

Chapter 2 Licensing Requirements

The Department oversees the licensing of agents, adjusters, and customer service representatives in Florida. All of these individuals must be licensed to transact insurance. In Florida, the term "transact" means all of the following:

- Solicitation or inducement
- Preliminary negotiations
- Effectuation of a contract of insurance
- Transaction of matters subsequent to effectuation of a contract of insurance and arising out of it

Note that continued licensure is contingent on compliance with the law. If a licensee is convicted by a court of committing a felony or violating the insurance code, the Department will immediately revoke that person's licenses and appointments. The licensee may subsequently request a hearing on the matter, and the Department will expedite the requested hearing. However, the sole issue at that hearing will be whether the revocation should be rescinded because the licensee was not in fact convicted of violating the Insurance Code or a felony. The Department's papers, documents, reports, or evidence that are used at a hearing are subject to discovery, in order to protect a licensee's right to due process. However, these materials are otherwise confidential and are not subject to public disclosure until after they have been published at the hearing.

Adjusters are permitted by law only to adjust losses for classes of business for which they are licensed and appointed. Any person who knowingly transacts insurance in Florida without being duly licensed will be considered guilty of a third-degree felony.

Types of Adjusters

Individuals can find information about applying online for all-lines adjuster licenses at the Division of Insurance Agent and Agency Services' Web site. All-lines adjuster licenses are commonly used by two specific types of adjusters and apply to all lines of insurance except life insurance and annuities.

-An **independent adjuster** is a licensed individual who is self-employed or works for an independent adjusting firm or adjuster. An independent adjuster works on behalf of one or more insurers to "ascertain and determine the amount of any claim, loss, or damage payable under an insurance contract or undertakes to effect settlement of such claim, loss, or damage."

-A **company adjuster** performs the same functions as an independent adjuster; however, he or she is appointed and employed by an insurance company as an employee.

The types of adjuster licenses in Florida include a public adjuster or an all-lines adjuster; an individual may not hold both licenses concurrently. In addition, an all-lines adjuster may be appointed as either an independent adjuster or company adjuster, but not as both.

License Requirements

To obtain an all-lines adjuster's license in Florida, an applicant must fulfill certain basic requirements. Specifically, an applicant must be:

- a natural person who is at least 18 years old
- a resident of Florida
- a U.S. citizen or legal immigrant with a valid work authorization from the U.S. Immigration and Naturalization Services

In addition, an individual must satisfy one of five prerequisites before applying for an all-lines adjuster's license:

- A person must be licensed as a public adjuster.
- A person must be licensed as a general lines (property and casualty) agent.
- A person must present a Letter of Clearance indicating licensure in another state as an all-lines adjuster during the year before he or she applies for a Florida all-lines adjuster license. (The person must also apply for a Florida resident all-lines adjuster license within 90 days of becoming a Florida resident.)
- A person must present an original letter showing the applicant was awarded one of the following insurance designations:
 - Associate in Claims (AIC) from the Insurance Institute of America
 - Chartered Property and Casualty Underwriter (CPCU) from the American Institute for Chartered Property Casualty Underwriters
 - Accredited Claims Adjuster (ACA) from an accredited Florida post-secondary institution
 - Professional Claims Adjusters (PCA) from the Professional Career Institute
 - Professional Property Insurance Adjuster (PPIA) from the HurriClaim Training Academy
 - Certified Claims Adjuster (CCA) from the AE21 training company
 - Certified Adjuster (CA) from All Lines Training
 - Universal Claims Certification from the Claims and Litigation Management Alliance
- A person must take and pass a state examination. However, certain exemptions apply to the exam requirement. Applicants for a general lines agent's license or an all-lines adjuster's license are exempt from the examination requirement if they have at least one of the following:
 - A Chartered Property Casualty Underwriter (CPCU) designation
 - Universal Claims Certification (UCC)
 - A college degree in insurance which includes at least 18 credit hours on insurance with specific instruction in property, casualty, health, and commercial insurance

Proof of meeting the required prerequisite must be mailed to the Department of Financial Services, Bureau of Licensing, Room 419, 200 East Gaines Street, Tallahassee, Florida 32399-0319. Proof of completing the prerequisites must be mailed before the individual applies for an all-lines adjuster license. Applicants for an all-lines adjuster license must also submit the appropriate license application fee with their application.

Licensing Exemptions

Attorneys who are licensed to practice in Florida, and whose licenses are in good standing with the Florida Bar, are exempt from licensure as an adjuster.

In addition, insurance company employees who are involved in claims handling are not required to be licensed to adjust residential property insurance claims when the sublimit on the coverage is \$500 or less.

Temporary License No Longer Available

As of January 1, 2018, the temporary all-lines adjuster license is no longer available.

Licensing Fees

Fees associated with adjuster licensing are:

- License application—\$50.00
- Fingerprinting—\$47.05 plus applicable county sales tax (paid to the fingerprinting vendor)
- State exam—\$44.00 (paid to the exam vendor)
- License ID—\$5.00

Licensing Fee Exemption

Also, the requirement to pay license application fees does not apply to:

- Members of the U.S. Armed Forces
- Their spouses
- Veterans of the U.S. Armed Forces who have been separated from service within the previous 24 months of the date of application

To obtain the exemption, qualified individuals must provide a copy of one of the following, indicating that the U.S. Armed Forces member is currently in good standing or was honorably discharged:

- Military identification card
- Military dependent identification card
- Military service record
- Military personnel file
- Veteran record
- Discharge paper
- Separation document

Adjuster Appointment

An appointment is the authority granted by an insurer or licensee to a licensed person to transact insurance or adjust insurance claims on its behalf.³⁰ The person to whom authority is granted is referred to as an appointee. For example, insurance companies appoint adjusters to adjust claims as well as producers to sell and service insurance. An adjusting firm may appoint individuals to act as adjusters on its behalf.

All applications must be submitted electronically through eAppoint, the state's electronic appointment system that is used for original and renewal appointments as well as appointment terminations. Appointment fees must also be paid online by credit card or eCheck, an electronic checking system. The Department does not accept appointments submitted by mail (with the exception of bail bond appointments).

When an insurer or adjusting firm appoints an adjuster, the insurer is certifying to the Department that it has investigated the licensee and has determined that the person is of good moral character and fit to transact insurance. The appointing entity is also certifying that it is willing to be bound by the adjuster's acts that are within the scope of his or her employment.

The appointing entity must submit an appointment to the Department no later than 45 days after the date of appointment, which becomes effective on the date requested on the appointment form.

Once granted, an adjuster's appointment continues until it is suspended, revoked, or terminated, and the appointment must be renewed every 24 months (by the appointing entity) in the month of the adjuster's birthday.³³ The appointing insurer or adjusting firm must pay the following appointment fees:

- Resident adjuster appointment—\$60.00
- Non-resident adjuster appointment—\$60.00

-Emergency adjuster appointment—\$10.00

An appointing entity may condition issuance or renewal of an appointment on the adjuster's attendance at training and education programs so long as those programs are not approved, in whole or in part, for general continuing education credit. Adjusters may only be appointed if they have satisfied the state's continuing education requirements for the licenses held.

No Transferability of Appointments

Once an adjuster has been appointed, the appointment may not be transferred to another person. If an appointment expires and is not renewed, the adjuster no longer has authority to adjust claims on behalf of the appointing entity. When the appointment expires, the adjuster will receive notification from the Department that eligibility for a future appointment for the same lines of insurance will expire 48 months after the expiration of the license. If the adjuster wishes to apply for a similar appointment after 48 months, he or she must reapply for an appointment as a first-time applicant.

Adjuster Appointment Renewal

An adjuster's appointment must be renewed every 24 months during the adjuster's birth month, and a renewal appointment fee and taxes must be paid.³⁵

The Department will send each appointing entity an email notification 90 days before the month that an adjuster's appointment must be renewed and will post the renewal invoice in the appointing entity's eAppoint account. (eAppoint is the online insurance industry portal of the Florida Department of Financial Services. Appointment-related submissions are sent to the Department via this Web portal.) Appointees whose names are listed in red on the renewal invoice have an invalid email or mailing address on file with the Department, and their appointments cannot be renewed until they have updated these addresses.

On the first day of an adjuster's renewal month, the Department will send another email notice that states that the appointing entity is able to access the appointments that need to be renewed, enabling it to pay for such renewals via eAppoint. The appointing entity may renew an appointment at any time during the renewal month. A late fee will be imposed if the fee is not paid within this time frame.

Late Appointment Renewals

Not every appointing entity remembers to renew its appointments on a timely basis. If an appointment is not renewed, the Department will send an email notice to the appointing entity with notice that the payment was not received and late fees will be assessed. The appointing entity then has 45 days during which to renew the appointment; failure to renew during this time will result in cancellation of the appointment.

For example, assume an adjuster's appointment expires on March 15. The adjusting firm is able to renew the appointment between March 1 and March 31 without the imposition of late fees. If the adjusting firm fails to renew the appointment by March 31, late fees would be assessed on April 1 and it would have until May 15 to pay the invoice, including the late fees. On May 16, the appointment would be canceled if the Department did not receive payment.

Appointing entities must pay all late fees and cannot charge them to adjusters. It is important to keep in mind that if an adjuster's appointment expires, he or she is not permitted by law to engage in any type of insurance activity that requires an appointment.

Termination of Appointment

Adjuster appointments are subject to the provisions of any contracts effected between the adjuster and the appointing entity. However, both appointing entities and adjusters may terminate an adjuster's appointment at any time. An adjuster may terminate an appointment at any time by giving written or electronic notice to the appointing entity, Department, or person

designated by the Department to administer the appointment process. The Department will immediately terminate the appointment and notify the appointing entity of such termination.

When terminating an appointment, the appointing entity must provide at least 60 days' advance written notice of its intent to the adjuster. In addition, the appointing entity must notify the Department of the appointment termination, including the reason, within 30 days. An adjuster must provide written or electronic notice to the appointing entity or the Department when terminating an appointment.

If an appointing entity learns that an appointed adjuster has been convicted of a felony or a violation of Florida Insurance Code, the adjuster's license and appointment will be revoked immediately by the Department.³⁸ Adjusters are required to report administrative actions taken against them by a government or regulatory agency in Florida or another state relating to the business of insurance or to conduct that is fraudulent, dishonest, or untrustworthy or involving breach of fiduciary duty. An adjuster must submit a copy of the order, consent to order, or other pertinent legal documents to the Department within 30 days after the final disposition of the action.³⁹

In its discretion, the Department may impose an administrative fine instead of, or in addition to, suspending, revoking, or refusing to issue an adjuster's license or appointment. This action may only be taken on a first offense and when suspension, revocation, or disapproval is not mandatory. The maximum fine is \$500 unless the Department has determined the adjuster is guilty of willful misconduct or a willful violation, which may generate fines of up to \$3,500. The Department may give the adjuster up to 30 days to pay the fine. If the fine is not paid by the end of that period, the adjuster's license will be suspended, revoked, or denied as initially ordered.

Contact Information

The Department keeps records of names, addresses, and other contact information for all licensees, including adjusters. This contact information includes telephone numbers and email addresses. If an adjuster does not have a valid address on file with the Department, the appointing entity is not permitted to renew the adjuster's appointment. For this reason, adjusters should always maintain current contact information with the Department.

Mandatory Updating of Contact Information

Adjusters must update and/or verify contact information through their MyProfile accounts (this will be discussed in detail later in the course) and notify the Department within 30 days of any change in:

- Name
- Residential address
- Address of principal place of business (street address)
- Mailing address
- Telephone number
- Email address

Failure to notify the Department of changes in contact information within the required 30-day period may result in a fine of up to \$250 for the first offense. Subsequent offenses may result in fines of at least \$500 or suspension or revocation of the license.

Similar requirements apply to licensed agents or adjusters doing business under a business name other than their individual name. Within 30 days after first transacting insurance under that business name, the adjuster must file the business's name and address with the Department along with the name and social security number of all the business's officers and directors and all individuals transacting insurance for the firm or using its name. If the business's name or address is changed or if there are any changes in personnel or in the information provided in the license application, the Department must be notified within 30 days.

If an adjuster changes his or her principal place of residence or business out of the state of Florida, all licenses and appointments will be terminated by the Department.

Adjusting Firm Licensing

According to the Florida statutes, an "adjusting firm" is a location where an independent or public adjuster is engaged in the business of insurance. Each person who operates an adjusting firm, and each location of an adjusting firm, may only transact business in Florida if it designates a "primary adjuster" to be responsible for supervising all individuals who:

- Work at that location
- Work with the public
- Act in the capacity of an independent adjuster or public adjuster

An adjuster may be designated as the primary adjuster for only one adjusting firm location. To designate a primary adjuster, an adjusting firm must file a form on the Department's Web site, providing the primary adjuster's name and license number and the physical address of the firm or location where the person will be the primary adjuster. The adjusting firm may change the primary adjuster at any time, provided it notifies the Department within 30 days of the change.

An adjusting firm location may not conduct any insurance business unless a primary adjuster is designated and provides services to the firm at all times. If the primary adjuster ends his or her affiliation with the firm for any reason and if the firm fails to designate another primary adjuster within 90 days, the firm license automatically expires on the 91st day after the date the designated primary adjuster ended his or her affiliation with the firm.

License Application

The application for an adjusting firm license must include:

- The name and residential address of each majority owner, partner, officer, and director
- The adjusting firm's legal name and principal business address
- The location of each adjusting firm office, along with the name under which each office transacts business
- Any additional information required by the Department

In addition to being signed by each owner of the adjusting firm, including the president and secretary if the firm is a corporation, the license application must include the licensing fee of \$60.00. License fees are not refundable, and a license remains in effect for three years from the effective date of the license, unless the license is suspended or revoked.

Suspension or Revocation of License

A primary adjuster's license may be suspended or revoked if the adjusting firm employs or contracts with a person whose license has been denied or is currently suspended or revoked. However, an exception exists: a primary adjuster's license will not be suspended or revoked if a person is denied licensure because he or she failed to pass a required licensing examination. In this case, the person denied licensure may work at the firm in a clerical or administrative capacity that does not require licensing.

Primary adjusters are accountable for the conduct of the salaried employees under their direct supervision and control when the employees are acting within the scope of their duties on behalf of the adjusting firm. However, primary adjusters are not criminally liable, or subject to disciplinary action, for any conduct of their employees unless they personally violated the Insurance Code or should have known about such a violation.

If an adjuster is employed or contracted by an adjuster or adjusting firm with a suspended or revoked license, the adjuster's license may also be suspended or revoked by the Department. If

an adjusting firm location does not designate a primary adjuster as required by law, the Department will require that location to obtain an adjusting firm license.

Verification of Licensing Status

Adjusting firms may request the Department to verify an adjuster's license status. If the request is mailed to the Department within five working days of hiring an adjuster, and the Department notifies the firm that the adjuster's license is suspended or revoked, the primary adjuster's license will not be suspended or revoked if the unlicensed person's employment is terminated immediately.

Nonresident Adjuster Licenses

The Department will issue a license to an applicant for a nonresident all-lines adjuster license if the applicant has paid the required licensing fee and:

- Is at least 18 years old
- Is licensed as an all-lines adjuster and is self-appointed, or appointed and employed by an independent adjusting firm or other independent adjuster, or is an employee of an insurer admitted to do business in Florida
- Is trustworthy and has a business reputation that would reasonably ensure that he or she will conduct business as a nonresident all-lines adjuster fairly and in good faith and without detriment to the public
- Has had sufficient experience, training, or instruction concerning the adjusting of damages or losses under insurance contracts, other than life and annuity contracts; is sufficiently informed as to the terms and effects of those types of insurance contracts; and possesses adequate knowledge of the laws of Florida relating to such contracts as to enable and qualify him or her to engage in the business of insurance adjuster fairly and without injury to the public or any member thereof with whom he or she may have business as an all-lines adjuster

Applicants must also pass a written examination, unless they hold certain designations or live in a state that has entered into a reciprocal agreement with the Department.

Applicants for a nonresident all-lines adjuster license must submit the following with the application:

- A complete set of fingerprints
- A certificate or letter of authorization from the adjuster's home state, stating that the applicant holds a current license to act as an all-lines adjuster (a certificate or letter is not required if the nonresident applicant's licensing status can be verified through the NAIC's Producer Database)
- A certificate or letter of authorization from the licensing authority in the applicant's home state, stating that the applicant holds or has held a license to act as an insurance adjuster, agent, or other insurance representative, if the applicant's home state does not require licensure as an all-lines adjuster and the applicant has been licensed as a resident insurance adjuster, agent, broker, or other insurance representative in his or her home state or another state during the past three years (A certificate or letter is not required if the nonresident applicant's licensing status can be verified through the NAIC's Producer Database.)

Applicants licensed as nonresident all-lines adjusters must also be appointed as an independent adjuster or company employee adjuster. The appointment of a nonresident independent adjuster continues in force until suspended, revoked, or otherwise terminated, but is subject to biennial renewal or continuation by the licensee for licensees in general.

Each licensed nonresident all-lines adjuster appointed as an independent adjuster in Florida must appoint the Chief Financial Officer as the attorney to receive service of legal process issued

against the adjuster for causes of action arising in Florida out of transactions under the adjuster's license and appointment. Service upon the Chief Financial Officer as attorney constitutes effective legal service upon the nonresident independent adjuster. Upon receiving the service, the Chief Financial Officer must send a copy of the process, by registered mail with return receipt requested, to the nonresident adjuster at his or her last address of record with the Department.

Transfer, Surrender, and Termination of License

Adjusters who are licensed in another state may apply to the Department to have their licenses transferred to Florida in order to obtain a Florida resident license for the same line of authority. To qualify for a license, the applicant must:

- Become a Florida resident
- Have held a license in another state for at least one year immediately before becoming a Florida resident
- Submit a license application and the appropriate fees to the Department (which must be received within 90 days of the applicant becoming a Florida resident)
- Submit an original letter of clearance from the applicant's home state
- Submit a set of fingerprints
- Submit any prelicensing or examination requirements, if applicable

Once an adjuster license or appointment is issued, it is only valid for use by the adjuster to whom it is issued. Adjusters may not allow anyone else to use their licenses or appointments to transact insurance business.

Despite the fact that adjuster licenses are issued to individuals and adjusting firms, they belong to the state of Florida. If suspended, revoked, not renewed, or otherwise terminated, an adjuster's license is no longer valid. An adjuster must only return a terminated license if requested to do so by the Department.

License Surrender

If an individual ceases to work as an adjuster, or an adjusting firm goes out of business, the adjuster's license should be surrendered to the Department to avoid receiving communication concerning the completion of continuing education requirements. Licenses may be surrendered by mailing a letter to the Bureau of Licensing with a statement that the adjuster or adjusting firm wishes to surrender the license. The following information should also be included in the letter:

- The licensee's name, mailing address, and telephone number
- The license ID number
- The licensee's signature

Grounds for Refusal, Suspension, or Revocation of Adjuster Licenses

Because the purpose of insurance regulation is to protect consumers, disciplinary actions may be taken against all licensees for a number of reasons. The Florida statutes contain a variety of compulsory and discretionary grounds for refusing, suspending, or revoking the licenses of adjusters and adjusting firms.

Compulsory Grounds

Compulsory grounds for the Department to refuse, suspend, or revoke the license or appointment of an adjuster include:

- Failing to maintain the qualifications required for a license or appointment
- Failing to pass an examination required for licensure

- Using a license or appointment to willfully circumvent the Insurance Code
- Material misstatement, misrepresentation, or fraud during the process of obtaining a license or appointment
- Misrepresenting intentionally the terms of an insurance policy, either in person or through any form of advertising
- Misrepresenting the terms and coverage of an insurance policy in order to settle a claim on less favorable terms than those provided in the contract
- Demonstrating a lack of fitness or trustworthiness to transact insurance
- Lacking the knowledge and competence to transact insurance
- Fraudulent or dishonest practices in conducting insurance
- Misappropriation, conversion, or unlawful withholding of money belonging to insurers or others
- Rebating or unlawfully offering to share commissions with others
- Obtaining or using a license or appointment to engage in controlled business
- Intentionally violating Florida's insurance laws or a rule or order of the Department
- Being guilty of or pleading no contest to a felony or a crime which involves moral turpitude and is punishable by imprisonment of one year or more under any state, federal, or foreign law

If a licensee is indicted for a felony of the first degree; a capital felony; a felony involving money laundering, fraud, or embezzlement; or another felony directly related to the financial services business, the Department will immediately impose a temporary suspension of the license. If the individual is appealing a conviction or plea of no contest, the suspension will continue during the time of the appeal.

Discretionary Grounds

Discretionary grounds for the Department to refuse, suspend, or revoke the license or appointment of an adjuster include:

- Violating the Insurance Code or other law that applies to the business of insurance
- Violating an order or rule of the Department, Commission, or Office engaging in twisting
- Engaging in unfair methods of competition or deceptive acts or practices
- Being found guilty of, or pleading guilty or no contest to, a felony or crime punishable by one or more years
- Cheating on a licensing exam
- Failing to notify the Department within 30 days after pleading guilty or no contest, or being convicted of a felony or crime punishable by imprisonment of one year or more
- Knowingly helping another violate the Insurance Code or a rule or order of the Department, Commission, or Office
- Having a license, appointment, or registration to conduct business suspended, revoked, or denied by a court, state or federal agency, or national securities exchange due to violation of a federal or state securities law
- Failing to comply with a civil, criminal, or administrative action to determine paternity or to establish or collect child support

Mandatory Grounds

The conviction, in court, of an adjuster for violating the Insurance Code or committing a felony is

grounds for the mandatory and immediate refusal, suspension, or revocation of an adjuster's license.

Length of Suspension or Revocation

If an adjuster's license or appointment is suspended or revoked, the Department must issue an order that states how long the period of suspension or revocation will last. In any event, a suspension may not last more than two years, and an adjuster must wait at least two years before requesting that a revoked license be reinstated.

If an adjuster wishes to reinstate a suspended or revoked license, he or she must submit a reinstatement application to the Department. If the reinstatement request is being made after a second suspension, the adjuster must also submit proof that required and approved continuing education has been completed. The Department has the authority to decline a reinstatement request if it believes the adjuster is likely to reoffend.

Fines, Probation, and Restitution

The Department may levy an administrative fine when there are discretionary grounds for suspending, revoking, or refusing to renew an adjuster's license. The Department may impose a fine of up to \$500 in addition to or in lieu of suspending, revoking, or refusing a license. The fine may be up to \$3,500 if willful misconduct is found. The Department also has the option of placing an adjuster on probation for up to two years instead of imposing a fine.

If an adjuster's actions are grounds for the suspension or revocation of his or her license, and the adjuster has deprived an insurer, insured, beneficiary, or other party of money due to misappropriation, conversion, or unlawful withholding of funds, the Department may order the adjuster to pay restitution. Such restitution may be ordered in addition to other penalties. The amount of restitution ordered by the Department may not exceed the amount misappropriated, converted, or withheld.

Action Against Associated Licenses

If the Department revokes, suspends, or refuses to continue a license, the same action will be taken against all other insurance licenses or appointments held by that individual. In the case of a general lines agent, any associated agents who were knowing participants in the violation may also have their licenses and appointments suspended or revoked.

Grounds for Refusal, Suspension, or Revocation of Adjusting Firm Licenses

In addition to refusing, suspending, or revoking an adjuster's license, the Department may also take action against adjusting firms. For example, the Department will deny, suspend, revoke, or refuse to continue an adjusting firm's license if it finds, with respect to the adjusting firm or any majority owner, partner, manager, director, officer, or other person who manages or controls the firm, that any of the following grounds exist:

- The adjusting firm lacks one or more of the qualifications required for a license, as specified in the Insurance Code
- Material misstatement, misrepresentation, or fraud was used to obtain, or attempt to obtain, the adjusting firm's license

The Department also has the discretion to deny, suspend, revoke, or refuse to renew an adjusting firm's license if any of the following grounds exist with respect to the firm or any majority owner, partner, manager, director, officer, or other person who manages or controls the agency:

- Finding any cause exists that would have been grounds for the Department to refuse to issue the license, if it had existed and been known to the Department
- Using the license to circumvent any requirements or provisions of the Insurance Code
- Having been found guilty of (or pleaded guilty or no contest to) a felony in any jurisdiction, regardless of whether a court has entered a judgment

- Failing to inform the Department in writing within 30 days after pleading guilty or no contest to a felony in any jurisdiction, regardless of whether a court has entered a judgment
- Knowingly aiding, abetting, assisting, or advising any person to violate any provision of the Insurance Code or the Department, Office, or Commission
- Knowingly employing a person in a managerial capacity or one dealing with the public who is under a suspension or revocation order issued by the Department
- Committing any of the following acts frequently enough to render operation of the adjusting firm hazardous to the public:
 - Misappropriating, converting, or unlawfully withholding moneys belonging to insurers, insureds, or beneficiaries that were received while transacting insurance
 - Misrepresentation or deception with respect to the business of insurance, sharing of information, or advertising
 - Demonstrating a lack of fitness or trustworthiness to engage in the insurance business of adjusting insurance by failing to appoint a primary adjuster⁶⁷

At its discretion, the Department may choose to impose an administrative penalty of up to \$1,000 per violation or grounds in lieu of refusing, suspending, or revoking an adjusting firm's license. The penalty may not exceed an aggregate of \$10,000 for all violations or grounds. If an adjusting firm's license is suspended or revoked, it must terminate all adjusting activities during the term of the suspension or revocation.

Duties of Licensed and Unlicensed Individuals

As stated previously, no one may act as, advertise, or hold himself or herself out as an adjuster unless he or she holds an appointment and current license issued by the Department. In addition, no one may act as an adjuster for any line of insurance for which he or she is not licensed and appointed. Anyone who knowingly transacts insurance activities or engages in adjusting activities without the required license commits a third-degree felony.

It bears repeating that attorneys who are licensed to practice in Florida, and whose licenses are in good standing with the Florida Bar, are exempt from licensure as an adjuster.

Unlicensed Employees and Adjusters

Adjusters and adjusting firms often hire individuals to perform clerical and administrative duties for their businesses. For example, unlicensed persons may answer telephone calls at an adjuster's place of business without violating the licensing rules as long as they engage in purely administrative matters and do not interpret, analyze, or explain insurance, an insurance contract, or an adjuster contract, or advise or attempt to enter into a contract for adjusting services.

Although unlicensed employees are permitted to complete some tasks without being licensed, they may not ascertain or determine (or attempt to ascertain or determine) the amount of any claim, loss, or damage payable under an insurance policy. In addition, unlicensed employees may not attempt or undertake the settlement of claims, losses, or damages. These responsibilities require an adjuster's license.

Emergency Adjuster License

If a catastrophe or emergency occurs, however, the Department may issue an emergency adjuster's license, valid for a limited period, to an individual who is not otherwise licensed as an adjuster if the individual:

- Is at least 18 years old
- Is a U.S. citizens or legal immigrant with proper work authorization

-Although not licensed as an adjuster, has been designated and certified to act as an adjuster by an authorized insurer or an adjusting firm contracted with an authorized insurer

Such individual is referred to as a "catastrophe adjuster" or "emergency adjuster." The Florida statutes define a catastrophe or emergency adjuster as an unlicensed adjuster who is deemed qualified to adjust claims, losses, and damage in the event of a catastrophe or emergency. The Department will issue an emergency adjuster's license to the individual and will determine the purposes, conditions, and time period under which the individual has authority to act as an adjuster.

If a catastrophe or emergency adjuster engages in any misconduct or acts that are grounds for compulsory or discretionary refusal, suspension, or revocation of an adjuster's license, the Department is authorized to issue immediately an order rescinding privileges to adjust claims. At that point, it will be unlawful for the individual to act as an adjuster in any capacity.

Insurance Mediators

The Department of Financial Services administers alternative dispute programs for various types of insurance. It runs mediation programs for property insurance and automobile insurance claims, and oversees a neutral evaluation program, similar to mediation, for sinkhole insurance claims. The Department approves the mediators used in the two mediation programs and certifies the neutral evaluators used in the program for sinkhole claims.

Mediator Qualifications

To become a mediator, an applicant must submit an application to the Department and must meet one of the following requirements:

- Have an active certification as a Florida Supreme Court certified circuit court mediator
- Have been approved as a Department mediator as of July 1, 2014, and conducted at least one mediation on behalf of the Department during the period from June 30, 2010 through July 1, 2014

A mediator's ability to participate in the property insurance claim and motor vehicle insurance claim mediation programs will be suspended for six months if a mediator fails to maintain his or her certification as a Florida Supreme Court certified circuit court mediator. Mediators who qualify based on their status as a Florida Supreme Court certified circuit court mediator must notify the Department in writing within five business days if their certification is placed in a lapsed, suspended, sanctioned, or decertified status. Mediators whose certification is in a lapsed, suspended, sanctioned, or decertified status are not eligible to participate in either of the mediation programs until their certification is reinstated by the Florida Supreme Court.

List of Approved Mediators

The Department maintains a list of all approved mediators, which includes the following information about each mediator:

- Name
- Address
- Telephone number
- A listing of counties in which the mediator is willing to mediate
- The date the mediator's name was added to the list

Grounds for Denial of Mediator Application and Penalties

The Department will deny an application for approval as a mediator or suspend or revoke its approval of a mediator if one or more of the following grounds exist:

- Lack of one or more of the qualifications specified by law for approval as a mediator
- Material misstatement, misrepresentation, or fraud in obtaining or attempting to obtain approval as a mediator
- Demonstrated lack of fitness or trustworthiness to act as a mediator
- Fraudulent or dishonest practices in conducting mediations or business in the financial services industry
- Violation of any provision of the Florida code, a lawful order or rule of the Department, the Florida rules for certified and court-appointed mediators, or helping or encouraging another party to commit such violations

The Department may impose the following penalties if any of these grounds exist:

- Suspension of approval for six months if a mediator or applicant lacks one or more of the qualifications required for approval as a mediator
- Suspension of approval for 12 months if a mediator or applicant made a material misstatement or misrepresentation, or committed fraud in obtaining approval and the application would have been granted, if accurate, based on the statutes and Department rules applicable to the application at the time the Department issued the approval
- Revocation of approval if a mediator or applicant made a material misstatement or misrepresentation, or committed fraud in obtaining approval and the application would have been denied, if accurate, based on the statutes and Department rules applicable to the application at the time the Department issued the approval
- Suspension of approval for 12 months if a mediator or applicant demonstrated lack of fitness or trustworthiness to act as a mediator
- Revocation of approval if a mediator or applicant engaged in fraudulent or dishonest practices when conducting mediations or business in the financial services industry
- Revocation of approval if a mediator or applicant violated the Florida code, order or rule of the Department, or the Florida rules for certified and court-appointed mediators, or helped or encouraged another party to commit such violations

Other Requirements

Adjusters must be aware of other important rules and regulations that apply to their day-to-day insurance practices and transactions. The Florida Insurance Code spells out a number of guidelines that adjusters must follow when advertising and with regard to continuing education, reporting administrative actions, and keeping records.

Advertising

Although the Florida Insurance Code does not contain specific rules governing advertising by insurance adjusters, its general requirements with respect to the advertising of insurance policies apply to adjusters as well as to other licensees. The Florida Insurance Code prohibits (by anyone, including adjusters) the knowing publication dissemination, circulation, or placement before the public of any advertisement, announcement, or statement that contains any representation, statement, or allegation that is untrue, deceptive, or misleading.

Advertisements may be placed before the public:

- In a newspaper, magazine, or other publication
- In a notice, circular, pamphlet, brochure, poster, or letter
- On radio or television
- In any other way

In addition, the adjuster's full name and license number must appear in all advertisements.