Wisconsin Insurance Division Takes Stand Against Contractor Conflicts of Interest

MADISON, WI, UNITED STATES, October 22, 2025 /EINPresswire.com/ -- Under Wisconsin law, it is a conflict of interest for a contractor to obtain fees both as a public adjuster and as a contractor on the same property claim, whether by performing public adjusting directly or by convincing a claimant to assign the benefit of the claim to the contractor.

On October 14th, the Wisconsin Insurance Division took a stand against a contractor handling a property claim. The contractor's activity of double-dipping on fees and misuse of assignment of benefits resulted in a penalty in the form of a financial forfeiture. The Order issued by the Commissioner found that the contractor's business model, which combined home repair services with claims assistance through the use of assignments of benefits, violated Wisconsin law. The contractor had been soliciting business by marketing to potential customers for both repair contracting and claim services as a public adjuster, seeking payment for both through assignment.

Most states have strict laws governing how public adjusters may operate. Wisconsin, along with most other states, requires that a contractor acting as a public adjuster must do so ethically and with a duty of loyalty to the claimant. No public adjuster may take a financial interest in a claim as a contractor. Assignments of benefits are often used by contractors as an attempt to circumvent these legal requirements and "double dip" on fees.

"Consumers deserve to know that anyone negotiating an insurance claim on their behalf is free from financial conflicts and is truthful in their dealings with insurers and regulators," noted Wisconsin Commissioner Nathan Houdek.

A public adjuster is any person who, for compensation, acts on behalf of an insured during the investigation, negotiation, or settlement of a first-party claim for loss or damage to real or personal property of the insured. It is important for property owners to know that after they suffer property damage, only the homeowner or a licensed public adjuster can communicate and negotiate with their insurance company, not the contractor performing the repair work. A contractor may provide information such as damage reports and repair estimates, but may not represent or negotiate on behalf of the homeowner.

For over seven decades, the National Association of Public Insurance Adjusters (NAPIA) has united public adjusters throughout the United States in a shared commitment to education, certification, ethics, and professional excellence.

NAPIA's current president, Justin Skipton, praised Wisconsin for its actions against the unscrupulous practice of using assignments of benefits to circumvent the law. Skipton stated:

"NAPIA believes that the strong commitment from the Wisconsin Insurance Division to protect policyholders complements the extensive and ongoing commitment of NAPIA to prevent misuse of the assignment of benefits in both Wisconsin and across the country. NAPIA will continue to work with Insurance Commissioners and Regulators to ensure that licensed public adjusters are acting in conjunction with applicable laws and regulations as well as professionally and ethically."

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