

40-5511. Evidence of financial responsibility. (a) Prior to issuance of a public adjuster license and for the duration of the license, the commissioner may require the applicant to furnish evidence of financial responsibility, in a format prescribed by the commissioner, by means of:

(1) A surety bond executed and issued by an insurer authorized to issue surety bonds in this state, which bond:

(A) Shall be in such reasonable amount as the commissioner may require;

(B) shall be in favor of the commissioner and shall specifically authorize recovery by the commissioner on behalf of any person in this state who sustains damages as the result of erroneous acts, failure to act, conviction of fraud or conviction of unfair practices in the applicant's capacity as a public adjuster; and

(C) shall not be terminated unless at least 30-days prior written notice has been filed by the insurer with the commissioner and given to the licensee.

(2) An irrevocable letter of credit issued by a qualified financial institution, which letter of credit:

(A) Shall be in such reasonable amount as the commissioner may require;

(B) shall be to an account of the commissioner and subject to lawful levy of execution on behalf of any person to whom the public adjuster has been found to be legally liable as the result of erroneous acts, failure to act, fraudulent acts or unfair practices in the applicant's capacity as a public adjuster; and

(C) shall not be terminated unless at least 30-days prior written notice has been filed by the issuer with the commissioner and given to the licensee.

(b) Where the commissioner has required an applicant to furnish evidence of financial responsibility pursuant to subsection (a):

(1) The issuer of the evidence of financial responsibility shall notify the commissioner upon termination of the bond or letter of credit, unless otherwise directed by the commissioner;

(2) the commissioner may ask for the evidence of the public adjuster's financial responsibility at any time the commissioner deems relevant; and

(3) the authority to act as a public adjuster shall terminate automatically if the evidence of financial responsibility terminates or becomes impaired.

History: L. 2009, ch. 83, § 11; Apr. 23.