



GOVERNMENT OF PUERTO RICO
Office of the Commissioner of Insurance

May 1, 2018

CIRCULAR LETTER NO.: CC-2018-1931-D

TO ALL INSURERS AUTHORIZED TO WRITE PROPERTY AND CASUALTY INSURANCE IN PUERTO RICO, GENERAL AGENTS, PRODUCERS, ADJUSTERS AND GENERAL PUBLIC

LICENSING REQUIREMENT FOR PUBLIC ADJUSTERS

Our office has been alerted to the existence of individuals and entities that without being duly licensed by the Commissioner of Insurance are offering or performing investigation services of damages, appraisals, negotiation, and/or settlement of insurance claims arising from hurricanes Irma and/or María, for which a public adjuster's license is required.

We remind you, in view of this practice, that under Section 9.060 of the Insurance Code of Puerto Rico, no person in Puerto Rico may act as or claim to be an adjuster, unless licensed to do so, as provided in Chapter 9 of the Code and Rule No. 4 (IV) of the Regulations of the Insurance Code. It is further provided as defined in Section 9.050 of the Insurance Code, 26 L.P.R.A. § 949(f), that public adjusters are those adjusters who investigate and negotiate adjustments of claims arising from insurance contracts in exclusive representation of the claimant or insured, in exchange for a fee, commission or any other kind of economic compensation.

The insured claimants have the option, but not the obligation, to retain the services of a public adjuster to represent and assist them during the claim process for losses or damage under the insurance coverage with regard to the insurer. If the insured claimant chooses to have a public adjuster represent him or her during the claim process, the services of the public adjuster must always be under a written contract with the insured claimant, which will include a clause that will specify the economic compensation that the public adjuster will received for his or her services, among other clauses, as required in Section 9 of Rule No. 4 (IV) of the Regulations of the Insurance Code. Once a public adjuster is retained, he or she must notify the insurer in writing of the authorization by the insured claimant to act as a representative in the claim adjustment process.

We also remind you that in the performance of their duties public adjusters shall comply with the standards of conduct and ethics requirements provided in Section 9.300, 26 L.P.R.A. 951(q), as well as the obligations and responsibilities that are established in Section 10 of Rule No. 4 (IV) of the Regulations of the Insurance Code, including the following:

- (a) Observing professional conduct, honesty, and fairness in all of his or her communications with the insured, the insurer, and the public;



- (b) Deploying all of his or her expertise for the benefit of the insured or claimant and acting in a reasonable manner and in good faith for the prompt, fair, and equitable adjustment of the claim;
- (c) Adopting or implementing reasonable methods for the rapid investigation of the claims that may arise under the terms of the policy of the insured or claimant represented by the adjuster;
- (d) Observing and complying with federal and Puerto Rico laws and regulations thereof regarding the protection of the privacy and confidentiality of the insured's or the claimant's information and documents obtained, as well as maintaining adequate security controls and standards for the protection from disclosure of such.

According to the above, prior to engaging in any efforts to adjust an insurance claim, the individual or entity seeking to act as a public adjuster must show his or her adjuster's license or emergency public adjuster's special permit, certifying authorization to act as such by the Commissioner of Insurance. Likewise, public adjusters must show evidence in writing to the insurer, general agent or authorized representative that the claimant or insured has authorized his or her to represent such claimant or insured in the claim adjustment process.

Any person or entity acting in the adjustment of insurance claims without having an adjuster's license or emergency adjuster's especial permit will be subject to being found guilty of a misdemeanor violation, along with an administrative fine of \$5,000 for each offense up to \$50,000 for a variety of offenses, along with any other penalty provided in the Insurance Code.

Strict compliance with the provisions of this letter is hereby required.

Cordially,

Javier Rivera-Ríos, LUTCF
Commissioner of Insurance