

Common Terms Related to Public Adjusters, Motor Vehicle Damage Appraisers, and Adjusters

Appraisal:

An evaluation or an estimation of value of property by a competent and disinterested person.

Property Insurance:

Insurance coverage for the direct or consequential loss for damage to property of every kind.

Casualty Insurance (liability):

Insurance coverage that provides coverage for legal liability, including that for death, injury, or disability, or damage to real or personal property.

Claim:

A request to an insurance company for financial reimbursement on a loss.

First-Party Claim:

A first-party claim is a claim made by the insured (the person covered by the insurance contract).

Third-Party Claim:

A third-party claim is a claim made by someone other than the insured (the person covered by the insurance contract). The insurance company pays on an insured's behalf to a third party sums that the insured is legally obligated to pay.

Appraisal provision in the North Carolina Automobile Policy:

There are two separate and distinct appraisal provisions in the North Carolina Automobile Policy.

One is for third party claims and is The Part A liability coverage "appraisal-diminution in value" outlined in N.C. G. S. § 20-279.21(d1). The second appraisal provision is for first party claims and outlined in The Part D "coverage for your damaged auto" appraisal process of the personal auto policy.

Appraisal provision in the physical damage section of the North Carolina Personal Automobile Policy:

This is a process to resolve claim disputes between the insured and the insurance company. If the insured and the company cannot reach a settlement figure satisfactory to both, either may demand an appraisal of the loss. Pursuant to the policy provision, the insured and the insurance company will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and impartial umpire. The appraiser will separately set the amount of loss. If the appraisers submit a written report of agreement to the company, the amount agreed upon will be the amount of loss. If they fail to agree they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss. Each party must pay its own appraiser and bear the other expenses of the appraisal and umpire equally. Please see the appraisal provision in your personal automobile policy for the complete details of this policy provision.

Appraisal provision in the North Carolina Homeowners Policy:

This is a process to resolve claim disputes between the insured and the insurance company. If the insured and the company cannot reach a settlement figure satisfactory to both, either may demand an appraisal of the loss. Pursuant to the policy provision, the insured and the insurance company will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and impartial umpire. The appraiser will separately set the amount of loss. If the appraisers submit a written report of agreement to the company, the amount agreed upon will be the amount of loss. If they fail to agree they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss. Each party must pay its own appraiser and bear the other expenses of the appraisal and umpire equally. Please see the appraisal provision in your homeowners policy for the complete details of this policy provision.

Frequently Asked Motor Vehicle Damage Appraiser Questions

1. How is a motor vehicle damage appraiser defined?

As defined by N.C.G.S. § 58-33-10(14):

Motor vehicle damage appraiser means an individual who, for salary, fee, commission, or other compensation of any nature, regularly investigates or advises relative to the nature and amount of damage to motor vehicles located in this State or the amount of money deemed necessary to effect repairs thereto and who is not:

- a. An adjuster licensed to adjust insurance claims in this State;
- b. An agent for an insurance company who is not required by law to be licensed as an adjuster;
- c. An attorney at law who is not required by law to be licensed as an adjuster; or
- d. An individual who, incident to his regular employment in the business of repairing defective or damaged motor vehicles, investigates and advises relative to the nature and amount of motor vehicle damage or the amount of money deemed necessary to effect repairs.

2. What is a motor vehicle damage appraiser?

A motor vehicle damage appraiser surveys the property (motor vehicle) to determine its insurable value or the amount of loss sustained and provides an estimate (appraisal) of the repairs required and the cost thereof.

3. Is a motor vehicle damage appraiser required to be licensed in North Carolina?

Yes, a motor vehicle damage appraiser must be licensed in North Carolina by the North Carolina Department of Insurance (NC DOI). (N.C.G.S. § 58-33-26(a))

4. Are there individuals that do not have to be licensed as a motor vehicle damage appraiser to provide an estimate of damage to a vehicle?

Yes. The definition of motor vehicle damage appraiser identifies individuals who may provide motor vehicle damage appraisals without having to be licensed. For example, an individual who works for an automobile repair shop and writes an estimate for the repairs to a vehicle does not have to be licensed. (N.C.G.S. § 58-33-10(14).)

5. Can an individual licensed as a motor vehicle damage appraiser also get a public adjuster license?

Yes.

6. Who can hire a motor vehicle damage appraiser?

Both an insurance company and an individual can hire a motor vehicle damage appraiser. The motor vehicle damage appraiser writes an estimate of the amount of damage to a motor vehicle.

7. Can a motor vehicle damage appraiser represent an insured and negotiate the insured's claim with an insurance company?

No. Negotiation of a claim is part of the role of the insured/injured party, an attorney, a licensed public adjuster for a first party loss, or a licensed adjuster employed by an insurance company. N.C.G.S. § 58-33-70(b) does allow an agent to adjust losses under certain limited conditions for his/her appointed company

8. How can I check to see if an individual is licensed as a motor vehicle damage appraiser?

You can go to this link below from our website and enter the requested information. You are not required to enter values in all of the fields.

<https://sbs-nc.naic.org/Lion-Web/jsp/sbsreports/AgentLookup.jsp>

9. Does an individual need to be licensed as a motor vehicle damage appraiser to provide an appraisal under either of the two appraisal provisions of the North Carolina Personal Auto Policy?

No. The North Carolina Personal Auto Policy provides for an appraisal process in the Part A “liability coverage” and a second appraisal process in the Part D “coverage for damage to your auto.” (Note that the Part A appraisal process may be set forth in an endorsement to the policy.)

The Part A liability coverage “appraisal-diminution in value” process does not require that an appraiser participating in the Part A appraisal process be a licensed motor vehicle damage appraiser. Instead, the Part A appraisal language makes reference to the appraisal process set out in N.C. Gen. Stat. § 20-279.21(d1). That statute defines “appraiser” and “umpire” for purposes of the appraisal process to mean “a person who as a part of his or her regular employment is in the business of advising relative to the nature and amount of motor vehicle damage and the fair market value of damaged and undamaged motor vehicles.”

The Part D “coverage for your damaged auto” appraisal process also does not require that an appraiser or umpire participating in the policy’s Part D appraisal process be a licensed motor vehicle damage appraiser. The policy’s Part D liability appraisal process only describes the appraiser as “a competent appraiser.”

Frequently Asked Adjuster (Company and Independent /Self-Employed) Questions

1. How is an adjuster defined?

As defined by N.C.G.S § 58-33-10 (2):

“Adjuster” means any individual who, for salary, fee, commission, or other compensation of any nature, investigates or reports to his principal relative to claims arising under insurance contracts other than life or annuity. An attorney at law who adjusts insurance losses from time to time incidental to the practice of his profession or an adjuster of marine losses is not deemed to be an adjuster.

2. What is an Adjuster?

An adjuster is a person licensed by the Department of Insurance whose job is to evaluate the amount of loss and to recommend the amount the insurance company will pay.

3. Is an adjuster required to be licensed in North Carolina?

Yes. An insurance adjuster must be licensed by the North Carolina Department of Insurance. (N.C. G. S. § 58-33-26(a))

4. Who employs an adjuster and who do they represent?

Insurance companies employ adjusters to represent them in evaluating losses and settle policyholder claims on behalf of the insurance company (the insurer).

5. What is an adjuster’s job?

Investigate, negotiate and settle insurance claims on behalf of an insurance company.

6. Can an adjuster also hold a public adjuster license simultaneously?

Yes, however on an individual claim, the licensee cannot work as both a public adjuster and an adjuster.

- 7. Can an individual licensed as an adjuster also get a motor vehicle damage appraiser license?**
Yes. However an individual who is licensed as an adjuster does not need a motor vehicle damage appraiser license to be able to investigate or advise relative to the nature and amount of damage to a motor vehicles located in this State or the amount of money deemed necessary to effect repairs thereto. (N.C.G.S. § 58-33-10(14) a.)
- 8. Does the individual who acts as an appraiser in a homeowner's appraisal need to be licensed as an adjuster?**
No. The appraisal provision of the homeowner's policy does not require the individual to be licensed as an adjuster.
- 9. How can I check to see if an individual is licensed as an adjuster?**
You can go to this link below from our website and enter the requested information. You are not required to enter values in all of the fields.
<https://sbs-nc.naic.org/Lion-Web/jsp/sbsreports/AgentLookup.jsp>

Frequently Asked Public Adjuster Questions

- 1. How is a public adjuster defined?**
N.C.G.S. § 58-33A-5 (7) defines "public adjuster" as
Any person who, for compensation or any other thing of value on behalf of the insured, does any of the following:
 - a. Acts or aids, solely in relation to first-party claims arising under insurance contracts that insure the real or personal property of the insured, on behalf of an insured in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an insurance contract.
 - b. Advertises for employment as a public adjuster of insurance claims or solicits business or represents himself or herself to the public as a public adjuster of first-party insurance claims for losses or damages arising out of policies of insurance that insure real or personal property.
 - c. Directly or indirectly solicits business, investigates or adjusts losses, or advises an insured about first-party claims for losses or damages arising out of policies of insurance that insure real or personal property for another person engaged in the business of adjusting losses or damages covered by an insurance policy for the insured.
- 2. What is a public adjuster?**
A public adjuster is a licensed adjuster who does not work for an insurance company but may be hired by a claimant (insured) to adjust a **first-party claim**. A public adjuster works for the claimant (insured) to help with the filing, negotiation, and settlement of a claim. Public adjusters can be helpful with large, complicated claims in particular. The public adjuster charges a fee for his/her services, often a percentage of the final settlement amount.
- 3. Is a public adjuster required to be licensed in North Carolina?**
Yes. A public adjuster must be licensed by the North Carolina Department of Insurance. (N.C.G.S. § 58-33A-10)
- 4. How can I check to see if an individual is licensed as a public adjuster?**
You can go to this link below from our website and enter the requested information. You are not required to enter values in all of the fields. <https://sbs-nc.naic.org/Lion-Web/jsp/sbsreports/AgentLookup.jsp>