



Illinois Department of Insurance

JB PRITZKER
Governor

ANN GILLESPIE
Director

TO: Illinois Public Adjusters

FROM: Ann Gillespie, Director *ARG*

DATE: January 26, 2026

RE: Company Bulletin 2026-02 – Third-Party Public Adjuster Lead Generators

It has been brought to the Department's attention that some Illinois public adjusters have a practice of using a third-party to generate client leads. This practice violates the Public Adjuster Law unless the licensed public adjuster ensures that the third-party lead generator is licensed as an Illinois public adjuster.

The Department has primarily seen this business practice in situations where a roofing or home repair company makes the initial contact with a potential client and then shares the client's information with the public adjuster, who will reach out to the potential client and offer their public adjuster services. The initial contact may be made via door knocking or cold calling but could also be the result of the client first contacting the roofer or home repair company. If a licensed public adjuster uses the services of a third-party to assist in their solicitation of public adjuster business, they must ensure that the third-party business (and the business's employees or representatives gathering the client information) are licensed as Illinois public adjusters.

The Public Adjusters Law defines "public adjuster" to include any person (individuals and business entities) who "*for compensation or anything of value*" "*directly or indirectly solicits business . . . for another person engaged in the business of adjusting losses or damages covered by an insurance policy for the insured*" and requires all persons who perform such acts to be licensed as a public adjuster. 215 ILCS 5/1510 and 5/1515. This means, even if the third-party making the initial contact with the insured is not in the business of adjusting claims, has zero intention of adjusting the claim, and only intends to share the insured's contact information with the licensed public adjuster, that third-party needs to be licensed as a public adjuster if they (or their employer) are receiving anything of value in return.

This licensing requirement not only applies to roofers or contractors who have a business arrangement to share client information with the public adjuster, it also applies to non-contractors whose sole business is lead generation. Any third-party that receives "anything of value" in exchange for the lead generation must be licensed. This "thing of value" could be a direct payment for the leads, but it could also be common ownership or shared expenses between the two businesses or the potential that a roofing or home repair business client will receive a higher claim payment if they work with the public adjuster (which results in a higher payment to the company making the repairs). As long as the business arrangement/agreement provides some *value* to the third-party, the third-party providing the leads must be licensed as a public adjuster.

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Section 1555 of the Public Adjusters Law gives the Department the authority to suspend or revoke a public adjuster license for “permit[ting] an unlicensed . . . representative of the public adjuster to conduct business for which a public adjuster license is required” and for “knowingly accepting insurance business from or transacting business with an individual who is not licensed but who is required to be licensed by the Director.” 215 ILCS 5/1556(a)(12) and 215 ILCS 5/1590(c)

In addition to potential regulatory action for such business practices, a public adjuster should consider the legal consequences of using unlicensed persons to solicit business for them. Any public adjuster contract that that was even partially solicited by an unlicensed person, through lead generation and the like, is “void and invalid” under Section 1515 of the Public Adjuster Law. 215 ILCS 5/1515(e). A void contract is an agreement that is considered null and without legal effect from the beginning. This means that a court will not enforce payment for any public adjuster services provided under a contract that was solicited by an unlicensed person. Accepting payments under a public adjuster contract that was solicited by an unlicensed person also exposes the public adjuster to possible criminal liability. If a public adjuster receives claim payments pursuant to a void public adjuster contract (without legal authority to do so) it could be considered “misappropriating or converting [] monies collected as a public adjuster”, which is a Class 4 felony under Section 1610 of the Public Adjuster Law. 215 ILCS 5/1610. This risk of civil and criminal liability is increased when an insured disputes the public adjuster’s retention or handling of their insurance proceeds.

To ensure compliance with the above cited public adjuster regulations, the Department is asking that licensed public adjusters maintain records of the names and license number(s) of any third parties that generated the lead or otherwise assisted in the solicitation of a public adjuster contract in the “complete record of each transaction” that public adjusters are required to maintain pursuant to Section 1585 of the Public Adjusters Law. 215 ILCS 5/1585

Additionally, as part of the consumer complaint process, the Department will start asking consumers and the public adjusters to explain how the public adjuster contract was solicited and whether any third parties were directly or indirectly involved in the solicitation.

The Department urges all Illinois public adjusters who have business arrangements with third-party lead generators to cease such practice unless and until they have confirmed that the third-party business entities and their individual employees or representatives are properly licensed as Illinois public adjusters.

Questions regarding this Company Bulletin can be directed to:

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