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NOTICE - Revised

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TO: Public Adjusters, Insurers and Other Interested Parties

DATE: December 15, 2016

SUBJECT: New Public Adjuster License Law

Background
On September 29, 2016, Governor Brown signed Senate Bill (SB) 488 (Chapter 833, Statutes of 2016). SB 488 becomes law on January 1, 2017. SB 488 amends the Public Insurance Adjusters Act, Section 15000 et seq. of the California Insurance Code (CIC) to align California law with the National Association of Insurance Commissioner's model act for public adjusters and clarifies other provisions in the public adjuster statutes. You may view SB 488 by accessing the following link: http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB488.

Specifically, the amendments to Section 15000 et seq. of the CIC consist of the following:

For public adjuster license applicants:
- Requires 20-hours of prelicensing education that must be met prior to the issuance of the license.
- Exempts non-resident applicants from the prelicensing education and examination requirements if the non-resident applicant's out-of-state license is current or was canceled within 90 calendar days.
- Allows an applicant who resides in another state that does not license public adjusters to designate California as his or her home state.
- Provides that applicants who were licensed as Apprentice Public Adjusters (formally known as Interim Public Adjusters) for 12 months can satisfy the two-year experience requirement.
- Requires that the photographs submitted with the application cannot be older than six months.
- Amends the public adjuster contract language (refer to first bullet under licensees).

For licensees:
- Makes minor revisions to the public adjuster contracts that must be approved by the California Department of Insurance (CDI). The revised contract and the instructions for submitting the revised contracts to CDI are shown on the following link: https://www.insurance.ca.gov/0200-industry/0050-renew-license/0200-requirements/upload/Public_Insurance_Adjuster_Contract.pdf Failure to submit the revised contracts to CDI by the due date of March 31, 2017 will be referred to CDI's Legal Branch.
- Makes minor revisions to the disclosure document that must be provided to the insured prior to signing the public adjuster contract. The revised language for the disclosure document is available at this link: https://www.insurance.ca.gov/0200-industry/0050-renew-license/0200-requirements/upload/DISCLOSURE.pdf

- Prohibits a public adjuster from contacting/soliciting a consumer during a disaster if any of the following conditions exist: (a) the emergency is still present; (b) emergency responders are still present and/or (c) an evacuation order is still in effect.
- **Prohibits a public adjuster's fee, commission, or other valuable consideration to cause the insured to receive less than any amount paid to the insured by the insurer prior to the date of the written contract between the insured and the public adjuster.**
- Changes the timeframe that a consumer may cancel a public adjuster contract, for claims involving a catastrophic disaster, from three business days to five calendar days.

If you have any questions regarding this notice, please e-mail the Producer Licensing Bureau at https://interactive.web.insurance.ca.gov/pli/servlet/InformationRequest or call CDI's Producer Licensing Adjuster Unit at (916) 492-3085. Please be sure to include your name, telephone number, license number and e-mail address in all correspondence with the CDI.