

**TITLE 37
INSURANCE
PART XI CHAPTER 27: EMERGENCY RULE 16**

**REGISTRATION OF PUBLIC INSURANCE ADJUSTERS ACTIVELY
ENGAGED IN THE SETTLEMENT OF CLAIMS AND DAMAGES
RESULTING FROM HURRICANE KATRINA**

TO: All Authorized and Surplus Lines Insurers doing business in Louisiana and/or regulated by the Commissioner of Insurance and the Louisiana Department of Insurance

Emergency Rule 16 is issued pursuant to the plenary authority of the Commissioner of Insurance for the state of Louisiana, including, but not limited to, the following: Proclamation No. 48 KBB 2005 issued on August 26, 2005 by Governor Kathleen Babineaux Blanco declaring a State of Emergency; Executive Order No. KBB 2005 - 40 issued September 19, 2005 by Governor Kathleen Babineaux Blanco transferring authority over any and all insurance matters to Commissioner of Insurance J. Robert Wooley (Commissioner); LSA R.S. 29:724; LSA R.S. 29:766; LSA R.S. 22:2; LSA R.S. 22:3; LSA R.S. 22:1214.(7), (12) and (14); LSA R.S. 49:950 et seq.

On August 26, 2005, Governor Kathleen Babineaux Blanco declared a State of Emergency within the state of Louisiana in response to the expected landfall of Hurricane Katrina. As a result of the hurricane's landfall, Hurricane Katrina caused extensive power outages and massive flooding that destroyed many homes and impacted the livelihood of the citizens of Louisiana.

Because of the catastrophic and devastating effects of the hurricane, the Louisiana Department of Insurance (LDOI) is issuing Emergency Rule 16 in regards to the settlement and business practices of insurance adjusters in the state of Louisiana. In an effort to protect the public interest and welfare of citizens of this state, all public adjusters operating in this state are to register with the LDOI.

Any and all persons having questions or the need for any additional information should contact the Louisiana Department of Insurance at (225) 342-5900 or (800) 259-5300.

Accordingly, IT IS HEREBY ORDERED:

- 16.1 Emergency Rule 16 is applicable to all public adjusters, as defined in LSA-R.S. 22:1476(A).
- 16.2 All public adjusters shall register with the LDOI pursuant to an electronic registration form that has been developed and is available by using the direct link set forth herein below. The form is also on the LDOI's Web site and may be printed, if necessary. Persons may fax a completed form to the LDOI at (225) 219-9322 or they may walk in and complete the form here at the LDOI. No notice will be sent out advising that the registration has been received, as that information can be accessed using the Company Search option on the LDOI's Web site at www.ldi.state.la.us.
- 16.3 In the settlement of claims for losses and damages, public adjusters shall comply with the following prohibitions:
 - A. Any contracts or arrangements made between insured persons and public adjusters are against public policy and are null and void if the adjuster's fee is contingent upon or calculated as a percentage of the amount of any claims paid to or paid on behalf of the insured persons, in compliance with the requirements of LSA R.S. 22:1476.B.
 - B. Insurance companies shall not pay affiliated adjusters any fee or compensation in excess of a regular fixed salary or stipend. An insurer cannot contract to pay an adjuster a percentage of costs saved to the insurer through efforts of the adjuster, as per the requirements of LSA-R.S. 22:1453.A.
- 16.4 All insurance companies shall provide to the LDOI, in writing, the names and social security numbers of those adjusters who will be actively engaged in the settlement of losses and damages resulting from this catastrophe.
- 16.5 In compliance with the requirements of LSA-R.S. 22:1220, all public adjusters, as well as all insurance companies, owe a duty of good faith and fair dealing to insured persons in the state of Louisiana. Therefore, failure to comply with Emergency Rule 16 will be considered a violation of the Louisiana Insurance Code and administrative action will be taken by the LDOI and/or any appropriate law enforcement agency.
- 16.6 Every insurer shall distribute copies of Emergency Rule 16 to every person or entity directly responsible for the handling and settlement of claims in conjunction herewith.

- 16.7 The provisions of Emergency Rule 16 shall be liberally construed to effectuate the intent and purposes expressed herein and to afford maximum consumer protection for the insureds of Louisiana.
- 16.8 The Commissioner reserves the right to amend, modify, alter or rescind all or any portions of Emergency Rule 16.
- 16.9 If any section or provision of Emergency Rule 16 that is held invalid, such invalidity or determination shall not affect other sections or provisions, or the application of Emergency Rule 16, to any persons or circumstances that can be given effect without the invalid sections or provisions and the application to any person or circumstance shall be severable.
- 16.10 Emergency Rule 16 shall become effective at 12:01 a.m. on August 26, 2005 and shall continue in full force and effect for the duration of the present State of Emergency proclaimed by Governor Kathleen Babineaux Blanco, or any subsequent State of Emergency proclamation made thereafter by the Governor with regard to Hurricane Katrina or its aftermath.

Baton Rouge, Louisiana, this 20th day of September, 2005.

J. Robert Wooley
Commissioner of Insurance

<https://www.lidi.state.la.us/AdjusterRegistration/AdjusterRegistration.aspx>