

**[ IC INSURANCE MEMORANDUM CIRCULAR NO. 4-93, December 24, 1993 ]**

**ISSUANCE AND RENEWAL OF ADJUSTER'S LICENSE AND RULES AND REGULATIONS APPLICABLE TO ADJUSTERS**

Pursuant to the power vested in me under Section 414 of the Insurance Code, the following rules and regulations are hereby promulgated to supplement the provisions of Chapter IV, Title 5 on adjusters and existing circulars relative thereto;

I

Definition of Terms

An adjuster may be an independent adjuster or a public adjuster.

1. Independent adjuster means any person, partnership, association, or corporation which, for money, commission or any other thing of value, acts for, or on behalf of an insurer in the adjusting of claims arising under insurance contracts or policies issued by such insurer.

2. Public adjuster means any person, partnership, association or corporation which, for money, commission or any other thing of value, acts on behalf of an insured in negotiating for, or effecting the settlement of a claim or claims of the said insured arising under insurance contracts or policies, of which advertises for or solicits employment as an adjuster of such claims.

For every line of insurance claim adjustment, adjusters shall be licensed as independent adjusters or as public adjusters. No adjuster shall act on behalf of an insurer unless said adjuster is licensed as an independent adjuster; and no adjuster shall act on behalf of an insured unless said adjuster is licensed as public adjuster: Provided, however, That when a firm or person has been licensed as a public adjuster, he shall not be granted another license as independent adjuster and vice versa.

3. Company adjuster No license, however, shall be required of any company adjuster who is a salaried employee of an insurance company for the adjustment of claims filed under policies issued by such insurance company.

II

Who May Apply for a License as an Adjuster

Persons, partnership, association or corporation may apply for a license as an adjuster. In the case of a natural person, he must be a Filipino citizen and in the case of a partnership, association or corporation, at least sixty per centum (60%) of its capital must be owned by citizens of the Philippines.

### III

#### On Licensing of New Adjusters

1. Natural Person - a) Applicant must be of good moral character and must not have been convicted of a crime involving moral turpitude or have been convicted of any offense by final judgment.

b. Applicant shall have at least ten (10) years experience in the line of adjustment being applied for with any adjustment firm or insurance company or must have successfully completed the insurance adjuster's course conducted by the Insurance Institute for Asia and the Pacific and/or a program satisfactory to the Insurance Commission in the line of business being applied for or passed the adjuster's examination given by the Insurance Commission.

c. Applicant must have a paid-up capital of at least P250,000.00.

2. Juridical Person - a) The President, General Manager or Chief Operating Officer of the applicant shall be of good moral character and must not have been convicted of a crime involving moral turpitude nor have been convicted of any offense by final judgment.

b. The President, General Manager, or Chief Operating Officer of the applicant shall have at least ten (10) years experience in the line of adjustment being applied for with any adjustment firm or insurance company or must have successfully completed the insurance adjuster's course conducted by the Insurance Institute for Asia and the Pacific and/or a program satisfactory to the Insurance Commission in the line of business being applied for or passed the adjuster's examination given by the Insurance Commission.

c. Applicant must have at least a paid-up capital of P500,000.00

3. Common Requirements - a) Submission of a 3-year business plan.

b. That the application of an adjuster may be referred to the Association of Philippine Adjustment Companies and Insurance and Surely Association of the Philippines for comment as to applicant's moral integrity, honesty and trustworthiness.

c. A pre-licensing examination of applicant's office premises and books of accounts and bank deposit/s shall be conducted by the Insurance Commission to determine if applicant is ready to do business as an adjuster.

### IV

#### Renewal of Adjuster's License

1. Information sheet shall be submitted yearly with renewal application for license showing the updated lists of owners, partners, and stockholders and their corresponding shares of stockholdings.

Further, the information sheet should contain the names of current directors and officers of the corporation.