



# Illinois Department of Insurance

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JB PRITZKER  
Governor

ANN GILLESPIE  
Director

**TO:** Illinois Property and Casualty Insurers and Public Adjusters

**FROM:** Ann Gillespie, Director *ARG*

**DATE:** January 9, 2026

**RE:** Company Bulletin 2026-01 – Public Adjuster as Co-Payee

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It has been brought to the Department's attention that many insurance companies have a practice of adding Illinois public adjusters as co-payees to insurance claims checks, regardless of whether the insured agreed to have the public adjuster as a co-payee in the public adjuster contract. Similarly, some insurance companies are mailing checks directly to the public adjuster when the public adjuster contract does not direct the company to do so. These insurance company practices are undermining the rights of insurance consumers provided in the Illinois Public Adjuster Law. 215 ILCS 5/Article XLV.

The current Illinois Public Adjusters Law (Article XLV of the Insurance Code) provides that a public adjuster contract "may specify that the public adjuster shall be named as a co-payee" and prohibits public adjusters and insureds from agreeing to any terms and conditions not specified in the public adjuster contract form that is on file with and approved by the Director. 215 ILCS 5/1575(b) and (j); 5/1590(j)(6). The former Illinois public adjuster statute (Article XXXI  $\frac{3}{4}$  of the Insurance Code) may have implied that all public adjusters had some special claim to insurance proceeds, but that statute was repealed in 2021. The current Public Adjusters Law makes it explicitly clear that "[t]he salary, fee, commission, or other consideration [for public adjuster services] is the obligation of the insured, not the insurer." 215 ILCS 5/1575(f)(4).

**All property and casualty insurance companies should review their claims handling practices to ensure that Illinois public adjusters are only added as co-payees and that claims checks are only mailed to public adjusters when the public adjuster contract the insurance company receives contains such provisions.**

The Department is NOT asking insurance companies to verify that the public adjuster contracts they receive are on Department approved forms or otherwise comply with the Illinois Public Adjusters Law. However, insurance companies MAY report any public adjuster wrongdoing by sending an email to [DOI.ProducerReg@illinois.gov](mailto:DOI.ProducerReg@illinois.gov).

The Department is ONLY asking that insurance companies review the public adjuster contracts that they receive and NOT make the public adjuster a co-payee and/or NOT mail claims checks directly to the public adjuster, UNLESS the public adjuster contract contains such provisions.

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