

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

Appraisal:

An evaluation of damages or an estimation of value of an automobile by a licensed motor vehicle damage appraiser as defined under N.C.G.S. § 58-33-26 and 58-33-30.

Umpire:

Shall mean a person licensed as a motor vehicle damage appraiser under N.C.G.S. § 58-33-26 and 58-33-30 and who as a part of his or her regular employment is in the business of advising relative to the nature and the amount of motor vehicle damage and the fair market value of damaged and undamaged motor vehicles.

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 Part A liability coverage provided by Amendatory Endorsement NC 00 13 04 16 "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 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. As the Personal Auto Policy states under the Appraisal provision if the insured and company do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a licensed appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and 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 be binding. Each party will 1) Pay its chosen appraiser; and 2) bear the expenses of the appraisal and umpire equally. The company does not waive any of its rights under the policy by agreeing to an appraisal.

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 homeowner's policy for the complete details of this policy provision.

Frequently Asked Motor Vehicle Damage Appraiser Questions

1. 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.

2. 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))

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

Yes.

4. 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.

5. 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

6. 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 the fields.

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

Frequently Asked Adjuster Questions

1. 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. Adjuster is defined in N.C.G.S. § 58-33-10(2)

2. 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))

3. 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).

4. 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.

5. 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 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)

6. 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 the fields.)

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

Frequently Asked Public Adjuster Questions

1. 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** arising under insurance contracts that insure the real or personal property of an insured. 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. The public adjuster charges a fee for his/her services, often a percentage of the final settlement amount. As defined in N.C.G.S. § 58-33A-5(7)

2. 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)

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