

BULLETIN 2008-07

Revision of Bulletin 88-1: Requirement of certificate of authority for public insurance adjusters

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Introduction

Ohio's insurance laws regulate the business of public insurance adjusting in this state. No person or entity is permitted to engage in the business of public insurance adjusting without a certificate of authority issued by the Ohio Department of Insurance ("ODI").

Governing Law

Ohio Revised Code ("RC") Ch. 3951 governs the business of public insurance adjusting in this state. Any person or entity engaged in adjusting claims for the public must be licensed pursuant to this chapter.

1. Definitions.

Pursuant to RC section 3951.01(B), "public insurance adjuster" includes:

- Any person or entity that aids an insurer, insured or another in negotiating the settlement of a claim for loss under any insurance policy concerning real or personal property.
- Any person or entity that holds itself out to the public as an adjuster of insurance claims.
- Any person who assists an insurer or insured with a claim for loss, on behalf of a certified public insurance adjuster.

2. Prohibitions.

Pursuant to Ohio Revised Code ("RC") Section 3951.02, no person or entity shall:

- act as a public insurance adjuster, or receive, directly or indirectly, compensation for the adjustment of any claim unless such person or entity holds a certificate of authority issued by the Ohio Department of Insurance.

3. Exemptions from licensing.

There are individuals and entities that fall under the above definition but are exempted from the licensing requirements of R.C. 3951.02 by R.C. section 3951.01(E). Those exempted include:

- An attorney at law admitted to practice in this state who adjusts claims in the course of his professional practice, but does not hold the attorney out by sign, advertisement, or otherwise as offering such services to the general public.
- An officer, agent or regular salaried employee of a licensed insurance company.
- An adjustment bureau or association owned and maintained by insurers, and its employees.

- Any licensed agent or agency of an insurer who adjusts claims for the insurer solely under policies issued through such agent or agency.
- Any independent adjuster who adjusts claims solely for insurers and does not hold the adjuster out as offering such services to the general public.

4. Scope of License Authority.

A. The certificate of authority issued to a public insurance adjusting entity authorizes only:

- Members of such entity, and,
- Officers and directors of such entity, as specified in the certificate of authority to act as public insurance adjusters. O.R.C. Section 3951.04.

B. A certificate of authority does not authorize licensed public insurance adjusters to:

- delegate to any uncertified persons any duties concerning the adjustment of insurance claims.

5. Violations.

A. Certified public insurance adjusters:

- The Department cautions certified public insurance adjusters who delegate to any uncertified persons their duties as public insurance adjusters that such activity is in violation of Ohio law. Certified public insurance adjusters involved in this activity are subject to revocation or suspension of their certificate of authority. O.R.C. Section 3951.07, O.A.C. 3901-1-24(B)(5).

B. Unauthorized persons and/or entities engaged in adjusting claims for insureds, including but not limited to hail, wind or flood damage claims:

- The Department will take action against any person found to be engaging in activities in this state that are in violation of RC Chapter 3951 and/or OAC section 3901-1-24.



Mary Jo Hudson
Superintendent of Insurance

CROSS REFERENCE 3951.01; 3951.02; 3951.07; RULE 3901-1-24
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