



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

Claim Adjuster Standard of Conduct

Upon license issuance and renewal, all Claims Adjusters licensed in Louisiana are required to read and acknowledge the claims adjuster standards of conduct provided in La. R.S. 22:1674.1

La R.S. 22:1674.1. Standards of conduct; acknowledgment required

A. The following standards of conduct shall be binding on all claims adjusters:

- (1) An adjuster shall not have a direct or indirect financial interest in any aspect of the claim, other than the salary, fee, or other consideration established with the insurer.
- (2) An adjuster shall not acquire any interest in salvage of property subject to the contract with the insurer.
- (3) An adjuster shall not solicit employment for, recommend, or otherwise solicit engagement, directly or indirectly, for any attorney at law, contractor, or subcontractor, in connection with any loss or damage for which the adjuster is employed or concerned.
- (4) An adjuster shall not solicit or accept any compensation, directly or indirectly, from, by, or on behalf of any contractor or subcontractor engaged by or on behalf of any insured by which such adjuster has been, is, or will be employed or compensated, directly or indirectly.
- (5) An adjuster shall treat all claimants fairly.
- (6) An adjuster shall not provide favored treatment to any claimant.
- (7) An adjuster shall adjust all claims strictly in accordance with the insurance contract.
- (8) An adjuster shall not approach investigations, adjustments, and settlements in a manner prejudicial to the insured.
- (9) An adjuster shall make truthful and unbiased reports of the facts after completing a thorough investigation.
- (10) An adjuster shall handle every adjustment and settlement with honesty and integrity, without any remuneration to himself except that to which he is legally entitled.
- (11) An adjuster, upon undertaking the handling of a claim, shall act with dispatch and due diligence in achieving a proper disposition of the claim.
- (12) An adjuster shall promptly report to the department any conduct by any licensed insurance representative of this state which violates any provision of this Title or department rule.
- (13) An adjuster shall exercise appropriate care when dealing with elderly claimants.

- (14) An adjuster shall not negotiate or effect settlement directly or indirectly with any third-party claimant represented by an attorney, if the adjuster has knowledge of such representation, except with the consent of the attorney. For purposes of this Paragraph, the term "third-party claimant" does not include the insured or the insured's resident relatives.
 - (15) An adjuster may interview any witness, or prospective witness, without the consent of opposing counsel or party. In doing so, however, the adjuster shall scrupulously avoid any suggestion calculated to induce a witness to suppress or deviate from the truth, or in any degree affect the witness's appearance or testimony during deposition or at the trial. If any witness making or giving a signed or recorded statement so requests, the witness shall be given a copy of the statement.
 - (16) An adjuster shall not advise a claimant to refrain from seeking legal advice, nor advise against the retention of counsel to protect the claimant's interest.
 - (17) An adjuster shall not knowingly make any oral or written misrepresentation or statement in regards to applicable policy provisions, contract conditions, or pertinent state laws.
 - (18) An adjuster shall not undertake the adjustment of any claim for which the adjuster is not currently competent and knowledgeable as to the terms and conditions of the insurance coverage, or which otherwise exceeds the adjuster's current expertise.
 - (19) An adjuster shall not permit an unlicensed employee or representative of the adjuster to conduct business for which a license is required pursuant to the provisions of this Part.
 - (20) No adjuster, while so licensed by the department, may represent or act as a public adjuster.
 - (21) No adjuster shall materially misrepresent to an insured or other interested party the terms and coverage of an insurance contract with intent and for the purpose of effecting settlement of a claim for loss or damage or benefit under such contract on less favorable terms than those provided in and contemplated by the insurance contract.
- B. Upon license issuance and license renewal, claims adjusters shall read and acknowledge the claims adjuster standards of conduct provided in this Section, in a manner prescribed by the commissioner.
- C. Violation of any provision of Subsection A of this Section shall be grounds for administrative action against the licensee. In addition to administrative action, a claims adjuster who violates the provisions in Subsection A of this Section shall be deemed to have committed an unfair trade practice pursuant to R.S. 22:1964, and the penalties contained in R.S. 22:1969 may be enforced by the commissioner.
- D. This Section does not create any civil action or create any cause of action not otherwise provided by law.
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