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The Texas Public Adjuster Field Guide **1**

The Texas Public Adjuster Field Guide

A practical reference for new and aspiring Texas public adjusters

Free from Elite Training Academy — academy.theelitecompany.com

2026 Edition

> This guide is educational material, not legal advice. Statutes and Texas Department of Insurance (TDI) rules change. Always verify current requirements against the Texas Insurance Code, the Texas Administrative Code, and TDI's published guidance before relying on them in your practice.

Introduction: What a Public Adjuster Is — and Who This Guide Is For

Texas law defines a public insurance adjuster with precision. Under Texas Insurance Code §4102.001(3), a public adjuster is a person who, for compensation, acts on behalf of an insured to negotiate or effect the settlement of a first-party claim for loss or damage to real or personal property — or who advertises, solicits business, or holds themselves out as someone who does.

Read that definition again, because every word carries weight:

- **For compensation.** A neighbor helping a neighbor is not a public adjuster. The moment money changes hands for claim help, Chapter 4102 applies.
- **On behalf of an insured.** Public adjusters represent policyholders — never carriers. Texas requires your contract to say so in 12-point boldface: **WE REPRESENT THE INSURED ONLY.**
- **First-party claims.** Your work is the insured's own claim against the insured's own policy — the hail-damaged roof, the kitchen fire, the burst supply line.
- **Real or personal property.** Structures and contents. Not bodily injury, not third-party liability.

This guide is for three kinds of readers: the aspiring adjuster studying for the Texas Public Adjuster licensing exam, the newly licensed adjuster working their first files, and the contractor, agent, or company adjuster considering the move to the policyholder's side of the table. It condenses the statutory rules, the claim-handling deadlines, the field documentation standards, the valuation math, and the fraud awareness that a working Texas public adjuster uses every week.

Everything in this guide is drawn from the same verified source material we use to build our licensing courses. It is meant to be printed, marked up, and kept in the truck.

The License at a Glance

Chapter 4102 of the Texas Insurance Code is the public adjuster's rulebook. It is organized into five subchapters: General Provisions (§§4102.001–.007), License Requirements (§§4102.051–.068), Powers and Duties (§§4102.101–.114), Prohibited Practices (§§4102.151–.164), and Enforcement (§§4102.201–.208).

Here are the rules every Texas public adjuster must know cold — with the correct citations. These are among the most commonly mis-cited rules in the industry, so learn them from the statute, not from forum posts.

Rule	What It Requires	Citation
License required	You may not act as (or hold yourself out as) a public adjuster without a license	§4102.051
Examination	Applicants must pass the licensing exam (limited exemptions exist)	§4102.057 (exemptions §4102.058)
Financial responsibility	Proof of financial responsibility in an amount set by the commissioner **by rule** — a surety bond or professional liability policy may be accepted. There is no dollar figure in the statute; check TDI's current rule.	§4102.105
Written contract	Commissioner-approved form, executed in duplicate; one copy kept on file in Texas for inspection	§4102.103(a), (c)
Client's right to rescind	The insured may cancel by written notice within **72 hours of signature**	§4102.103(b)
Required contract notice	**"WE REPRESENT THE INSURED ONLY"** — prominently displayed in 12-point boldface type	§4102.103
Fee cap	Total commission may not exceed **10% of the insurance settlement — flat**. Hourly, flat, percentage, or other fee methods are allowed, but 10% is the ceiling.	§4102.104(a)

Rule	What It Requires	Citation
The 72-hour fee rule	If the insurer pays or commits in writing to pay the **policy limit** within 72 hours after the loss is reported, the public adjuster may not take a percentage commission — only reasonable compensation for time and expense incurred before that payment or commitment	§4102.104(b)
Solicitation limits	No solicitation during the progress of a loss-producing natural disaster; no solicitation during certain hours of the day	§4102.151, §4102.152
Recordkeeping	Enumerated records maintained **in Texas for at least 5 years** after the transaction terminates	§4102.110
Fiduciary capacity	The public adjuster acts in a fiduciary capacity toward the client	§4102.111
Continuing education	Required to maintain the license	§4102.109

Four myths to unlearn right now

These errors circulate constantly in study groups and online — and several appeared in competing course materials before we fact-checked our own against the statute:

1. **"The fee cap is 10% normally, 15% for catastrophes."** False. §4102.104(a) sets a flat 10% cap on the commission. There is no catastrophe tier and there has never been a 15% figure in the Texas statute.
2. **"The 72-hour rule is a no-contact window after a storm."** False. The 72-hour rule in §4102.104(b) is a **fee** rule: if the carrier pays or commits in writing to policy limits within 72 hours of the loss being reported, you cannot take a percentage commission on that claim. The solicitation restrictions are separate — §4102.151 bars solicitation *during the progress* of a loss-producing natural disaster (no hour count attached), and §4102.152 restricts solicitation during certain hours of the day.
3. **"The client has three business days to cancel."** False. The rescission window is 72 hours from signature under §4102.103(b) — hours, not business days.

4. **“You must file your contract with the insurer within 5 business days.”** No such requirement exists in Chapter 4102. §4102.103(c) requires you to keep an executed copy on file in Texas, available for inspection. That is the filing obligation.

What enforcement looks like

Subchapter E gives TDI real teeth: license denial, suspension, and revocation (§4102.201), administrative penalties (§4102.204), automatic fines (§4102.205), criminal penalties (§4102.206), and emergency cease-and-desist authority (§4102.208). And §4102.207 gives the insured the option to void a contract obtained in violation of the chapter — meaning a compliance failure can cost you the entire fee on the file, not just a fine.

The Claim Clock: The 15/15/5 Deadlines

The Texas Prompt Payment of Claims Act (Tex. Ins. Code Chapter 542, Subchapter B) puts the insurance carrier on a statutory clock the moment it receives notice of a claim. As a public adjuster, you don’t owe these deadlines — the carrier does. But the 15/15/5 framework is one of the most powerful tools in your kit, because a carrier that misses a deadline without a statutory excuse owes statutory interest and attorney’s fees on top of the claim (§§542.058, .060). A public adjuster who tracks the clock on every file negotiates from documented leverage instead of frustration.

Memorize the three numbers: **15 / 15 / 5** — all in **business days**, which exclude weekends and state-recognized Texas holidays.

The timeline, day by day

Day	Event	Statute
Day 0	Carrier receives notice of the claim — any written, oral, or electronic notice. A public adjuster’s notice on behalf of the insured counts.	§542.051 et seq.
By Day 15 (business days)	Carrier must (1) acknowledge the claim **in writing**, (2) commence its investigation, and (3) request every item, statement, and form it reasonably believes it will need from the claimant	§542.055

Day	Event	Statute
Clock 2 starts	When the carrier has received **all** reasonably requested items from the claimant	§542.056
Within 15 business days of that	Carrier must notify the claimant in writing that the claim is accepted or rejected — and a rejection must state the reasons	§542.056
Within 5 business days of acceptance	Carrier must pay the accepted amount	§542.057

What each deadline means in practice

The acknowledgment (§542.055). A phone call is not acknowledgment — the statute requires a writing. The carrier must also actually *begin* investigating (assigning an adjuster, scheduling an inspection, ordering records) and must send its complete document request. The items request is the strategic hinge of the whole timeline: the accept-or-reject clock does not start until the carrier has everything it reasonably requested. A vague "send us any relevant documents" letter is weak; courts have limited carriers' ability to stretch the clock with marginal, drip-fed requests.

The decision (§542.056). The written accept-or-reject notice is where most disputes live. A phone denial is not compliant. A written denial without reasons is not compliant. "Coverage denied" is not enough — the denial must connect a specific policy provision to the facts. Partial claims run on split tracks: the accepted portion triggers the 5-day payment clock while the rejected portion must be explained in writing.

The payment (§542.057). Five business days from the acceptance notice to actual delivery of payment. A check that is cut but not mailed is not payment.

Your job as the policyholder's representative

- ☐ Log the exact date the carrier received notice — that is Day 0, regardless of when an adjuster was assigned.
- ☐ Calendar the 15-business-day acknowledgment deadline, checking the Texas state holiday calendar.
- ☐ When your client delivers the last reasonably requested item, document the delivery date in writing — that date starts the accept-or-reject clock.
- ☐ Respond to carrier document requests completely and promptly. Insured-caused delays pause the clock against the carrier; don't hand them the excuse.
- ☐ Watch for clock-reset games: each new carrier request must be *reasonably required*. Note in the file when a late request looks like padding.

- ☐ Track the payment date against the 5-business-day deadline after any written acceptance.

The weather-claim overlay

For claims caused by forces of nature — wind, hail, hurricane, and similar perils — Chapter 542A layers additional procedure on top: before suing, the insured must serve a 60-day written pre-suit notice stating the acts complained of, the amount alleged owed, and attorney's fees incurred (§542A.003). Within that window the carrier gets an inspection right and may elect to defend its adjusters. On Texas storm claims, assume at least two calendars are running at once, and track both.

First Contact Checklist

The first 72 hours of a claim set its trajectory. On the carrier side, adjusters are trained to execute a disciplined first-notice-of-loss routine; the public adjuster's first contact should be at least as disciplined, because your intake is the foundation of the file you'll be negotiating from for months.

Before you meet the client

- ☐ Confirm the policy was in force on the date of loss. A claim under a lapsed policy goes nowhere — verify before you sign anything.
- ☐ Identify the named insured of record. Duties under the policy run to the named insured; confirm the person engaging you has authority.
- ☐ Determine whether the claim has already been reported, and on what date — that fixes Day 0 of the carrier's clock.
- ☐ Check whether the loss falls in a declared catastrophe area. The commissioner may issue event-specific bulletins, and your solicitation conduct is governed by §§4102.151–.152.
- ☐ Prepare your commissioner-approved contract in duplicate, with the 72-hour rescission provision and the 12-point boldface **WE REPRESENT THE INSURED ONLY** notice (§4102.103).

The intake conversation

Gather what a strong carrier FNOL script captures — 30 to 50 data points. At minimum:

- ☐ Insured's full name, mailing address, phone, email, and best contact times
- ☐ Policy number and carrier; claim number if already assigned
- ☐ Date, approximate time, and location of loss
- ☐ Type and reported cause of loss
- ☐ Parties involved; witnesses with names and contact information
- ☐ Condition of the property now — is it occupiable? Is anyone injured?
- ☐ Whether police or fire responded (and any report numbers)
- ☐ Mitigation steps already taken, with receipts

- ☐ Whether the insured has photos or video from the day of loss
- ☐ Prior claims on the property, and prior repairs to the affected areas
- ☐ Whether a contractor, attorney, or another representative is already involved

Setting the ground rules with your client

- ☐ Explain the difference between **mitigation and repair**: cover damaged areas, board up openings, dry things out — but no permanent repairs until the property has been inspected. Mitigation is a policy duty; premature repair destroys evidence.
- ☐ Tell the client to preserve removed or damaged items until inspection. "Throwing away the damaged stuff" can shrink the recoverable scope.
- ☐ Collect any mitigation-vendor invoices and progress notes — they become part of the claim record.
- ☐ Walk the client through the process and timeline honestly. Do not promise coverage outcomes; the facts and the policy language decide those.
- ☐ Set communication expectations: who talks to the carrier (you), how often the client hears from you, and what the client should forward immediately.
- ☐ Document the entire conversation contemporaneously — a dated, timed file note written the same day.

The document package to start assembling

- ☐ Sworn proof of loss (as required by the policy)
- ☐ Photographs of all damaged areas — before-and-after if the client has them
- ☐ Repair or replacement estimates already in hand
- ☐ Receipts and proof of ownership for damaged personal property
- ☐ Mitigation receipts
- ☐ Documentation of prior claims and prior repairs on the property
- ☐ The full policy: declarations page, base form, and every endorsement (you cannot value a Texas roof claim without knowing whether an ACV-roof endorsement is on the policy — see the Valuation section)

The Documentation Standard

A claim file is, fundamentally, an evidentiary record: what was observed, when, by whom, and why the conclusions follow. Carriers train their adjusters to document to a litigation standard because the file is their defense. The public adjuster who documents to the same standard — or better — walks into every negotiation with the stronger record. Scenes change fast: hail bruises oxidize, smoke patterns get cleaned, contractors demolish. The inspection you document today cannot be recreated next month.

The photography discipline

- **Three frames per damage item: overview, mid-range, close-up.** The overview shows where in the structure the damage sits. The mid-range shows the affected area in context. The close-up shows the damage itself. This sequence is what an estimator, a desk reviewer, or an appraisal umpire needs to understand each photograph.
- **Use a scale reference.** A tape measure, folding ruler, or a coin in the frame turns a picture of a hail bruise into measurable evidence. A bruise photographed next to a quarter is documentation; the same bruise alone is decoration.
- **Shoot multiple angles and lighting.** Raking light reveals hail bruising that direct light hides.
- **Time-stamp everything.** Use a device that embeds date, time, and GPS metadata. If it doesn't, log date and time in your notes against each shot number.
- **Photograph the negative cases.** Undamaged slopes and elevations are evidence too — they prove the damage pattern, corroborate the storm direction, and show the file was built honestly.
- **Never edit originals.** Crop and annotate copies only. An altered original can fail authentication and taint the whole set.
- **Sequence and number the shots**, cross-referenced to your notes: "Photo 1: front elevation from street, 10:15 a.m."
- **Expect volume.** A routine residential loss runs 80–150 photographs. Storage is cheap; re-inspecting a changed scene is expensive — and sometimes impossible.

The sketch

For any loss where spatial relationships matter, add a working diagram: proportional (graph paper or a sketch app), with a north arrow, overall and room dimensions, labeled features, the damage path (water flow, fire spread), and your initials with date and time. The sketch is not architecture — it's the map that lets a stranger reconstruct the scene from your file.

The field notes

Notes are written during or immediately after the inspection — never reconstructed from memory days later. Contemporaneous records carry evidentiary weight that reconstructions do not. Capture:

- ☐ Date, arrival and departure times, weather, and general conditions
- ☐ Everyone present, by name and role
- ☐ A room-by-room or area-by-area narrative, cross-referenced to photo numbers
- ☐ Measurements of every affected area
- ☐ Statements made on scene — quoted or carefully paraphrased, with context
- ☐ Your preliminary observations: damage consistent with the reported cause, damage that may not be, possible pre-existing conditions
- ☐ Open questions and next steps

Write every note as if it will be read aloud in a courtroom. Factual, neutral, professional. "Insured stated the roof was inspected six months ago" is evidence; "insured

was difficult” is a liability.

The reproducibility test

Here is the single standard that separates professional documentation from everything else: **could another adjuster, given only your photos, your sketch, and your notes, reproduce your scope and your numbers without ever talking to you?** If yes, your file is defensible. If no, your file is exposed — and so is your client’s claim.

Valuation Quick Reference

After “is it covered?” the most consequential question on any property claim is “how much?” The same hail-damaged roof can settle for wildly different amounts depending on the valuation framework the policy dictates. Know the math better than the person across the table.

The core formulas

Depreciation rate = Age ÷ Expected useful life

Depreciation amount = RCV × Depreciation rate

ACV = RCV − Depreciation amount

- **RCV (Replacement Cost Value):** the cost to replace the damaged property with like kind and quality at current prices, with no deduction for depreciation.
- **ACV (Actual Cash Value):** most commonly, replacement cost minus depreciation. (Courts have also recognized fair market value and a broad-evidence approach in appropriate cases, but RCV-minus-depreciation is the working default in the field.)

Useful-life reference table

Straight-line depreciation runs off expected useful life. Carrier tables vary — always ask which table applies and confirm it’s applied consistently — but these are standard working figures:

Component	Expected Useful Life
Composition shingle roof	20–25 years (Texas heat pushes some carriers to 20)
Wood shake roof	25–30 years
Tile or slate roof	50+ years
HVAC system	15–20 years
Water heater	10–12 years
Carpet	10–12 years
Vinyl flooring	15–20 years

Component	Expected Useful Life
Hardwood flooring	50+ years
Painted walls	5–7 years
Major appliances	10–15 years

Recoverable depreciation — the holdback

On replacement-cost policies, the carrier typically pays in two installments:

1. **ACV up front** at settlement.
2. **The withheld depreciation released** when the insured actually replaces the property and submits proof (invoices, receipts).

If the insured never replaces, the holdback is never released and the insured keeps only the ACV. Public adjusters earn their fee here constantly: tracking holdbacks, submitting completion documentation, and making sure recoverable depreciation actually gets recovered.

Worked example — the roof claim

A 12-year-old composition shingle roof, 25-year expected life. Hail damage assessed at **$19,000 RCV**. Policy has a $1,000 deductible and replacement-cost settlement.

Step	Calculation	Result
Depreciation rate	12 ÷ 25	48%
Depreciation amount	$19,000 × 0.48	$9,120
ACV	$19,000 − $9,120	$9,880
Initial payment	$9,880 − $1,000 deductible	**$8,880**
Recoverable depreciation (held back)		$9,120
Released on proof of replacement		**$9,120**

Total paid: $8,880 + $9,120 = $18,000. Add the insured's $1,000 deductible and the math closes at the $19,000 RCV.

The Texas trap: the ACV roof endorsement

Many Texas policies carry an **ACV loss-settlement endorsement for windstorm or hail damage to roof surfacing** (ISO form HO 04 81 or a carrier equivalent). When it's on the policy:

- Wind/hail damage to roof surfacing settles at **ACV only** — the depreciation is **permanent**, never recoverable, even if the insured replaces the roof.
- In the example above, the insured's total recovery on the roof would stop at $8,880. The $9,120 depreciation stays with the insured, forever.
- The endorsement applies only to roof surfacing and only to wind/hail. A fire loss to the same roof still settles at replacement cost.

Reading the declarations page and every endorsement before you value a claim is not optional in Texas. It is the difference between an accurate settlement expectation and an embarrassing one.

Valuation checklist

- ☐ Identify the loss-settlement basis from the policy: ACV, RCV, functional replacement, stated value, or agreed value
- ☐ Pull every endorsement that modifies loss settlement (ACV-roof endorsements especially)
- ☐ Establish RCV from a complete, current, locale-priced scope
- ☐ Apply depreciation from a documented table — age, expected life, condition
- ☐ Apply the correct deductible (flat vs. wind/hail percentage)
- ☐ Track recoverable depreciation and calendar the replacement-proof submission
- ☐ Show your math in writing, line by line — and require the carrier to show theirs

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Estimate & Scope

The estimate is the central work product of every property claim. The coverage letters, the negotiations, the appraisal demand if it comes to that — everything orbits the estimate. Three things make an estimate strong: the **scope is complete**, the **pricing is current and local**, and the **work product is reproducible** by an outside reviewer.

The line-item method

The industry standard is line-item estimating, implemented in platforms like Xactimate (Verisk) and Symbility (CoreLogic). The estimate is a sequential list of individual labor and material items, each with a quantity, a unit of measure, and a localized unit cost. A single line looks like this:

> 1/2” drywall — hung, taped, floated, ready for paint — 64 SF @ $2.85/SF = $182.40

That 64 square feet isn’t a guess — it’s an 18-inch band of water-damaged drywall running 42 feet of bathroom perimeter, measured on scene and documented in the photos and sketch. A complete bathroom water-loss scope might run a dozen or more lines beyond the drywall: demolition, baseboard, vanity removal and reset, flooring, subfloor drying, debris removal, primer, paint, finish cleaning. The estimate is the sum, and every line traces back to the documentation.

Scope completeness is where the money is

Incomplete scope is the number one source of underpaid claims. A carrier scope that captures 92% of the loss leaves 8% of your client’s money on the table — and that 8% is precisely the public adjuster’s hunting ground. Work from a written per-peril scope checklist so the predictable items never get missed: on a hail roof, that means tear-off,

underlayment, shingles, ridge cap, drip edge, step flashing, pipe boots, ridge vents, and permits — not just "replace shingles." Then check the adjacent trades: gutters, window screens, siding, fencing, HVAC condenser fins, painting.

Compare estimates line by line, not bottom line against bottom line. A carrier estimate that's $6,000 light is $6,000 light for specific, findable reasons.

Pricing: current and local

Line-item platforms publish localized price lists updated on a regular cycle. Two questions to ask of any estimate, yours or theirs:

1. **Is the price list current?** During material-price inflation, a months-old list produces numbers the local market will not reproduce.
2. **Is it the right locale?** Metro pricing applied to a rural claim — or vice versa — diverges from what contractors will actually charge.

Overhead and profit — the three-trade convention

For losses complex enough to need a general contractor's coordination, an additional **10% overhead and 10% profit ("10 and 10")** is customarily added on top of the line items. The common industry convention — not universal, but widely applied — is the **three-trade rule**: when the scope involves three or more distinct trades (say, roofing, drywall, and painting), general-contractor O&P belongs in the estimate. Texas courts have recognized that overhead and profit should be paid when it is reasonably likely to be incurred. A carrier estimate that spans four trades and omits O&P is short by 20% of the subtotal — check for it on every multi-trade loss.

Supplements

When new damage surfaces or the scope grows during repairs, a documented supplemental estimate — measurements, photos, current pricing — is a legitimate and routine part of the claim. Submit supplements with the same documentation discipline as the original scope, and remember the carrier's prompt-pay obligations apply to its handling of the supplement as well.

Fraud Red Flags

Public adjusters sit in a trust position: a fiduciary to the client (§4102.111) and a licensee whose signature goes on sworn claim documents. Fraud awareness protects you three ways — it keeps you from being recruited into someone else's scheme, it tells you when to decline an engagement, and it helps you understand why a carrier's Special Investigation Unit is suddenly interested in your file.

The governing principle: clusters, not single flags. No single indicator proves fraud. A late-reported claim is not fraud. Thin documentation is not fraud. What warrants stepping back is a *cluster* of indicators in one file with no innocent explanation. When you see that cluster, slow down — and remember that misrepresenting facts on

a claim (§4102.159) is a license-ending event, whether the misrepresentation started with you or you merely passed it along.

Fire losses — the classic cluster

- ☐ Fire investigator findings of multiple points of origin or accelerant
- ☐ Smoke detectors disabled or missing before the fire
- ☐ Family photos, documents, pets, or high-value items removed shortly before the loss
- ☐ Loss occurring soon after policy issuance, a limits increase, or new endorsements
- ☐ Financial distress: mortgage default, tax liens, failing business, pending divorce
- ☐ Forced-entry signs that don't match a real break-in (glass broken from the inside out)
- ☐ An insured who volunteers a cause ("probably the electrical panel") before anyone has investigated

Water losses and contractor-driven inflation

This category matters most to public adjusters, because these schemes actively recruit licensees:

- ☐ Repair scope covering rooms and structures the water never touched
- ☐ Roof replacement scoped when only one slope was damaged
- ☐ Drying-equipment rental billed for two to three times the days the drying required
- ☐ Mold remediation billed with no testing and no detection
- ☐ Pack-out and storage charges wildly disproportionate to the affected contents
- ☐ A recently formed contractor entity that appeared in the neighborhood right after the storm
- ☐ The same contractor, mitigation company, and referral network appearing together across many files

A note on your own conduct: a Texas public adjuster may not also participate in the repair or contracting business on a claim (§4102.163), and paying or receiving referral fees is barred (§§4102.160, .164). The contractor who offers you a "partnership" on his storm files is offering you a license revocation.

Contents, jewelry, and "mysterious disappearance"

- ☐ No receipt, appraisal, or photograph — the claim rests entirely on the insured's word
- ☐ Items scheduled or appraisal values raised 30–90 days before the loss
- ☐ No identifiable loss event — the item is simply "gone"
- ☐ High-value items kept in implausible places, or losses during travel where no scene can be examined
- ☐ Multiple unscheduled items stacked to reach a large total
- ☐ Prior similar claims at other carriers

Across every claim type

- ☐ A pattern of prior claims by the same insured
- ☐ Claims filed within weeks of policy issuance, reinstatement, or upgrade
- ☐ Intense pressure for fast settlement combined with refusal to document
- ☐ Statements that contradict the physical evidence, the reports, or earlier statements
- ☐ Refusal to cooperate with inspection, documentation, or examination under oath

When a prospective client's file presents a cluster like this, the professional move is to decline the engagement and document why. No 10% fee is worth your license — or a criminal referral.

What You May Not Do

Subchapter D of Chapter 4102 (§§4102.151–.164) is the prohibited-practices catalog. This is the part of the statute most tested on the exam and most enforced in the field.

Contract violations. Working without the commissioner-approved contract form, omitting the 72-hour rescission provision, or omitting the 12-point boldface **WE REPRESENT THE INSURED ONLY** notice (§4102.103). Remember §4102.207: a contract obtained in violation of the chapter can be voided by the insured — your fee evaporates with it.

Fee violations. Charging more than the flat 10% cap (§4102.104(a)); taking a percentage commission when the carrier paid or committed in writing to policy limits within 72 hours of the loss being reported (§4102.104(b)).

Solicitation violations. Soliciting during the progress of a loss-producing natural disaster (§4102.151) or during the restricted hours of the day (§4102.152). Storm-chasing door-knocks while the event is still under way are exactly what §4102.151 targets.

Practicing law (§4102.156). You may negotiate and effect settlement of the property claim. You may not give legal advice, interpret the client's legal rights beyond the adjustment of the claim, or engage in the practice of law. When a claim needs a lawyer, say so — and stop there. No referral fee for the handoff, either.

Conflicts of interest (§4102.158). You serve one master: the insured. Undisclosed interests on the other side of the claim are prohibited.

Misrepresentation (§4102.159). Misrepresenting facts to any party in the claim — carrier or client — is a violation independent of everything else.

Referral payments (§§4102.160, .164). Paying for claim referrals, or accepting payment for referring claims out, is barred.

The contractor bar (§4102.163). A public adjuster may not participate in the reconstruction, repair, or contracting side of a claim they are adjusting. The roles are incompatible by statute — the person who writes the scope cannot be the person paid to perform it.

Recordkeeping failures (§4102.110). The enumerated records must be maintained in Texas for at least 5 years after the transaction terminates. "The files were on my old laptop" is not a defense at a TDI audit.

The safe operating posture is simple: one role (adjuster for the insured), one fee (up to 10%, from the client, disclosed in the approved contract), one file (complete, contemporaneous, kept in Texas for five years).

Getting Licensed

Here is the path from where you are to a Texas Public Adjuster license, in order. Chapter 4102's license requirements live in Subchapter B (§§4102.051–.068).

1. **Prepare for the exam.** The examination requirement is §4102.057 (limited exemptions at §4102.058). The exam covers the Texas statutes and rules in this guide plus general adjusting knowledge — claims handling, policy forms, valuation, ethics. This is where structured exam prep pays for itself.
2. **Pass the state exam.** TDI administers licensing exams through its testing vendor, Pearson VUE. Schedule, sit, pass. Check TDI's current candidate information for registration procedures and the current exam fee schedule.
3. **Submit your license application to TDI.** Complete the application and pay the fee — check TDI's current fee schedule, as amounts change.
4. **Complete fingerprinting.** Fingerprint-based background checks flow from the general licensing statute (Tex. Ins. Code §4001.103) and TDI rule — they apply to public adjuster applicants even though you won't find a fingerprint section numbered inside Chapter 4102.
5. **File proof of financial responsibility (§4102.105).** The amount is set by the commissioner by rule, and the commissioner may accept a surety bond or a professional liability policy. Do not rely on any dollar figure you read in a forum — check TDI's current rule and get the correct instrument in the correct amount.
6. **Maintain the license.** Continuing education is required (§4102.109), your records stay in Texas for five years (§4102.110), and your contract form, fee practices, and solicitation conduct stay inside the lines drawn in this guide.

A realistic timeline from "decided to do this" to "licensed and working" is measured in weeks, not years — the pace is mostly set by how quickly you're ready to pass the exam.

Ready to Get Licensed? Start Here.

You've just read the kind of material we build every course from: statute-verified, field-tested, and written for people who intend to actually do this work.

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And one more thing. Every new adjuster who trains with us gets a **free introduction to ClaimZilla claims software** — so the day your license arrives, your file management, documentation, and claim tracking are already set up like a professional's.

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