

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1226 Persons aiding adjuster; representation by adjuster; procedure for soliciting loss; schedule of rates; limitation on charges; contract.

Sec. 1226. (1) An adjuster for an insured shall not employ a person to aid, directly or indirectly, in soliciting or adjusting a loss and shall not offer or pay a fee, commission, or other valuable consideration to a person to aid, directly or indirectly, in soliciting or adjusting a loss unless the adjuster regularly employs that person to so act for him or her and that person is licensed to act as an adjuster by the commissioner.

(2) An adjuster for the insured shall not represent that he or she is an adjuster for or a representative of an insurer, that he or she is a fire investigator, or that he or she is connected with a fire department. When soliciting a loss, an adjuster shall orally identify himself or herself to the prospective client as an adjuster for the insured, and leave with the prospective client a business card or other document which clearly indicates that he or she is an adjuster for the insured and the rates which the adjuster charges for his or her services.

(3) An adjuster for the insured shall not charge a rate for his or her services which exceeds 10% of the amount paid by the insurer in settlement of the loss.

(4) An adjuster for an insured shall not provide his or her services to a client until the adjuster has contracted in writing, on a form approved by the commissioner, with the insured or his or her authorized representative. A contract which is executed within 48 hours after conclusion of the loss-producing occurrence shall be voidable at the option of the insured for 10 days after execution of the contract. The written contract shall constitute the entire agreement between the adjuster for the insured and the insured. A copy of the contract shall be given to the insured when the contract is executed.

History: Add. 1972, Act 133, Eff. Mar. 30, 1973;—Am. 1984, Act 7, Imd. Eff. Feb. 1, 1984.

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