



*Oklahoma Adjuster
Licensing*
Quick Notes Study Guide

Instructions for Use: This PDF does not have accompanying audio/video at the current time. Please review the information covered in this PDF document and then take the module quiz. Good luck!

Insurance Adjuster Licensing

Definitions of the Oklahoma Insurance Adjusters Licensing Act

Terms used in the *Insurance Adjusters Licensing Act* are defined as follows:

- **"Commissioner"** means the Insurance Commissioner of the state or his or her lawfully authorized representative;
- **"Adjuster"** means either an insurance adjuster or a public adjuster;
- **"Insurance adjuster"** means any person, firm, association, company, or legal entity that acts in this state for an insurer, and that investigates claims, adjusts losses, negotiates claim settlements, or performs insurance-related duties arising pursuant to the provisions of insurance contracts on behalf of an insurer and includes:
 - **"Independent adjusters"**, meaning any insurance adjuster that suggests or presents to the insurance industry and public that said adjuster acts as an adjuster for a fee or other compensation; and
 - **"Company or Staff adjusters"**, meaning adjusters who engage in the investigation, adjustment, and negotiation of claims as salaried employees of an insurer;
 - **"Public adjuster"** means any person, firm, association, company, or corporation that suggests or presents to members of the public that said public adjuster represents the interests of an insured or third party for a fee or compensation. Public adjusters may investigate claims and negotiate losses to property only;

- **“Adjuster Firm”** means a firm, partnership, association, or company that holds an adjuster license. Each partner or other individual working within the firm must be licensed and qualify as though they were an individual adjuster licensee. The Commissioner will charge a full license fee for each firm in addition to the individual license fees charged for each person acting on behalf of the firm.
- **"Home state"** means the District of Columbia and any state or territory of the United States in which the adjuster’s principal place of residence or principal place of business is located. If neither the state in which the adjuster maintains the principal place of residence nor the state in which the adjuster maintains the principal place of business has a licensing or examination requirement, the adjuster may declare another state which has an examination requirement and in which the adjuster is licensed to be the "home state".

Qualifications for Licensing

The Insurance Commissioner will license as an adjuster only an individual who has fully complied with the provisions of the Insurance Adjusters Licensing Act, including the furnishing of evidence satisfactory to the Commissioner that the applicant:

- Is at least 18 years of age;
- Is genuinely a resident of this state or is a resident of a state or country which permits adjusters who are residents of this state to act as adjusters in such other state or country;
- If a nonresident of the United States, has complied with all federal laws pertaining to employment and the transaction of business in the United States;
- Is a trustworthy person;
- Has had experience or special education or training of sufficient duration and extent with reference to the handling of loss claims pursuant to insurance contracts to make the applicant capable of fulfilling the responsibilities of an adjuster;
- Has successfully passed an examination as required by the Commissioner within two years prior to the date of application or has been exempted from examination; and
- If the application is for a public adjuster's license, the applicant has filed the bond required by this title.

Contact Information for Adjusters

Residence addresses and telephone listings, birth dates, and social security numbers for insurance adjusters and public adjusters on file with the Insurance Department are exempt from disclosure as public records. A separate business or mailing address as provided by the adjuster will be considered a public record and upon request will be disclosed. If an adjuster's residence and business address or residence and business telephone number are the same, such address or telephone number will be considered a public record.

The residence address or email address will appear on all licenses of the licensee, and the licensee must promptly notify the Insurance Commissioner **within 30 days of any change in legal name or mailing, business or residence address** of the licensee. A change in legal name or address **30 days after the change must include an administrative fee of \$50.00**. Failure to provide acceptable notification of a change of legal name or address to the Insurance Commissioner **within 45 days of the date the administrative fee is assessed** will result in additional penalties. (6206)

Nonresident Adjuster License

Adjusters may receive a nonresident adjuster license in Oklahoma if:

- They have passed the state licensing examination in their own home state;
- They are currently licensed in good standing in their home state;
- They have submitted the required request for licensure and paid the fees; and
- The applicant's home state awards nonresident adjuster licenses to residents of Oklahoma on the same basis.

If a nonresident adjuster license applicant's home state does not license or require an examination for an adjuster license, the adjuster may declare another state that DOES require an examination and for which the adjuster holds a license, to be their home state for licensing purposes. If the applicant does not hold an active adjuster license in the applicant's home state or declared home state, the applicant must pass the Oklahoma adjuster examination to receive a nonresident adjuster license. (36 O.S. 6205(C))

Continuing education requirements do not apply to nonresident adjusters licensed in a designated home state (DHS) or resident state that mandates a continuing education requirement that is very similar to the CE requirement for Oklahoma adjusters. (36 O.S. 6217)

State Licensing Examination

Each applicant for an individual adjuster license must pass the state licensing examination. Passage of this examination will demonstrate to the Commissioner the applicant's **competency and qualifications** to have an adjuster license issued.

Some individuals are **exempt from the state licensing exam** requirement. They are:

- Nonresident applicants who have passed an exam in their home state and who are **currently licensed and in good standing** with their home state;
- Applicants already licensed for the **same classes of insurance** in Oklahoma **within the previous 12 months**, but their license has expired. This exemption does not apply to those who have had their licenses revoked, suspended, or refused for renewal by the Commissioner; and
- Applicants who have recently moved to Oklahoma and have previously passed the state exam in their former home state. The adjuster's license in the previous state must have been held in good standing and they must apply for their Oklahoma license **within 90 days of establishing legal residency** in the state.

Scope of Licensing Examination for License Classes

Each state licensing exam is planned by the Commissioner to be of sufficient scope and breadth to reasonably test the knowledge of the applicant as to the kinds of insurance contracts with which the licensed adjuster may deal. The exam will also cover the duties and responsibilities of insurers under insurance contracts and the Oklahoma insurance laws relating to the adjustment of claims.

The adjuster's license, when issued, will designate the class(es) of insurance the license covers. The application for the license will also specify the class(es) of insurance the license will cover as follows:

- Property, including marine, inland marine, aircraft, and land motor vehicle and trailers;
- Casualty, meaning all lines of liability insurance coverage for bodily injury, personal injury, and property damage, crime and fidelity bonds;
- Workers' Compensation;
- Crop/Hail;
- Multi-peril Crop. (6209)

Adjuster Continuing Education

Adjusters in Oklahoma are required to complete continuing education courses in order to be able to renew a license. The requirements for continuing education are set by the Commissioner who also has the sole authority to approve courses and providers of continuing education. The courses must be of a meaningful nature and **must not include the following subjects**:

- Motivation;
- Psychology;
- Recruiting;
- Subjects that do not relate to the insurance license held; and
- Any insurance company-specific sales techniques or prospecting.

Continuing Education Course Requirements

All adjuster licenses issued in Oklahoma must be renewed every **24 months**. The renewal dates for the licenses may be staggered throughout the year by notifying licensees in writing of the expiration and renewal date being assigned to the licensee.

Any licensee applying for renewal of a license as an adjuster must have completed **not less than 24 clock hours of continuing insurance education**, of which **three hours must be in the subject of ethics, within the previous 24 months prior to renewal of the license**.

Additionally, **at least two of the required 24 hours** must be completed in the topic(s) of **state and federal legislative updates**.

Continuing education credit must be electronically reported to a licensee's transcript by the continuing education provider **within 10 business days after the course was completed**. The provider must issue a course completion certificate to the adjuster licensee at the conclusion of each course.

The 24-month period begins the first day after the license is granted. **Six credit hours** in excess of the minimum 24-month period requirement **will carry forward to the next 24-month period. Excess hours may be applied to bring a lapsed license into compliance**.

An insurance adjuster **may repeat a course** within the 24-month period if the maximum credits designated for the course were **not attained in the first attempt**. By repeating the course, the adjuster may not during the 24-month period earn more than the maximum credits available for the course. An adjuster **may repeat a course after two years have passed** and receive the maximum credits available for the course.

Professional Designations as Continuing Education

An adjuster who, during the period before renewal, participates in an approved **professional designation program** is considered to have met the continuing education requirement for that biennium. (These are courses that result in a professional designation being bestowed on the licensee such as a CPCU, AIC, AINS, etc.) The course curriculum for the program **must total a minimum of 24 hours** and be approved by the Oklahoma Department.

Insurance Association Members as Continuing Education

Subject to approval by the Oklahoma Commissioner, an adjuster's active membership in a local, regional, state, or national professional insurance organization or association may be approved for up to **one annual hour of continuing education credit**. The hour will be credited to the licensee after filing with the Commissioner appropriate written evidence of active membership.

Penalties for Noncompliance with Continuing Education Requirement

Any adjuster who fails to comply with the continuing education requirements may, after notice and opportunity for hearing, be subject to:

- Censure;
- Suspension;
- Nonrenewal of license;
- Civil fine of up to \$500; or
- Any combination of civil fine and other named penalty.

License Refusal, Suspension, or Revocation

The Commissioner may refuse to issue an initial license for failure to pass the required examination, or prior revocation of an adjuster's license in this state or in any other state.

The Commissioner may also censure, suspend, revoke, or refuse to issue a renewal adjuster license after hearing for any of the following causes:

- Material misrepresentation or fraud in obtaining the license;
- Any cause for which original issuance of a license could have been refused;
- Misappropriation, conversion to the personal use of the licensee, or illegal withholding of monies required to be held by the licensee in a fiduciary capacity;
- Material misrepresentation as to the terms and effects of any insurance contract with the intent to deceive, or engage in, any fraudulent transaction with respect to a claim or loss being adjusted, or in the case of a public adjuster, misrepresentation of services offered, or fees or commissions to be charged;
- Conviction of, or pleading guilty or nolo contendere to, a felony as established by the laws of this state, any other state, the United States, or any foreign country;

- If in the conduct of business affairs, the licensee or trainee has shown himself to be, and is considered to be by the Commissioner, incompetent, untrustworthy or a source of injury to the public;
- Refusal to comply with any lawful order of the Commissioner;
- Violation of any provision of the Insurance Adjusters Licensing Act;
- Adjusting losses or negotiating claim settlements arising from insurance contracts on behalf of an insurer or insured without proper licensing or authority from the licensed insurer or insured party;
- Failing to respond to any inquiry (including electronic communications) from the Department within **20 calendar days** of receipt of the inquiry;
- Forging another's name to any document;
- Improperly using notes or any other reference material to complete an examination for an insurance license;
- Having admitted or been found to have committed any insurance unfair trade practice or insurance fraud;
- Having an insurance adjuster license or its equivalent denied, suspended, censured, placed on probation or revoked in any other state, province, district or territory;
- Failing to inform the Department, by any means acceptable to the Department, of a change of address, legal name, or change of information submitted on the application within 30 days of the change; or
- Providing services as a public adjuster, company adjuster, or independent adjuster on the same claim.

In addition to or instead of any applicable denial, suspension, or revocation of a license, any person violating the provisions of this section may be subject to **a civil fine of not more than \$1,000 for each violation**. This fine may be enforced in the same manner in which civil judgment may be enforced.

If the license of an adjuster is suspended, revoked, or not renewed, the licensee **must surrender the license to the Commissioner**. The Commissioner will not reinstate a license to any person whose license has been suspended, revoked, or refused renewal until the

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Commissioner determines that the cause or causes for the suspension, revocation, or nonrenewal of the license no longer exist. (6219, 6220)

Pecuniary (Financial) Interest

No adjuster may, directly or indirectly, own or have a pecuniary (financial) interest in **any business entity that provides construction or reconstruction related services** on behalf of an insurance claimant or insured, for which the adjuster is providing services.

Additionally, the adjuster may not directly or indirectly, own or have a financial interest in **any other business entity that furnishes any supplies, materials, services, or equipment purchased by or on behalf of the claimant or insured** in settlement of the claim. This does not include the usual and customary supplies, materials, services, or equipment utilized in the adjusting process.

Any person who violates the “pecuniary interest” section of the insurance code may be subject to license **denial, suspension, or revocation**, a civil fine of not more than **\$1,000 for each violation**, or both.

The “pecuniary interest” limitation **will not apply to an adjuster providing services on a claim that is located in a municipality having a population of less than 6,000** people. However, in this case, the adjuster must provide written disclosure of the potential conflict of interest to both the insured and the insurer prior to the performance of any adjuster services.

The “pecuniary interest” restrictions **will apply regardless of whether the person or entity has obtained power of attorney** from an insurance claimant or has entered into any other agreement with an insurance claimant to act on behalf of the claimant.