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INSURANCE CODE - INS

DIVISION 5. INSURANCE ADJUSTERS [14000 - 16032] (*Division 5 added by Stats. 1980, Ch. 1190, Sec. 11.*)

CHAPTER 1. Insurance Adjuster Act [14000 - 14099] (*Chapter 1 added by Stats. 1980, Ch. 1190, Sec. 11.*)

ARTICLE 4. Bonds [14050 - 14054] (*Article 4 added by Stats. 1980, Ch. 1190, Sec. 11.*)

14050. (a) A license shall not be issued under this chapter unless the applicant files with the commissioner a surety bond executed by a surety company authorized to do business in the state in the sum of two thousand dollars (\$2,000) conditioned for the faithful and honest conduct of business by the applicant. The bond's form, execution, and sufficiency of the sureties shall be approved by the commissioner.

(b) (1) Notwithstanding subdivision (a), a surety bond is not required for a licensed insurance adjuster, or an employee of a licensee, who adjusts claims on behalf of, and under the direction of, a licensee who is qualified as a manager, as described in Section 14029, and who has filed a surety bond or certificate of insurance. Notwithstanding subdivision (a), a licensed insurance adjuster, an employee of a licensee, or a qualified manager is not required to file a surety bond or certificate of insurance if that licensed insurance adjuster, employee of a licensee, or qualified manager adjusts claims for an association, organization, partnership, limited liability company, or corporation that has filed a surety bond or certificate of insurance.

(2) A surety bond or certificate of insurance filed for the purposes described in paragraph (1) shall provide the names of all licensed insurance adjusters, employees, or qualified managers who may perform duties under that surety bond or certificate of insurance on a form provided by the commissioner. Any changes, removals, or additions to the licensed insurance adjusters, employees, or qualified managers listed on the form shall be made within 30 days in the manner required by the commissioner.

(Amended by Stats. 2021, Ch. 627, Sec. 21. (AB 1511) Effective January 1, 2022.)

14051. The bond required by this article shall be taken in the name of the people of this state and every person injured by the willful, malicious, or wrongful act of the principal may bring an action on the bond in his or her own name to recover damages suffered by reason of such willful, malicious, or wrongful act.

(Added by Stats. 1980, Ch. 1190, Sec. 11. Operative July 1, 1981, by Sec. 13 of Ch. 1190.)

14052. (a) Every licensee who is required by this article to file a surety bond or a certificate of insurance shall at all times maintain on file the surety bond or certificate required by this article in full force and effect and shall maintain the names of all licensed insurance adjusters, employees, or qualified managers who may perform duties under that surety bond or certificate of insurance. If the licensee fails to maintain the surety bond or certificate or the names thereon, their license shall be immediately suspended and shall not be reinstated until an application therefor, in the form prescribed by the commissioner, is filed together with a proper surety bond or certificate.

(b) The commissioner may deny the application notwithstanding the applicant's compliance with this section:

(1) For any reason that would justify a refusal to issue, or a suspension or revocation of, a license.

(2) For the performance by applicant of any practice while under suspension for failure to keep the bond or certificate in force, for which a license under this article is required.

(Amended by Stats. 2021, Ch. 627, Sec. 22. (AB 1511) Effective January 1, 2022.)

14053. In lieu of the surety bond required by this article there may be deposited with the State of California the sum of two thousand dollars (\$2,000) in cash, or evidence of deposit of the sum of two thousand dollars (\$2,000) in banks authorized to do business in this state and insured by the Federal Deposit Insurance Corporation, or investment certificates or share accounts in the amount of two thousand dollars (\$2,000) issued by a savings association doing business in this state and insured by the Federal Deposit

Insurance Corporation, or evidence of a certificate of funds or share account of the sum of two thousand dollars (\$2,000) in a credit union, as defined in Section 14000 of the Financial Code, whose share deposits are guaranteed by the National Credit Union Administration or guaranteed by any other agency approved by the Department of Financial Protection and Innovation.

(Amended by Stats. 2022, Ch. 452, Sec. 199. (SB 1498) Effective January 1, 2023.)

14054. Bonds executed and filed with the commissioner pursuant to this article shall remain in force and effect until the surety has terminated future liability by 30-day notice to the commissioner.

(Added by Stats. 1980, Ch. 1190, Sec. 11. Operative July 1, 1981, by Sec. 13 of Ch. 1190.)