



Hawaii Public Adjusters

Insurance Claim Management Throughout the Pacific

Website: www.hawaiipublicadjuster.com

2020 Main Street Ste 2000
Wailuku, HI 96793

Phone: 808-856-3041
Fax: 888-428-2352

March 22nd. 2016

To: Hon. Angus L. K. McKelvey, Chair
House Committee on Consumer Protection and Commerce
Hawaii State Capitol Rooms 325

Via email to: cpctestimony@capitol.hawaii.gov

Re: HCR 144/HR 95 Testimony -SUPPORT -

Dear CPC Committee Members,

My name is Robert Hugh Joslin and I am the President of Hawaii Public Adjusters Corp. Our family owned business is located at 2050 Main Street, in Wailuku, Hawai'i. Our firm is the only resident public adjusting firm with continuous Hawaii operations servicing our island communities. I have been licensed as a Public Adjuster by the State of Hawaii since October of 2002 pursuant to HRS Sections 431:9-201, 431:9-222 and 431:9-226. For most of my adult life, I've been involved in insurance construction work. I have been active in Hawaii on commercial development projects dating back to 1984. In 2011, I became the first and only Hawaii resident to be designated as a Certified Professional Public Adjuster ("CPPA") from the Insurance Institute of America ("The Institute"). The Institute remains the sole certifier of distinguished insurance gradations such as the Chartered Property Casualty Underwriter ("CPCU"). I also hold a professional certification from the Wind Network as an Insurance Appraiser.

As a Hawaii Public Adjuster, I submit to oversight from the State of Hawaii's Insurance Department, its Commissioner Mr. Gordon Ito and to his very dedicated staff. I am, by design, a public advocate for the Hawaii policyholder. I have a firm duty under HRS 431:9-226 to investigate for, report to and adjust on behalf of insureds (only) as one of this state's very few resident PAs. Lisa (wife) and Ryan (son) Joslin are also active Hawaii Public Adjusters. We, along with our other fellow employees at Hawaii Public Adjusters Corp, make up the only active resident PA firm in this state. We are well-versed in nearly every facet regarding any Hawaii property insurance claim. We exist solely for the use and benefit of your Hawaii policyholders.

It is with the upmost respect that I offer up these points in support of the study. It is my hope that your esteemed committee members will agree with my position.

 3-22-16

1) I believe that this resolution for ... *A STUDY ON WHETHER THE SCOPE OF PERSONS AUTHORIZED TO WORK AS INSURANCE APPRAISERS AND INSURANCE UMPIRES IN THE STATE NEEDS TO BE FURTHER REGULATED* ... would do justice for the policyholders of this state. I would like to draw attention to the following points:

- a. Property Insurance appraisals, insurance appraisers and insurance umpires are not regulated at all in Hawaii. In other words, to “further regulate” as is stated in the resolution, is a bit of a misnomer.
- b. Please review the attached draft matrix which reflects a cursory review of existing mainland statutes, laws and rules pertaining to insurance appraisals. As previously stated, Hawaii has no such appraisal statutes or regulations.
- c. I have attached five (5) supporting sample examples of other states’ statutes addressing property insurance appraisal for your review.

2) Most importantly, I have also attached a rather dramatic example (redacted for courtesy sake) of just one Insurance carrier’s track record of what they put your Hawaii policyholders through. Regardless of prior testimonies and the push-back on this subject, this clear example reflects the reality of how some carriers handle these appraisals. I know of no other way to show the committee what it’s like to be a policyholder- with an underpaid property claim- in this unregulated appraisal state then for me to provide this attached report. Consider the consequences of the next significant event if this matter is deferred or left unaddressed.

The purpose of an insurance appraisal is to effectively, yet very modestly, provide for the level playing ground between the insured and the insurer. It has historically been the simplest, easiest and fairest method to resolve the issue of damages relating to any property loss. All property policies contain an appraisal clause. When triggered, the policy’s clausal language dictates the minimum means by which two competent insurance appraisers (and if necessary- their selected insurance umpire) are to settle a claim’s dispute. This state lacks any such regulations concerning insurance appraisals. Currently, any person is free to claim the title of Hawaii “insurance appraiser” or “insurance umpire” with total disregard for our HRS 431 laws. This *void* has now seeded an unregulated cottage industry of amateurish sales reps, illegal contractors and mainland consultants. This study will serve to address the void.

Respectfully,

Robert Hugh Joslin  3-22-16

Robert Hugh Joslin- CPPA
Direct Line: 808-856-3043

CC: Wailuku House Representative- Hon. Joe Souki

A Draft Matrix showing State by State Listings of known Codified Property Insurance Appraisal Regulations as of March 22nd. 2016

Property Insurance Appraisers and Umpires Definitions, Licensing and or Regulated

State Statute/Requirements Appraiser/Umpire Defined Licensing or Reg Oversight

Alabama	No Immediate Statutes located	No clear definitions	Unknown
Alaska ⁽¹⁾	AS 21.89.035. Describes appraisal process	Umpire to be "competent and impartial"	Regulated
Arizona	No Immediate Statutes located	No clear definitions	Unknown
Arkansas	Insurance Appraisals are voluntary by mutual agreement	No clear definitions	Unregulated
California ⁽¹⁾	10089.70b Insurance Mediation / Bill of Rights Program	Umpires to be "competent and disinterested"	Regulated
Colorado	No Immediate Statutes located	No clear definitions	Unknown
Connecticut	No Immediate Statutes located	No clear definitions	Unknown
Delaware ⁽¹⁾	18 Del.C.314 & 1111	Appraisers defined	Appraisers only
Florida ⁽¹⁾	FS 627.7015 Describes appraisal as a mediation process	Umpires are defined as "Neutrals"	Neutrals only
Georgia	No Immediate Statutes located	No clear definitions	Unknown
Hawaii	-NONE-	-NONE-	-NONE-
Idaho	No Immediate Statutes located	No clear definitions	Unknown
Illinois	215 ILCS	Appraiser's fee paid when Insured prevails	Regulated
Indiana	No Immediate Statutes located	No clear definitions	Unknown
Iowa	Ins. Dept's Non-codified Glossary Definitions	Definitions provided	Unregulated
Kansas	KS 5-206 Describes Umpires	Umpires are as arbitrators and are to be affirmed by district court	Unknown
Kentucky	No Immediate Statutes located	No clear definitions	Unknown
Louisiana ⁽¹⁾	LSA-R.S. 22:629A(2)	Defines Appraisal Language usage	Regulated
Maine	Title 24-A 3002	Defines Appraisal in NY Fire Policy	Unregulated
Maryland	No Immediate Statutes located	No clear definitions	Unknown
Mass.	No Immediate Statutes located	No clear definitions	Unknown
Michigan	MCL 500.2833	Defines Appraisal in NY Fire Policy	Unregulated
Minnesota	MN CH 67A.16 Insurance Appraisal	Both appraisers and umpire to be "competent and disinterested"	Regulated
Miss.	No Immediate Statutes located	No clear definitions	Unknown
Missouri	No Immediate Statutes located	No clear definitions	Unknown
Montana	No Immediate Statutes located	No clear definitions	Unknown

pg 1 of 2

R-22-16
3-22-16

A Draft Matrix showing State by State Listings of known Codified Property Insurance Appraisal Regulations as of March 22nd. 2016
 Property Insurance Appraisers and Umpires Definitions, Licensing and or Regulated

<u>State</u>	<u>Statute/Requirements</u>	<u>Appraiser/Umpire Defined</u>	<u>Licensing or Reg Oversight</u>
Nebraska	No Immediate Statutes located	No clear definitions	Unknown
Nevada	No Immediate Statutes located	No clear definitions	Unknown
N Hampshire ⁽¹⁾	RSA 400-A15 Ins 1002	Defines Appraisal Language usage	Regulated
New Jersey	No Immediate Statutes located	No clear definitions	Unknown
New Mexico	No Immediate Statutes located	No clear definitions	Unknown
New York ⁽¹⁾	NY 3408 Insurance Appraisal	Umpire to be "competent and disinterested"	Regulated
N. Carolina ⁽¹⁾	N.C. Gen. Stat. § 20279.21(d1)	Defines Appraisal Process	Regulated
N. Dakota	No Immediate Statutes located	No clear definitions	Unknown
Ohio	No Immediate Statutes located	No clear definitions	Unknown
Oklahoma	36 O.S. 4803 Insurance Appraisal	Umpire to be "competent and disinterested"	Regulated
Oregon	No Immediate Statutes located	No clear definitions	Unknown
Pennsylvania	No Immediate Statutes located	No clear definitions	Unknown
Rhode Island ⁽¹⁾	RI Insurance Reg 42	Defines Appraisal Process	Regulated
S. Carolina	SC DOI 69	No clear definitions	Unregulated
S. Dakota	No Immediate Statutes located	No clear definitions	Unknown
Tennessee	No Immediate Statutes located	No clear definitions	Unknown
Texas ⁽¹⁾	Title 28 INS. 1- Ch. 5 E 2210 TWIA parties select appraisers / Ins. Dept. appoints rostered Umpires.		Regulated
Utah	No Immediate Statutes located	No clear definitions	Unknown
Vermont ⁽¹⁾	VT Insurance. Ttl 8. Ch 131 Sub 1 Sect 4802	Insurance Appraisers as "Consultants"	Regulated
Virginia ⁽¹⁾	Ttl 38.2 Ch 21. Sect 38.2-2122	Sets minimum standard for Appraisers and Umpires	Regulated
Washington	No Immediate Statutes located	No clear definitions	Unknown
W. Virginia	No Immediate Statutes located	No clear definitions	Unknown
Wisconsin	No Immediate Statutes located	No clear definitions	Unknown
Wyoming	No Immediate Statutes located	No clear definitions	Unknown

(1) 12 (qty) coastal shoreline states with some degree of existing appraisal statute, rule and/or definition.

pg 2 of 2

R 3/22/16

