



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
1071 United Nations Avenue  
Manila



Legal Opinion (LO) No.:	2022-11
Date:	13 April 2022

**MR. MARIANO R. SERAC**  
General Manager  
**CARES ADJUSTERS & SURVEYORS INC.**  
Unit 941 Bldg. 9 Pasig Bliss Condominium  
Caniogan, Pasig City

SUBJECT: **Legal Opinion on the Extent of Authority  
of a Licensed Independent Adjuster**

Dear **Mr. Serac:**

This refers to your letters dated 07 July 2021 and 04 April 2022 seeking the advice of this Commission on the extent of authority of a licensed independent adjuster.

Based on your letters, you were being hired by a private company as an on-call adjuster for accident claims arising from Third Party Liability (TPL) Insurance. The said private company hires your services for the purpose of independent and equitable evaluation of claims because it cannot evaluate, complete and secure documents whenever a claim arises.

Relevant to the foregoing, you seek advice on whether a licensed independent adjuster can represent a private company insured with TPL.

After careful evaluation, this Commission finds that a licensed independent adjuster is prohibited to act as an adjuster of a private company.

Under **Section 333** of the **Insurance Code, as amended**, an independent adjuster and public adjuster are clearly defined as, to wit:

“Section 333. An adjuster may be an independent adjuster or a public adjuster.

The term *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.**

The term *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**, or which advertises for or solicits employment as an adjuster of such claims.”

Based on the above-cited provision, the distinction as to which party an independent adjuster and a public adjuster can lawfully represent is clear. An independent adjuster represents the insurers while a public adjuster represents the insured.

Relevant to this, it must be noted that a licensed adjuster can only be authorized as either a public or an independent adjuster and cannot be granted both lines of insurance claim adjustment as clearly proscribed under **Section 334** of the **Insurance Code, as amended**, to wit:

“Section 334. For every line of insurance claim adjustment, adjusters shall be licensed either 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 a 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.***”

Applying the above to your query, a licensed independent adjuster seeking to act for or on behalf of a private company as insured cannot be allowed as it involves the performance of an act which can only be lawfully done by a public adjuster. To rule otherwise would result to a conflict of interest which this Commission cannot allow.

Please note that the above opinion rendered by this Commission is based solely on the particular facts disclosed in the query and relevant solely to the particular issues raised therein and shall not be used, in any manner, in the nature of a standing rule binding upon the Commission in other cases whether for similar or dissimilar circumstances.

For your information and guidance.



**DENNIS B. FUNA**  
Insurance Commissioner

