

Wisconsin Insurance Alliance: Close the insurance adjuster loophole

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Insurance is one of the most regulated industries in the state, so perhaps it is surprising to some that the Wisconsin Insurance Alliance is supporting oversight on one segment of our industry. In fact, the Badger Institute have chided us for what they see as our support for government intervention in the marketplace. They, however, are misguided and their opposition to current legislative efforts to protect consumers is misinformed.

Public insurance adjusting is the only unregulated area of the claims process and this loophole puts Wisconsin consumers at risk. When unqualified bad actors descend upon a region to prey upon unknowing and vulnerable consumers who have sustained property loss, we see violations of the law and problems for consumers, regulators, and legitimate public adjusters. In most cases, these adjusters are coming from out of state. Wisconsin consumers do not have the protections that most citizens have around the country and in all of our surrounding states. The Badger Institute points to a lack of complaints here in Wisconsin. But under current law, there is no authority to which consumers would log complaints, and no recourse for any bad actors. The Wisconsin's Insurance Commissioner has no ability to regulate these entities or a process to respond to complaints.

More than a decade ago, the National Association of Insurance Commissioners (NAIC) approved a model law to provide reasonable oversight of public adjusters. As of today, 45 states have enacted laws to provide regulation of public adjusters. But Wisconsin has yet to extend this protection to our consumers. It's time for Wisconsin consumers to enjoy the same protection as those across the country. These protections would not increase costs to taxpayers. Contrary to the assertions of the Badger Institute, the oversight by the OCI would be funded by, not taxpayers,

but rather members of the industry.

Bi-partisan legislation AB357 and SB329 which have been introduced in Madison would enact major portions of the national model legislation intended to provide protections for consumers against unscrupulous public adjusters.

The Badger Institute, which ironically *does* support the regulation of another newly-emerging profession (Dental Therapists), missed the mark on their opposition to these bills.

A free market is strengthened by reasonable consumer protections like those in AB-357 and SB-329.

This common sense legislation is consistent with that promise, which is why it recently advanced out of an Assembly committee on a unanimous, bi-partisan vote.

The website, ProtectWI.com has dozens of examples of consumers being harmed by bad actors from across the country. We can and should protect our residents when these situations occur in Wisconsin.