

# 2014 -- H 7544 SUBSTITUTE B

LC004751/SUB B

## STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

RELATING TO INSURANCE - CLAIMS ADJUSTERS

Introduced By: Representatives Marshall, O'Brien, Winfield, and Martin

Date Introduced: February 26, 2014

Referred To: House Corporations

(Business Regulation)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 27-10-1, 27-10-2, 27-10-3, 27-10-5, 27-10-6, 27-10-7, 27-10-8,  
2 27-10-11, 27-10-12 and 27-10-13 of the General Laws in Chapter 27-10 entitled "Claim  
3 Adjusters" are hereby amended to read as follows:

4 **27-10-1. Applicability Purpose and scope. --** ~~The provisions of this chapter shall apply~~  
5 ~~to insurance claim adjusters. For the purposes of this chapter "insurance claim adjusters" means~~  
6 ~~any person, who or which:~~

7 ~~(1) Engages for compensation in negotiating adjustments of insurance claims on behalf~~  
8 ~~of an insurance company, other than life and accident and health insurance claims, under any~~  
9 ~~policies of insurance or who advertises or holds himself or herself out as engaging in that activity~~  
10 ~~or who solicits that activity;~~

11 ~~(2) Is known or holds himself, herself, or itself out as a "public adjuster". A public~~  
12 ~~adjuster is any person who, for compensation or any other thing of value on behalf of the insured:~~

13 ~~(i) Acts or aids, solely in relation to first party claims arising under insurance contracts,~~  
14 ~~other than automobile, life, accident and health, that insure the real or personal property of the~~  
15 ~~insured, on behalf of an insured in negotiating for, or effecting the settlement of, a claim for loss~~  
16 ~~or damage covered by an insurance contract;~~

17 ~~(ii) Advertises for employment as a public adjuster of insurance claims or solicits~~  
18 ~~business or represents himself or herself to the public as a public adjuster of first party insurance~~  
19 ~~claims for losses or damages arising out of policies of insurance that insure real or personal~~

1 ~~property;~~

2 ~~(iii) Directly or indirectly solicits business, investigates or adjusts losses, or advises an~~

3 ~~insured about first party claims for losses or damages arising out of policies of insurance that~~

4 ~~insure real or personal property for another person engaged in the business of adjusting losses or~~

5 ~~damages covered by an insurance policy, for the insured; or~~

6 ~~(3) Advertises or solicits business as an adjuster, or holds himself or herself out to the~~

7 ~~public as engaging in adjusting as a business. This chapter governs the qualifications and~~

8 ~~procedures for the licensing of: (1) Public adjusters; (2) Company adjusters; and (3) Independent~~

9 ~~adjusters. It specifies the duties of, and restrictions on, public, company, and independent~~

10 ~~adjusters. The restrictions on public adjusters include limiting their licensure to assisting insureds~~

11 ~~in first-party claims.~~

12 **27-10-2. Persons exempt.** -- The provisions of this chapter shall not apply to the

13 following:

14 (1) An attorney at law admitted to practice in this state, acting in ~~the usual course of~~ his

15 or her ~~profession~~ professional capacity as an attorney;

16 (2) Either an insurance producer of a domestic insurance company or an insurance

17 producer duly licensed by the insurance commissioner, when the insurance producer adjusts, or

18 assists in the adjustment of, claims arising only under policies of insurance or fidelity or surety

19 bonds negotiated, solicited, or effected by him or her or by the insurance producer, whether the

20 insurance producer is a person, partnership, or corporation, for which he or she acts; ~~or~~

21 ~~(3) Any employee or agent of a company, or an insurance producer licensed by the~~

22 ~~commissioner, who acts in the settlement of claims of two thousand five hundred dollars (\$2,500)~~

23 ~~or less~~ A person who negotiates or settles claims arising under a life or health insurance policy or

24 an annuity contract;

25 (4) A person employed only for the purpose of obtaining facts surrounding a loss or

26 furnishing technical assistance to a licensed adjuster, including photographers, estimators, private

27 investigators, engineers, and handwriting experts;

28 (5) An individual who is employed to investigate suspected fraudulent insurance claims

29 but who does not adjust losses or determine claims payments;

30 (6) A person who solely performs executive, administrative, managerial, or clerical

31 duties, or any combination thereof, and who does not investigate, negotiate, or settle claims with

32 policyholders, claimants, or their legal representative;

33 (7) A licensed health care provider or its employee who provides managed care services

34 as long as the services do not include the determination of compensability;

1 (8) A managed care organization or any of its employees or an employee of any  
2 organization providing managed care services so long as the services do not include the  
3 determination of compensability;

4 (9) A person who settles only reinsurance or subrogation claims;

5 (10) A person who investigates, negotiates, or settles life, accident and health, annuity, or  
6 disability insurance claims;

7 (11) An individual employee, under a self-insured arrangement, who adjusts claims on  
8 behalf of their employer;

9 (12) A person authorized to adjust workers' compensation or disability claims under the  
10 authority of a third-party administrator (TPA) license pursuant to chapter 20.7 of title 27;

11 (13) A person who adjusts claims for portable electronic insurance offered pursuant to  
12 chapter 2.7 of title 27.

13 **27-10-3. Issuance of license.** -- (a) The insurance commissioner may, ~~upon the payment~~  
14 ~~of a license fee of one hundred twenty dollars (\$120) plus an application fee established by the~~  
15 ~~commissioner,~~ issue to any person a license to act as either an insurance claims a: public adjuster;  
16 company adjuster; or independent adjuster once that person ~~satisfies the reasonable requirements~~  
17 ~~for the issuance of the license, as established by the commissioner.~~ files an application in a format  
18 prescribed by the department and declares under penalty of suspension, revocation, or refusal of  
19 the license that the statements made in the application are true, correct, and complete to the best  
20 of the individual's knowledge and belief. Before approving the application, the department shall  
21 find that the individual:

22 (1) Is at least eighteen (18) years of age;

23 (2) Is eligible to designate this state as his or her home state;

24 (3) Is trustworthy, reliable, and of good reputation, evidence of which shall be determined  
25 by the department;

26 (4) Has not committed any act that is a ground for probation, suspension, revocation, or  
27 refusal of a professional license as set forth in § 27-10-12;

28 (5) Has successfully passed the examination for the line(s) of authority for which the  
29 person has applied;

30 (6) Has paid a fee of one hundred and fifty dollars (\$150).

31 (b) A Rhode Island resident business entity acting as an insurance adjuster may elect to  
32 obtain an insurance adjusters license. Application shall be made using the uniform business entity  
33 application. Prior to approving the application, the insurance commissioner shall find both of the  
34 following:

1 (1) The business entity has paid the appropriate fees.

2 (2) The business entity has designated a licensed adjuster responsible for the business  
3 entity's compliance with the insurance laws and rules of this state.

4 (c) The department may require any documents reasonably necessary to verify the  
5 information contained in the application.

6 ~~**27-10-5. Application for license -- Accompanying papers License. -- An application**~~  
7 ~~**by a person applying for the first time for a license to act as an insurance claim adjuster, shall be**~~  
8 ~~**on a form furnished by the insurance commissioner and provide all of the information required by**~~  
9 ~~**the insurance commissioner for licensing.**~~ (a) Unless denied licensure, persons who have met the  
10 requirements of § 27-10-3 shall be issued either a public, company, or independent adjuster  
11 license.

12 (b) A company or independent adjuster may qualify for a license in one or more of the  
13 following lines of authority:

14 (1) Property and casualty;

15 (2) Workers Compensation; or

16 (3) Crop.

17 (c) An individual may not hold both a public adjuster and a company or independent  
18 adjuster license at the same time.

19 (d) An adjuster license shall remain in effect unless probated, suspended, revoked, or  
20 refused as long as a biennial application for renewal and fee set forth in § 27-10-3(a)(6) is paid  
21 and all other requirements for license renewal are met by the due date; otherwise, the license  
22 expires.

23 (e) An adjuster whose license expires may, within twelve (12) months of the renewal  
24 date, be reissued an adjuster license upon receipt of the renewal request, as prescribed by the  
25 department. However, a penalty in the amount of fifty dollars (\$50.00) in addition to the renewal  
26 fee shall be required to reissue the expired license.

27 (f) An adjuster who is unable to comply with license renewal procedures and  
28 requirements due to military service, long-term medical disability, or some other extenuating  
29 circumstance may request a waiver of same and a waiver of any examination requirement, fine, or  
30 other sanction imposed for failure to comply with renewal procedures.

31 (g) An adjuster shall be subject to chapters 9.1 and 29 of title 27.

32 (h) The adjuster shall inform the department by any means acceptable of any change in  
33 resident or business address(es) for the home state or in legal name within thirty (30) days of the  
34 change.

1 (i) In order to assist in the performance of the department's duties, the department may  
2 contract with non-governmental entities, including the National Association of Insurance  
3 Commissioners (NAIC), its affiliates or subsidiaries, to perform any ministerial functions,  
4 including the collection of fees and data, related to licensing that the insurance commissioner may  
5 deem appropriate.

6 ~~**27-10-6. Minimum percentage of licensed adjusters — Examination. -- Any person**~~  
7 ~~who desires to act as an insurance claim adjuster or who is employed by an insurance company~~  
8 ~~doing business in the state of Rhode Island and desires to act within the state as an insurance~~  
9 ~~adjuster shall make a written application to the insurance commissioner for a license to engage in~~  
10 ~~this type of business. All insurance claims adjusters and those employed by insurance companies~~  
11 ~~in the state of Rhode Island as of January 1, 1976, who hold current and valid licenses including~~  
12 ~~all persons engaged in the business of public adjusting as of June 12, 1985 shall automatically~~  
13 ~~qualify for a license to handle the various lines of business for which they are qualified. Insurance~~  
14 ~~claim adjusters who have less than one year's experience adjusting claims shall be classified as~~  
15 ~~trainees and it will be necessary for them to obtain a license to adjust claims in the state of Rhode~~  
16 ~~Island in accordance with the provisions of this section. No insurance company shall have more~~  
17 ~~than twenty five percent (25%) of its insurance claim adjusters in a trainee classification where~~  
18 ~~that adjusting force consists of at least ten (10) people; this shall not apply to company training~~  
19 ~~programs to qualify personnel in other jurisdictions. A minimum of seventy five percent (75%) of~~  
20 ~~the insurance claim adjusters in any claims office shall be licensed insurance claim adjusters in~~  
21 ~~the state of Rhode Island. (a) The commissioner~~ department shall subject the applicant to a  
22 written examination as to his or her competency to act as an insurance claim adjuster. ~~These~~  
23 ~~examinations shall be conducted at the discretion of the commissioner, but in no event less than~~  
24 ~~quarterly~~ The examination shall test the knowledge of the individual concerning the duties and  
25 responsibilities of an adjuster and the insurance laws and regulations of this state.

26 (b) The department may make arrangements, including contracting with an outside  
27 testing service, for administering examinations and collecting a nonrefundable fee for the  
28 examination.

29 (c) Each individual applying for an examination shall remit a non-refundable fee as  
30 prescribed by the department.

31 (d) An individual who fails to appear for the examination as scheduled or fails to pass the  
32 examination shall reapply for an examination and remit all required fees and forms before being  
33 rescheduled for another examination.

34 (e) The department may accept successful completion of an examination administered by

1 a federal entity in substitute for a state examination for the crop line of authority for  
2 company/independent adjusters.

3 ~~**27-10-7. Term of license -- Renewal -- Suspension or revocation. Exemptions from**~~  
4 ~~**examination. --**~~ The insurance commissioner shall promulgate rules and regulations mandating  
5 the term of licensure for any claim adjuster license. No license shall remain in force for a period  
6 in excess of four (4) years. Nothing in this section shall be construed to limit the authority of the  
7 insurance commissioner to sooner suspend or revoke any claim adjuster license. Any action for  
8 suspension or revocation of any claim adjuster license shall be in accordance with the  
9 Administrative Procedures Act, chapter 35 of title 42, upon proof that the license was obtained by  
10 fraud or misrepresentation, or that the interests of the insurer or the interests of the public are not  
11 properly served under the license, or for cause. No claim adjuster license shall be issued by the  
12 commissioner to a person whose license has been suspended or revoked within three (3) years  
13 from the date of that revocation or suspension. Each license shall be renewed upon payment of a  
14 fee assessed at an annual rate of sixty dollars (\$60.00). The fee for the total term of licensure shall  
15 be payable at the time of renewal. (a) An individual who applies for an adjuster license in this  
16 state who was previously licensed as an adjuster in another state based on an adjuster examination  
17 shall not be required to complete the examination. This exemption is only available if the person  
18 is currently licensed in that state, or if the application is received within twelve (12) months of the  
19 cancellation of the applicant's previous license and if the prior state issues a certification that, at  
20 the time of cancellation, the applicant was in good standing in that state or the state's database  
21 records or records maintained by the NAIC, its affiliates, or subsidiaries, indicate that the adjuster  
22 is or was licensed in good standing.

23 (b) A person licensed as an adjuster in another state based on an adjuster examination  
24 who moves to this state shall make application within ninety (90) days of establishing legal  
25 residence to become a resident licensee. No examination shall be required of that person to obtain  
26 an adjuster license.

27 ~~**27-10-8. Emergency licenses. --**~~ (a) ~~Notwithstanding any of the provisions of this~~  
28 ~~chapter,~~ In the event of a declared catastrophe, an insurer shall notify the department, via an  
29 application for temporary emergency licensure, ~~commissioner may permit an experienced~~  
30 ~~adjuster to~~ of each individual, not already licensed in the state where the catastrophe has been  
31 declared, who will act as an emergency company or independent adjuster ~~in this state without a~~  
32 ~~Rhode Island license if:~~ on behalf of the insurer.

33 ~~(1) The adjuster is either a licensed adjuster in another state which requires a license or~~  
34 ~~regularly adjusts in another state where such licensing is not required and works for an insurance~~

1 ~~company authorized to do business in Rhode Island;~~

2 ~~(2) He or she is engaged in emergency insurance adjustment work during the period of~~  
3 ~~emergency only, as determined by the commissioner.~~

4 ~~(b) The experienced adjuster may work in this state either for an employer who is an~~  
5 ~~adjuster licensed by this state, or for a regular employer of one or more adjusters licensed by this~~  
6 ~~state, or for an insurance company authorized to do business in this state; provided, that the~~  
7 ~~employer or insurer shall furnish to the commissioner a notice in writing or electronically~~  
8 ~~promptly after the beginning of any emergency insurance adjustment work. The adjuster may~~  
9 ~~adjust claims from within or outside the state.~~

10 ~~Emergency licenses permitted under this section shall not exceed one hundred twenty~~  
11 ~~(120) days, unless extended by the commissioner.~~

12 ~~(c) As used in this section, "emergency insurance adjustment work" includes, but is not~~  
13 ~~limited to:~~

14 ~~(1) Adjustment of a single loss or losses arising out of an event or catastrophe common~~  
15 ~~to all of those losses; or~~

16 ~~(2) Adjustment of losses in any area declared to be a state of disaster by the governor of~~  
17 ~~the state of Rhode Island or by the president of the United States under applicable federal law.~~

18 (b) A person who is otherwise qualified to adjust claims, but not already licensed in this  
19 state where the catastrophe has been declared, may act as an emergency company or independent  
20 adjuster and adjust claims, if, within five (5) days of deployment to adjust claims arising from the  
21 declared catastrophe, the insurer notifies the department by providing the following information  
22 in a format prescribed by the insurance commissioner:

23 (1) Name of the individual;

24 (2) Social security number of individual;

25 (3) Name of insurer the company or independent adjuster will represent;

26 (4) Effective date of the contract between the insurer and company or independent  
27 adjuster, if applicable;

28 (5) Catastrophe or loss control number;

29 (6) Catastrophe event name; and

30 (7) Other information the department deems necessary.

31 (c) An emergency company or independent adjuster's license shall remain in force for a  
32 period not to exceed ninety (90) days, unless extended by the department.

33 (d) Any person licensed as an emergency company or independent adjuster must comply  
34 with all laws of this state in the same manner as if he or she had been issued a company or

1 independent adjuster and both he or she and the insurer for whom the adjuster is working are  
2 responsible in the same manner as they would be if the adjuster was a fully licensed adjuster.

3 (e) There is no fee payable to the state for the licensing of the emergency adjuster.  
4 However, in order to assist in the performance of the department's duties, the department may  
5 contract with non-governmental entities, including the NAIC, its affiliates, or subsidiaries, to  
6 perform any ministerial functions related to licensing that the department may deem appropriate  
7 and the applicant is responsible for the fee associated with these services as determined by the  
8 department.

9 (f) Public adjusters are not eligible for licensing under this section.

10 **27-10-11. Penalty for violations.** -- Any person who acts as an ~~insurance claim~~ adjuster,  
11 other than for life and accident and health insurance, without holding a current, valid license as  
12 provided in this chapter, or shall act in any manner in the negotiation of any insurance claim  
13 agreement in violation of any provision of this chapter, shall be punished by ~~a~~ an order to cease  
14 and desist such practices and fine or other penalty in accordance with the standards of § 42-14-16.  
15 ~~of not more than five hundred dollars (\$500) or by imprisonment for not more than three (3)~~  
16 ~~months, or both, for each offense. In addition, the insurance commissioner shall be empowered to~~  
17 ~~revoke or suspend any license issued under this chapter for the violation of this chapter, as~~  
18 ~~provided in section 27-10-7.~~

19 **27-10-12. Enforcement License denial, non-renewal, or revocation.** -- ~~The insurance~~  
20 ~~commissioner shall enforce the provisions of this chapter and shall have the authority to~~  
21 ~~promulgate all reasonable rules and regulations necessary to effect and to enforce the purposes~~  
22 ~~and provisions of this chapter.~~ (a) The insurance commissioner may place on probation, suspend,  
23 revoke, or refuse to issue or renew an adjuster's license or may levy a civil penalty in accordance  
24 with § 42-14-16 or any combination of actions for any one or more of the following causes:

25 (1) Providing incorrect, misleading, incomplete, or materially untrue information in the  
26 license application;

27 (2) Violating any insurance laws, or violating any regulation, subpoena, or order of the  
28 insurance commissioner or of another state's insurance commissioner;

29 (3) Obtaining or attempting to obtain a license through misrepresentation or fraud;

30 (4) Improperly withholding, misappropriating, or converting any monies or properties  
31 received in the course of doing insurance business;

32 (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract or  
33 application for insurance;

34 (6) Having been convicted of a felony;



1           (7) Having admitted, or been found to have committed, any insurance unfair trade  
2 practice or insurance fraud;

3           (8) Using fraudulent, coercive, or dishonest practices; or demonstrating incompetence,  
4 untrustworthiness or financial irresponsibility in the conduct of business in this state or  
5 elsewhere;

6           (9) Having an insurance license, or its equivalent, denied, suspended, or revoked in any  
7 other state, province, district, or territory;

8           (10) Forging another's name to an application for insurance or to any document related to  
9 an insurance transaction;

10          (11) Cheating, including improperly using notes or any other reference material, to  
11 complete an examination for an insurance license;

12          (12) Knowingly accepting insurance business from an individual who is not licensed but  
13 who is required to be licensed by the department;

14          (13) Failing to comply with an administrative or court order imposing a child support  
15 obligation; or

16          (14) Failing to pay state income tax or comply with any administrative or court order  
17 directing payment of state income tax.

18          (b) In the event that the action by the department is to deny an application for or not  
19 renew a license, the department shall notify the applicant or licensee and advise, in writing, the  
20 applicant or licensee of the reason for the non-renewal or denial of the applicant's or licensee's  
21 license. The applicant or licensee may make written demand upon the department within ten (10)  
22 days for a hearing before the department to determine the reasonableness of the insurance  
23 commissioner's action. The hearing shall be held pursuant to the Administrative Procedures Act,  
24 chapter 35 of title 42.

25          (c) The license of a business entity may be suspended, revoked, or refused if the  
26 department finds, after hearing, that an individual licensee's violation was known, or should have  
27 been known, by one or more of the partners, officers, or managers acting on behalf of the  
28 business entity and the violation was neither reported to the department nor corrective action  
29 taken.

30          (d) In addition to, or in lieu of, any applicable denial, suspension or revocation of a  
31 license, a person may, after hearing, be subject to a civil fine according to § 42-14-16.

32          (e) The department shall retain the authority to enforce the provisions of and impose any  
33 penalty or remedy authorized by this chapter and § 42-14-16 against any person who is under  
34 investigation for, or charged with, a violation of this chapter or title even if the person's license

1 [has been surrendered or has lapsed by operation of law.](#)

2 **27-10-13. Rules and regulations.** -- The insurance commissioner shall have the authority  
3 to promulgate all reasonable rules and regulations necessary to effect and to enforce the purposes  
4 and provisions of this chapter. [Included within this authority is the power to set standards for](#)  
5 [public adjuster fees, the terms of the contract between a public adjuster and a consumer, and](#)  
6 [requirements for escrow accounts held by public adjusters for funds held on behalf of others.](#)

7 SECTION 2. Chapter 27-10 of the General Laws entitled "Claim Adjusters" is hereby  
8 amended by adding thereto the following sections:

9 **27-10-1.1. Definitions.** -- (a) ["Adjuster" means an individual licensed as either a public](#)  
10 [company or independent adjuster.](#)

11 [\(b\) "Catastrophic disaster" according to the Federal Response Plan, means an event that](#)  
12 [results in large numbers of deaths and injuries; causes extensive damage or destruction of](#)  
13 [facilities that provide and sustain human needs; produces an overwhelming demand on state and](#)  
14 [local response resources and mechanisms; causes a severe long-term effect on general economic](#)  
15 [activity; and severely affects state, local, and private sector capabilities to begin and sustain](#)  
16 [response activities. A catastrophic disaster shall be declared by the President of the United States,](#)  
17 [the governor of the state, or the insurance commissioner.](#)

18 [\(c\) "Company adjuster" means a person who:](#)

19 [\(1\) Is an individual who contracts for compensation with insurers or self-insurers as an](#)  
20 [employee; and](#)

21 [\(2\) Investigates, negotiates, or settles property, casualty, or workers' compensation claims](#)  
22 [for insurers or for self-insurers as an employee.](#)

23 [\(d\) "Department" means the insurance division of the department of business regulation.](#)

24 [\(e\) "Home state" means the District of Columbia and any state or territory of the United](#)  
25 [States in which the adjuster's principal place of residence or principal place of business is located.](#)  
26 [If neither the state in which the public adjuster maintains the principal place of residence, nor the](#)  
27 [state in which the adjuster maintains the principal place of business, has a substantially similar](#)  
28 [law governing adjusters, the adjuster may declare another state in which it becomes licensed and](#)  
29 [acts as a public adjuster to be the "home state".](#)

30 [\(f\) "Independent adjuster" means a person who:](#)

31 [\(1\) Is an individual who contracts for compensation with insurers or self-insurers as an](#)  
32 [independent contractor; or](#)

33 [\(2\) Investigates, negotiates, or settles property, casualty, or workers' compensation claims](#)  
34 [for insurers or for self-insurers as an independent contractor.](#)

1 (g) "Insurance commissioner" means the director of the department of business regulation  
2 or his or her designee.

3 (h) "NAIC" means the National Association of Insurance Commissioners.

4 (i) "Public adjuster" means any person who, for compensation or any other thing of value  
5 on behalf of the insured:

6 (1) Acts or aids, solely in relation to first-party claims arising under insurance contracts  
7 that insure the real or personal property of the insured, other than automobile, on behalf of an  
8 insured in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an  
9 insurance contract;

10 (2) Advertises for employment as a public adjuster of insurance claims or solicits  
11 business or represents himself or herself to the public as a public adjuster of first-party insurance  
12 claims for losses or damages arising out of policies of insurance that insure real or personal  
13 property; or

14 (3) Directly or indirectly solicits business, investigates or adjusts losses, or advises an  
15 insured about first-party claims for losses or damages arising out of policies of insurance that  
16 insure real or personal property for another person engaged in the business of adjusting losses or  
17 damages covered by an insurance policy, for the insured.

18 (j) "Uniform individual application" means the current version of the National  
19 Association of Insurance Commissioners (NAIC) Uniform Individual Application for resident  
20 and nonresident individuals.

21 **27-10-1.2. License required.** -- (a) A person shall not act or hold himself out as a public,  
22 company or independent adjuster in this state unless the person is licensed in accordance with this  
23 chapter.

24 (b) A person licensed as a public adjuster shall not misrepresent to a claimant that he or  
25 she is an adjuster representing an insurer in any capacity, including acting as an employee of the  
26 insurer or acting as an independent adjuster.

27 **27-10-7.1. Nonresident license reciprocity.** – (a) Unless denied licensure, a nonresident  
28 person shall receive a nonresident adjuster license if:

29 (1) The person is currently licensed as a resident adjuster and is in good standing in his or  
30 her home state;

31 (2) The person has submitted the proper request for licensure and has paid the fees  
32 required by § 27-10-3(a)(6);

33 (3) The person has submitted or transmitted to the department the appropriate, completed  
34 application for licensure for the equivalent type of license and lines of authority; and

1           (4) The person's home state awards non-resident adjuster licenses to residents of this state  
2 on the same basis.

3           (b) The insurance commissioner may verify the adjuster's licensing status through the  
4 database maintained by the NAIC, its affiliates, or subsidiaries.

5           (c) As a condition to continuation of an adjuster license issued under this section, the  
6 licensee shall maintain a resident adjuster license in his or her home state. The non-resident  
7 adjuster license issued under this section shall terminate and be surrendered immediately if the  
8 home state adjuster license terminates for any reason, unless the adjuster has been issued a license  
9 as a resident adjuster in his or her new home state. Notification to any state where a non-resident  
10 license is issued must be made as soon as possible, yet no later than thirty (30) days of change in  
11 new state resident license. The licensee shall include new and old addresses in the notification to  
12 the department. A new state resident license is required for non-resident licenses to remain valid.  
13 The new state resident license must have reciprocity with the licensing non-resident state(s) for  
14 the non-resident license not to terminate.

15           SECTION 3. This act shall take effect on January 1, 2015.

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LC004751/SUB B  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO INSURANCE - CLAIMS ADJUSTERS

\*\*\*

1           This act would provide for separate licenses for public, company and independent  
2 adjusters and would implement national standards for those licenses.

3           This act would take effect on January 1, 2015.

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