even when the claim is not paid
 - ii) In other situations it is the duty of the public adjuster to advise an insured not to put a claim against their insurance company if the claim will have an adverse effect due to sur-charges.
 - iii) The **C.L.U.E. (Comprehensive Loss Underwriting Exchange)** <http://www.choicetrust.com> is a reporting agency the insurers report claim activity. In many cases homeowners can only make the best decision whether or not to pursue a claim only after an assessment by the adjuster. With the pressure of five business days to notify a claim it is probable that claims would have to be notified before the full assessment by the adjuster. This would put homeowners at a disadvantage. Notifying a claim that is later withdrawn could still penalize a homeowner with sur-charges and adverse reporting to C.L.U.E.
- 4) Additional circumstance where claim notification may be delayed:
 - i) Homeowners that have been denied typically need additional analysis before a determination to represent the client can be determined. Therefore, the claim would not be notified as quickly.
 - ii) Severe weather and catastrophic loss conditions can inhibit the adjusters and adjuster solicitors from fully completing their investigation necessary to notify a claim.



- 5) The insured has the right to cancel after three business days. Some public adjusters cannot fully do all their claims assessment until after the cancellation period.
- 6) Missing policy paperwork can hamper quick loss assessment and claim determination. For example an insured may need to contact their agent for copies of their policy to determine if they are covered before notifying a claim.
- 7) Some claims the public adjuster or the homeowner may decide not to pursue after a complete analysis. By closing the claim before notification saves the insurance company the hassle, undo burden and cost of investigating the claim. It save additional processing cost for the public adjuster. And protects the homeowner from adverse reporting and claim history.

We appreciate the consideration of these comments. We will be happy to provide a more comprehensive explanation of any of these points both in writing and verbally if requested. Thank you for your consideration in this matter.

MAPIA

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