

Steven Badger Quoted in Claims Journal Article Titled "Public Adjuster Accused of Scamming Claimants Took Cash Advances on Commissions"

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Steven Badger, a partner in Zelle's Dallas office, provided comments in this article about a public adjusting firm that was cited by regulators in both Texas and Louisiana for allegedly pocketing insurer payouts.

The article notes that Badger represents insurers whose policyholders were allegedly victims of the scheme, and he says the growing use of factoring companies by public adjusters is a disturbing trend.

"Initially, if a public adjuster has already sold his future commission, he has no incentive to continue working the claim," Badger commented. "This leads to an increased percentage of claims getting referred to lawyers, which slows down claim resolution.

"Further, the amount of the factoring sale depends on the estimated value of the future commissions. This leads to public adjusters grossly inflating their estimates to make it look like they have large anticipated future commissions, which also slows down claim resolution and causes more claims to end up in litigation."

Badger added that he has seen a significant increase in public adjusters selling their future commissions and noted that lawmakers should put a stop to the practice.

"Public adjuster licensing statutes should be amended to prohibit any factoring or sale by public adjusters of future commissions before they are earned, which is when the claim payment is actually made," he said. "There is nothing unreasonable in requiring public adjusters to actually earn their commissions by resolving claims."

The full article can be found [here](#).