



INFORMATIONAL MEMORANDUM
DFS-01-2004
ISSUED
August 17, 2004
Department of Financial Services
Tom Gallagher, CFO

Unlicensed Public Adjusting Prohibited

In the wake of Hurricane Charley, it is an opportune time for the Department of Financial Services to remind insurers and the general public that a person must be licensed by the Department as a public adjuster in order to adjust claims on behalf of insurance policyholders. Section 626.121(3), Florida Statutes, prohibits any person from acting as an adjuster without being licensed as an adjuster by the Department of Financial Services.

A "public adjuster" is defined in Section 626.854, Florida Statutes, as any person, except a duly licensed attorney at law, who for money, commission, or any other thing of value, prepares, completes or files an insurance claim form for an insured or third-party claimant or who, for money, commission, or any other thing of value, acts or aids in any manner on behalf of an insured or third-party claimant in negotiating for or effecting the settlement of a claim or claims for loss damage covered by an insurance contract or who advertises for employment as an adjuster of such claims, and also includes any person who, for money, commission, or any other thing of value, solicits, investigates, or adjusts such claims on behalf of any such public adjuster. This definition does not apply to a licensed health care provider or employee thereof who prepares or files an insurance claim form on behalf of a patient, nor does it apply to a person who files a health claim on behalf of another and does so without compensation.

All other persons or entities that act as public adjusters and are not exempt by the above definition of a public adjuster, or are not duly licensed by the Department of Financial Services are in violation of Section 626.8738, Florida Statutes, which defines the penalty for unlicensed public adjusting as a felony of the third degree.

Contractors, consultants, engineers, property managers, architects, and others engaged in professions or trades (and who are not licensed public adjusters or duly licensed attorneys at law) are in violation of the Florida Insurance Code when engaged in public adjusting activities on behalf of policyholders.

Nothing herein shall prevent contractors, engineers, architects or others from submitting estimates of the value of property damaged to a policyholder if done so without filing, negotiating, or settling a claim or otherwise engaging in acts within the definition of public adjuster.

To report instances of unlicensed persons adjusting or attempting to adjust claims, call 1-800-22-STORM (1-800-227-8676) or go to www.fldfs.com and click "Report Insurance Fraud."

If you have questions or need additional information, contact Jerry W. Whitmore, Chief, Bureau of Investigation, Division of Agent and Agency Services at (850) 413-5601.