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# Florida Is Short on Insurance Adjusters, and That Could Stall Recovery Efforts

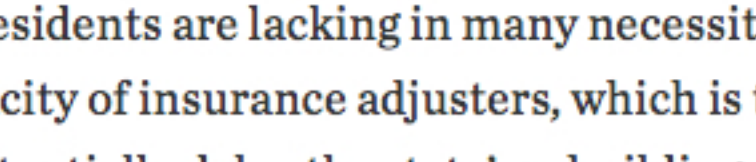
## Insurers are vying for adjusters after many of them headed to Texas after Hurricane Harvey

JOE RAEDLE/GETTY IMAGES

By [Leslie Scism](#) and [Nicole Friedman](#)

Updated Sept. 14, 2017 9:51 a.m. ET

28 COMMENTS



After Irma, Florida residents are lacking in many necessities. One of the more frustrating is the paucity of insurance adjusters, which is threatening to anger policyholders and potentially delay the state's rebuilding efforts.

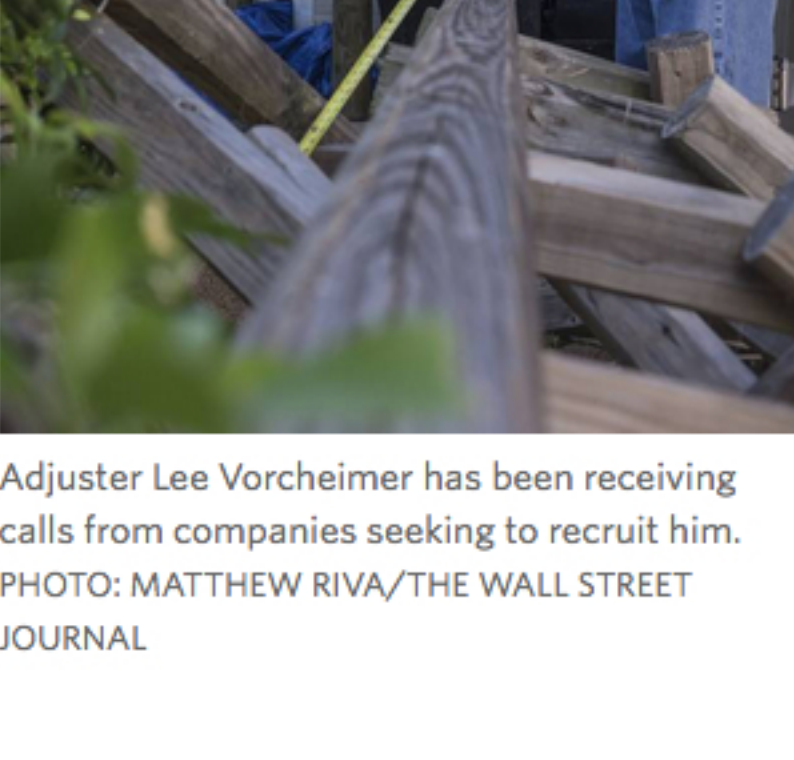
Many of the state's adjusters are 1,000 miles away, working on claims made after Hurricane Harvey hit Texas.

Insurers are scrambling to get more adjusters to Florida, creating a bidding war for those who are available. Some Florida home insurers have increased fees paid to adjusters by about 30%, insurers and adjusters say.

Citizens Property Insurance Corp., a state-run insurer of last resort, has boosted adjuster compensation by 18% to 20% and said it expects additional increases to keep up with rivals.

While higher fees for adjusters often only modestly impact the cost of a claim, the bigger worry is that damage to buildings will worsen from mold and other problems. In addition, claims that could have been resolved amicably may end up in costly litigation as homeowners get angry waiting.

"An insurance claim isn't a bottle of wine," said Randy Maniloff, an insurance-industry defense lawyer at White and Williams LLP.



Adjuster Lee Vorcheimer has been receiving calls from companies seeking to recruit him. PHOTO: MATTHEW RIVA/THE WALL STREET JOURNAL

Insurance companies are vying for the nation's independent claims adjusters, who total 57,200 as of July, according to the U.S. Bureau of Labor Statistics. Florida also says it is easing the process of appointing insurance adjusters, which may help expand the number.

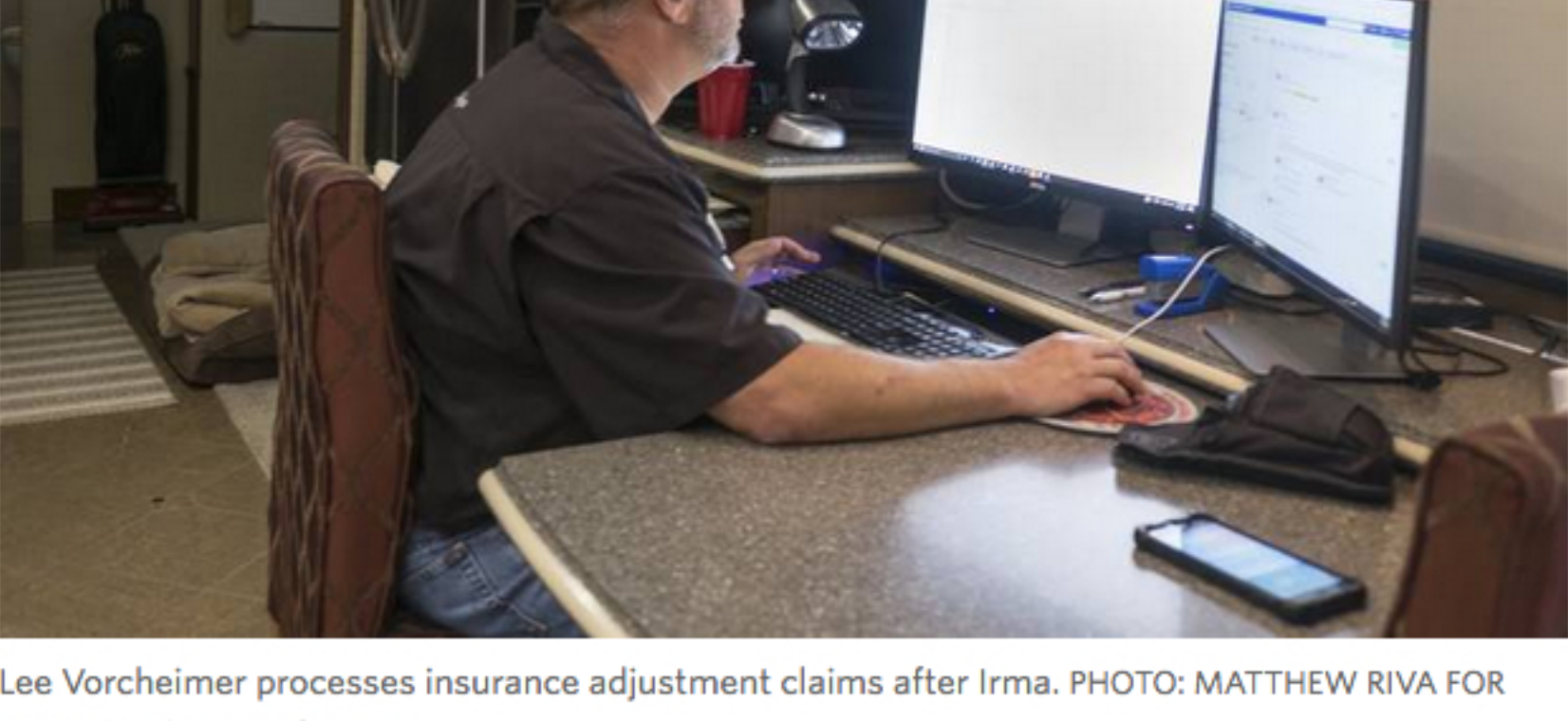
"Our Department has taken steps to make the adjuster-appointment process as simple [as] possible for insurance companies, and our team is processing appointments at a rapid-fire pace" in an effort "to ensure that Floridians get swift handling of their post-storm claims," said a spokeswoman for the Florida Department of Financial Services. In addition, many insurance companies employ adjusters full-time and a lot of those will be on the ground, among other types of adjusters who could be available.

Lee Vorcheimer, a longtime adjuster in south Florida, said that "every day for the last two weeks, there have been 10 or 15 emails" from independent-adjuster firms seeking to recruit him to travel to Texas or handle claims for local insurers. He has been offered bonuses, including money for temporary housing.

Independent insurance adjusters are paid according to the size of a claim they assess for a company. For Irma claims, they are earning from about \$500 to about \$30,000 for policyholder claims of \$1,000 to \$1 million, respectively, according to two fee schedules from private insurers reviewed by The Wall Street Journal. Some adjusters can make \$65,000 to \$100,000 in the first month after a major hurricane, people in the industry say.

"When you have a hurricane like Harvey and a hurricane like Irma, everybody loves you," said Mr. Vorcheimer, who settled on adjusting Irma claims for Tampa-based [HCI Group Inc.](#), in part because he likes their technology.

This week, Mr. Vorcheimer began inspections as early as 7:30 a.m., looking at up to 15 properties a day. In Broward County on Monday, he found trees on roofs, missing shingles, rain damage, and blown-over pool screens and fences. Damage ranged up to about \$65,000, he said. He hauled ladders from his pickup truck and climbed on every roof. He finished his day just after 7 p.m.



Lee Vorcheimer processes insurance adjustment claims after Irma. PHOTO: MATTHEW RIVA FOR THE WALL STREET JOURNAL

Mr. Vorcheimer, 51 years old, got into adjusting in 2005 after selling a bakery and a neighbor recruited him to help with Hurricane Wilma claims. His wife, Cheryl, handles administrative matters for the business, Perfect Reliable Independent Claim Services Inc.. Like many other adjusters, the couple uses a 45-foot recreational vehicle when traveling to inspect long-distance claims. The couple is living there temporarily as their home in Pompano Beach has no power.

Though Irma didn't strike Miami, the state's largest city, as feared, damages from the storm could be large enough to displace Sandy as the nation's third most-expensive hurricane ever. That 2012 storm left \$20 billion in losses, in today's dollars, mostly in the northeast. On Wednesday, catastrophe-risk modeling firm Karen Clark & Co. estimated Irma's U.S. damage at \$18 billion.

The adjuster issues are especially acute in Florida because its home-insurance market is heavily dependent on small and midsize insurers. Over the past 25 years, many of the brand-name national insurers have shrunk their presence in the state to reduce their exposure to hurricanes.

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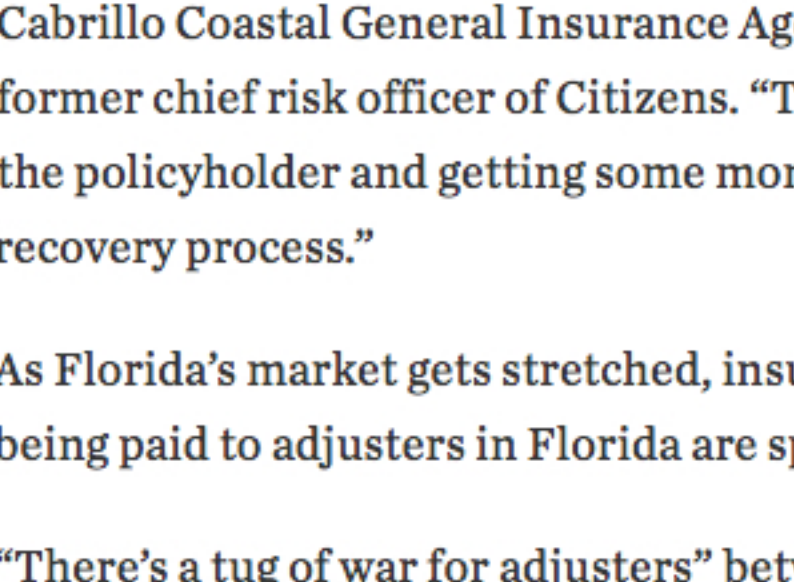
Smaller insurance companies typically rely heavily on independent adjusters, said Joseph Burtone, an insurance analyst with ratings firm A.M. Best. The smaller insurers "have to figure out a way to handle that the best they can," he said. "It will be a challenge."

By comparison, the national insurers employ fleets of adjusters and can send people to Florida from other states. Many big names, such as [American International Group Inc.](#) and Liberty Mutual Insurance, also contract with independent-adjuster firms as needed when disasters occur. [Chubb Ltd.](#) said it relies predominantly on its own staff.

On Tuesday, Tim Barziza, a Texas-based "claim leader" for Chubb, was on the last leg of a drive to Miami to oversee a command center there. It is one of several such centers Chubb has set up across the state for taking care of well-to-do policyholders' homes, fine art, boats and vehicles, as well as business clients.

Roughly 400 Chubb employees are expected to handle claims and adjusting, either in the state or from call centers. Chubb adjusters are arriving "from all corners of the U.S.," Mr. Barziza said, taking a break from driving and watching as utility-truck convoys and vehicles with children, dogs and suitcases returned home. By Wednesday, Chubb had received just over 1,000 Irma claims, the overwhelming majority tied to home policies.

### Where Hurricanes Have Hit the U.S.



In addition to private insurers, many Florida claims will be processed by Citizens, which at about 450,000 policyholders is one of the state's biggest insurers. It expects about 150,000 claims, a spokesman said. As of 1 p.m. Tuesday, about 7,000 had arrived.

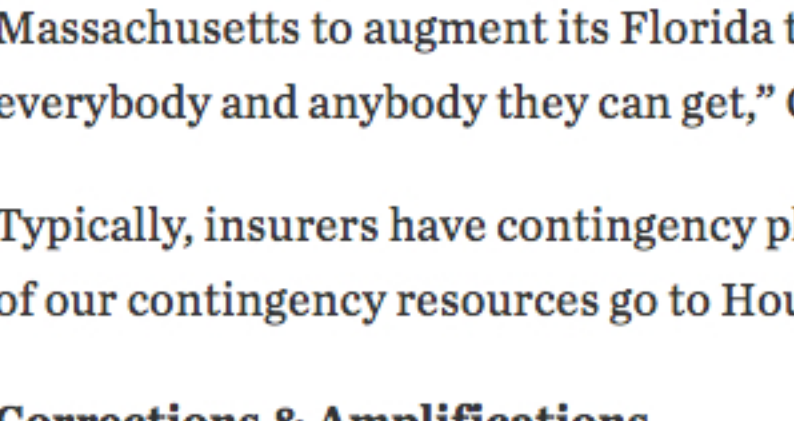
"A stale claim is an expensive claim," said John Rollins, an executive with Cabrillo Coastal General Insurance Agency LLC in Gainesville, Fla., and a former chief risk officer of Citizens. "The key in a situation like this is getting to the policyholder and getting some money in their hands so they can begin the recovery process."

As Florida's market gets stretched, insurance executives said the fee increases being paid to adjusters in Florida are spilling over to Texas.

"There's a tug of war for adjusters" between the two states, said James Warren, who works as an adjuster for [Crawford & Co.](#), which handles claims for insurance companies.

Some adjusters who would ordinarily stay for two months or longer to adjust claims for a hurricane like Harvey are already heading to Florida, he said.

### Related Video



The National Insurance Crime Bureau has developed new technology, using high-resolution imagery, to create 3-D data for insurers to assess damage and speed up the claim decision process. Photo/Video: Jake Nicol for The Wall Street Journal

Mr. Warren is currently adjusting Harvey claims in south Texas, and opted not to go to Florida because he wants to stay close to his home in the Lone Star state.

"Right now, anyone with a license to adjust claims can get a job and some company will try them out," Mr. Warren said. "They're paying more for adjusters to work Irma than they've ever paid insurance adjusters ever."

Mr. Warren's firm, Crawford, is running an orientation program in Atlanta to get hundreds of longtime adjusters up to speed on protocols of clients with claims to adjust in Florida. The firm is moving adjusters from Canada and the U.K. to Florida as well, said Chief Executive Harsha Agadi.

This week, HCI, the Tampa-based insurer, signed up adjusters from Massachusetts to augment its Florida team. "Everybody is pressing into service everybody and anybody they can get," CEO Paresh Patel said.

Typically, insurers have contingency plans for hurricanes, "but we watched all of our contingency resources go to Houston" after Harvey, he said.

### Corrections & Amplifications

Randy Maniloff is an insurance-industry defense lawyer at White and Williams LLP. An earlier version of this article incorrectly stated the firm's name.

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