

## COMMISSIONER'S BULLETIN #B-0017-12

June 26, 2012

**TO: ALL AGENTS, PUBLIC INSURANCE ADJUSTERS, AND ADJUSTERS, AND TO ALL INSURANCE COMPANIES, CORPORATIONS, EXCHANGES, MUTUALS, COUNTY MUTUALS, RECIPROCAL, ASSOCIATIONS, LLOYDS, AND OTHER INSURERS WRITING PROPERTY AND CASUALTY INSURANCE IN THE STATE OF TEXAS**

**RE: Adjusting claims by unlicensed individuals and entities**

It has come to the attention of the Texas Department of Insurance that a number of contractors, roofing companies, and other individuals and entities not licensed by the department have been advertising or performing acts that would require them to hold a public insurance adjuster license. Additionally, the department has learned that the tactics used by these unlicensed individuals include visiting neighborhoods and areas of the state where languages other than English are commonly spoken. These unlicensed individuals often prey on unknowing consumers by promising to 'work' insurance claims to achieve a higher settlement.

All agents, adjusters, and insurers should be mindful that, pursuant to the Insurance Code Chapter 4102:

1. A person who, for direct, indirect, or any other compensation, acts on behalf of an insured to negotiate or effect the settlement of an insurance claim is performing the acts of a public insurance adjuster.
2. A person who advertises, solicits business, or holds himself or herself out to the public as an adjuster of claims for loss or damage under any policy of insurance covering real or personal property is also performing the acts of a public insurance adjuster.

With limited exceptions, a person performing the acts of a public insurance adjuster or holding himself or herself out as a public insurance adjuster in this state must be licensed under the Insurance Code Chapter 4102. Additionally, insurers cannot utilize roofers as de facto public insurance adjusters nor provide commissions to them in the form of direct or indirect payments or rebates that are in excess of amounts owed under the policy.

The department takes seriously the harm unlicensed individuals and entities can cause on the marketplace when they prey on unsuspecting consumers and the industry. I urge insurers, agents, adjusters, and consumers to help call attention to and halt attempts by unlicensed persons to negotiate insurance claims, and I encourage everyone to report these practices to the department and the TDI Fraud Unit (1-800-252-3439 – Report Fraud). The Insurance Code provides for both civil and criminal penalties for violating this licensing requirement. The department will refer unlicensed persons performing the acts of a public insurance adjuster to the Texas Attorney General, pursue all remedies available under the Insurance Code, and highlight these practices to the Legislature so that it may consider further steps to regulate these persons and activities.

Eleanor Kitzman  
Commissioner of Insurance

[Frequently Asked Questions](#) (FAQs) - Unlicensed Individuals, Entities Adjusting Claims

For more information contact:

[ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov) or 1-800-252-3439

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