

your insurance against insuranceSM



Childress Duffy

Regulatory



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Regulatory

Childress Duffy represents producers and public adjusters with their business, licensing, and regulatory issues. Insurance is a heavily regulated industry and producers and adjusters are subject to changes, and often times strict regulations. Each state has the authority to set its own regulations and statutes affecting producers and adjusters and so the regulations and statutes are often different for each state. Because the insurance industry is our business, we know what is happening in the industry and with the regulatory scheme, and we work to ensure our clients stay in compliance or are ahead of the curve of regulatory change.

Think of Childress Duffy as *your insurance against insurance*.SM

Public Adjusters

The adjusting industry is under attack. The insurance industry is powerful, and it has been hard at work changing laws to reduce the availability and effectiveness of public adjusters. After the 2004 hurricanes, for example, Florida changed its laws to require a three-day wait period before public adjusters could assist an insured after suffering a loss, and capped fees at 10%. The insurance industry argued that public adjusters are part of the “fraudulent claims” problems and that they exaggerate claims so they can get paid more. However, what really happened is that the three-day wait period allowed the insurance companies access to policyholders who had no representation or knowledge of how to adjust their loss and the value of their property. That gives an unfair advantage to the carriers. Many other legislatures and regulatory agencies throughout the country are enacting or considering similar laws or regulatory changes.

Childress Duffy works hand in hand with public adjusters toward the prevention of such legislative and regulatory changes, in order to ensure that our clients remain in business.

Childress Duffy attorneys are involved in various professional organizations and activities, including:

- Active members of NAPIA (National Association of Public Insurance Adjusters)
- Active members of FAPIA (Florida Association of Public Insurance Adjusters)
- AMPIA (Association of Midwest Public Insurance Adjusters) - Hosted the first annual conference for public adjusters in 10 states and brought in speakers from the Illinois Regulatory Department, including the Director of Insurance
- Drafting legislation that protects the policyholders and the public adjusters
- The legislative process in states working to change the laws affecting public adjusters
- Representing adjusters in regulatory matters

Producers

More than any other time in history, state regulators are heavily regulating and examining the work of their producers. After the commission scandal brought to

light by the Attorney General of New York, state regulators are deploying additional manpower to ensure that producers are abiding by the regulations and statutes that govern their profession. The laws are complex and require that producers follow strict practices and procedures not only in running their business, but also in how they communicate with their clients. Producers also have responsibility to ensure their clients are bound with financially sound and viable carriers.

In addition to regulatory changes, common law is quickly developing, holding producers liable for inadequate coverage, undervaluation of assets, and failure to communicate. And, in some cases, producers are being held to a fiduciary standard of care, akin to doctors and lawyers. It is not a niche for the unsophisticated. Clients demand that producers know their risks and potential losses and ensure that their risks are transferred to the appropriate insurance vehicle.

Childress Duffy has worked in the insurance industry for more than 25 years. Our talent brings over a century of experience to the table. We work with the regulators in various states and we know what needs to be done so our clients can concentrate on their business and not on regulatory matters.

Childress Duffy has represented:

- Producers before the Department of Insurance in regulatory hearings.
- Producers before regulators in meetings to discuss changing issues and potential impediments to business.
- Producers in negotiations with PEOs and other insurance related companies.
- Producers in negotiations with insurance companies with respect to business lines, contracts and other matters.

Childress Duffy maintains a relationship with key industry people:

We stay in close contact with regulators. We know the key people and we know what they require. Our attorneys also track legislative initiatives and participate regularly in industry conferences. This is the only way to offer informed and timely counsel on important legal and regulatory developments. Our goal is to anticipate—and not merely respond to—changes that affect our clients’ business. We know what the regulators require and, just as importantly, what they do not require.

Childress Duffy knows:

- How producer accounts must be maintained and handled.
- The communication producers must provide to their clients to avoid regulatory penalties.
- The producers’ obligation to ensure the maintenance of the appropriate type and amount of coverage.
- The producers’ obligation to their clients regarding the viability of the carrier it binds.
- The changing fiduciary laws that determine producer liability.

The adjuster and producer worlds are facing dynamic change. Mastering the complexity of new developments gives our clients a competitive edge. Childress Duffy’s goal is to give producers and adjusters the legal support they need to serve their clients effectively, efficiently, and without interruption.

If you have a problem with your insurance company, please call 1-888-494-2900 or e-mail us at mduffy@childresslawyers.com.