

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

INSURANCE BUREAU

GENERAL RULES

(By authority conferred on the commissioner of insurance by section 210 of Act No. 218 of the Public Acts of 1956, as amended, being S500.210 of the Michigan Compiled Laws)

R 501.1 Rescinded.

History: 1979 AC.

R 501.2 Rescinded.

History: 1979 AC.

R 501.3 Adjusters for assured.

Rule 3. (1) An adjuster for the assured shall not employ any individual to aid directly or indirectly in the solicitation or adjustment of any loss and shall not offer nor pay any fee, commission nor any other valuable consideration to such individual unless such individual be licensed as an adjuster by the department of insurance and is further regularly employed by him as a solicitor.

(2) An adjuster for the assured must not represent himself to be an adjuster or representative of any insurance company, fire investigator or connected with the fire department or otherwise except as an adjuster for the assured. When soliciting a loss he must first identify himself to clients or prospective clients as an adjuster for the assured and must state the cost for his services.

(3) Every adjuster for the assured in the state of Michigan who is not a solicitor shall file with the insurance department the rates of commission for his service. Said commission shall not exceed 10% in any case and when such rates are filed every adjuster for the assured must adhere to the schedule of rates filed with the department of insurance.

(4) No licensed adjuster for the assured shall directly or indirectly act within this state as a public adjuster and the assured or his duly licensed representative, 1 copy of which contract shall be kept on file by the public adjuster open at all times to inspection by the insurance commissioner or his authorized representative. No solicitor for a public adjuster shall use any form of contract other than that approved for the public adjuster for whom he is soliciting nor shall he make any agreement or contracts for himself or for the public adjuster other than such as is specified in the approved contract.

(5) Every licensed adjuster for the assured shall keep a full record of his transactions as an adjuster open at all times to the inspection of the insurance commissioner or his representative showing (a) the name of the assured (b) the date, location and amount of the loss (c) the name of the insurer, amount, expiration, date and number of each policy of insurance carried with respect to such loss (d) an itemized statement of all recoveries by the assured from all sources (e) the name or names and addresses of any person or persons soliciting the adjustment and the date and time when solicited (f) the total compensation received for adjustment and the amount of commission, salary or compensation paid to each employee and solicitor.

(6) An adjuster for the assured or his employees shall not directly or indirectly solicit losses between the hours of 8:00 p.m. and 7:00 a.m. on week days and under no circumstances solicit any loss on Sunday or holidays.

(7) An adjuster shall not attempt in any manner to solicit a loss during the progress of a fire nor while the fire department or any of its representatives are in any manner engaged at the damaged premises nor shall any such adjuster in any way interfere or obstruct an investigator of the fire marshal's division of this state or county or of the fire or police department of any city of this state.

(8) No adjuster for the assured or his solicitors shall advise any person from whom he is soliciting a loss or for whom he is adjusting a loss that the assured must pay any person a fee for an adjustment other than that fee specified in any adjuster's contract of employment.

(9) No adjuster for the assured shall advance any money or collateral of any nature to any assured pending the adjustment of any claim.

(10) No adjuster for the assured shall take any prospective client from the scene of the fire.

(11) No adjuster for the assured shall collect or attempt to collect from any contractor any fee or charge for obtaining the repair work for such contract. No adjuster for the assured shall, in making an inventory or estimate, pay the same or make any inventory or estimate other than that which is fair and honest and just claim of his assured and whenever any claim is presented to an adjuster or adjusters for a company the assured shall be present if possible.

History: 1979 AC.

R 501.4 Rescinded.

History: 1979 AC; 1983 AACS; 1991 AACS; 1997 AACS.

R 501.6 Rescinded.

History: 1979 AC; 1983 AACS; 1991 AACS; 1997 AACS.

R 501.9 Rescinded.

History: 1979 AC; 1997 AACS.

R 501.10 Rescinded.

History: 1979 AC; 1997 AACS.

R 501.11 Rescinded.

History: 1979 AC.

R 501.12 Rescinded.

History: 1979 AC.

R 501.13 Rescinded.

History: 1979 AC.

R 501.14 Rescinded.

History: 1979 AC; 1997 AACS.

R 501.15 Rescinded.

History: 1979 AC; 1990 AACS.