

INSURANCE *insights*

DIVISION OF AGENT AND AGENCY SERVICES

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Compliance Corner

We continue to see a pattern of noncompliance in the areas noted below. This section has been created to assist you in keeping your insurance business in compliance. The items are intended as reminders only and are not necessarily the exact text of the [Florida Statutes](#) or [Florida Administrative Code](#). The legal cites have been provided for your further reference.

Contractors Adjusting Insurance Claims

By contractors assisting their customers with their insurance claims, they may be engaging in the practice of public adjusting without being properly licensed by the Florida Department of Financial Services.

The definition of a public adjuster, as explained in Section 626.854, Florida Statutes, is any person, except an attorney, who, for money or any other thing of value (which would include securing a contract for repairs):

- Prepares, completes or files an insurance claim form for an insured.
- Aids in any manner on behalf of an insured in negotiating for or effecting the settlement of a claim.
- Advertises or solicits for employment as an adjuster of such claims.

However, a contractor may discuss or explain a bid for construction or repair of covered property with the residential property owner who has suffered loss or damage covered by a property insurance policy, or the insurer of such property, if the contractor is doing so for the usual and customary fees applicable to the work to be performed as stated in the contract between the contractor and the insured.

If a contractor is acting as a public adjuster in any manner by negotiating or effecting the settlement of an insurance claim on behalf of an insured and they are performing any of these services for money, commission or anything of value without being licensed as a public adjuster, they could be subject to a cease and desist order and could also be charged with a third-degree felony as provided by Section 626.8738, Florida Statutes.

"A public adjuster may not participate, directly or indirectly, in the reconstruction, repair, or restoration of damaged property that is the subject of a claim adjusted by the licensee; may not engage in any other activities that may be reasonably construed as a conflict of interest, including soliciting or accepting any remuneration from, of any kind or nature, directly or indirectly; and may not have a financial interest in any salvage, repair, or any other business entity that obtains business in connection with any claim that the public adjuster has a contract or an agreement to adjust."

The Florida Department of Financial Services has taken administrative action against licensed contractors for acting as a public adjuster without being licensed.

If you should have any questions about what activities constitute acting as a public adjuster, please contact the Florida Department of Financial Services at 850-413-3136 or through its website, <http://www.MyFloridaCFO.com>.