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BULLETIN 18-EX-3

TO: Public Adjusters, Roofing Contractors and Homeowners

FROM: Ralph T. Hudgens
Insurance and Safety Fire Commissioner

DATE: August 29, 2018

RE: Illegal Offers to Waive or Rebate Homeowners' Insurance Deductibles

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It has come to my attention that some roofing contractors operating in the State of Georgia are offering to waive or rebate homeowners' insurance deductibles. I am issuing this bulletin to address frequently asked questions related to this practice, and to advise public adjusters, roofing contractors, and homeowners of the applicable laws.

Must anyone who negotiates with an insurance company or files a claim with an insurance company on behalf of insured homeowners in this state be licensed as a public adjuster?

> Yes. Any person who agrees to represent a person who is insured under a homeowner's policy and who files a claim or negotiates with an insurance company on behalf of a Georgia homeowner must be licensed as a Georgia public adjuster. This includes roofing contractors who file insurance claims or negotiate with insurance companies on behalf of homeowners.[1]

May a public adjuster waive or rebate a homeowner's insurance deductible?

> No. Pursuant to O.C.G.A. §33-23-43, a public adjuster may not pay the insured any form of compensation (directly or indirectly) or give any allowance or discount against the fees to be charged.

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[1]Pursuant to O.C.G.A. §10-1-393.12, a residential roofing contractor shall not represent or negotiate, or offer or advertise to represent or negotiate, on behalf of an owner or possessor of residential real estate on any insurance claim in connection with the repair or replacement of roof systems unless the residential roofing contractor is licensed as a public adjuster under Chapter 23 of Title 33.

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How can waiving or rebating insurance deductibles be insurance fraud?

Pursuant to Georgia law, a person commits insurance fraud by filing (or aiding in the filing of) a false or fraudulent statement or representation of any material fact or thing in the filing of a claim. See O.C.G.A. §33-1-9(a)(1)(B).

May a roofing contractor (who is not filing a claim or negotiating with an insurance company on behalf of a homeowner) waive or rebate the homeowner's insurance deductible?

A roofing contractor and a homeowner may both be in violation of Georgia law if the homeowner submits a contractor's quote to the insurance company seeking full payment of the quoted amount, knowing that the actual cost to the homeowner will be less than the contractor's quote. See O.C.G.A. §33-1-9(a)(1)(B).

Questions concerning this Bulletin may be directed to the Department's Legal Division at (404) 656-2060 or by email at enforcement@oci.ga.gov.

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