

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 53rd Legislature (2011)

4 HOUSE BILL 1996

 By: Sullivan

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6
7 AS INTRODUCED

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9 An Act relating to insurance; amending 36 O.S. 2001,
10 Sections 6202, as amended by Section 23, Chapter 125,
11 O.S.L. 2007, 6203, as amended by Section 40, Chapter
12 176, O.S.L. 2009 and 6205, as last amended by Section
13 42, Chapter 176, O.S.L. 2009 (36 O.S. Supp. 2010,
14 Sections 6202, 6203 and 6205), which relate to the
15 Insurance Adjusters Licensing Act; adding definition;
16 modifying exceptions to licensing requirements;
17 prohibiting licensing of certain applicants unless
18 certain conditions are met; and providing an
19 effective date.

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22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

23 SECTION 1. AMENDATORY 36 O.S. 2001, Section 6202, as
24 amended by Section 23, Chapter 125, O.S.L. 2007 (36 O.S. Supp. 2010,
25 Section 6202), is amended to read as follows:

26 Section 6202. ~~Terms~~ As used in the Insurance Adjusters
27 Licensing Act ~~are defined as follows:~~

1 1. "Commissioner" means the Insurance Commissioner of the state
2 or his or her lawfully authorized representative;

3 2. "Adjuster" means either an insurance adjuster or a public
4 adjuster;

5 3. "Insurance adjuster" means any person, firm, association,
6 company, or legal entity that acts in this state for an insurer, and
7 that investigates claims, adjusts losses, negotiates claim
8 settlements, or performs incidental duties arising pursuant to the
9 provisions of insurance contracts on behalf of an insurer and
10 includes:

11 a. "independent adjusters", meaning any insurance
12 adjuster that suggests or presents to the insurance
13 industry and public that said adjuster acts as an
14 adjuster for a fee or other compensation, and

15 b. "company or staff adjusters", meaning adjusters who
16 engage in the investigation, adjustment, and
17 negotiation of claims as salaried employees of an
18 insurer;

19 4. "Public adjuster" means any person, firm, association,
20 company, or corporation that suggests or presents to members of the
21 public that said public adjuster represents the interests of an
22 insured or third party for a fee or compensation. Public adjusters
23 may investigate claims and negotiate losses to property only;

1 5. "Insurer" means any authorized insurance company,
2 corporation, reciprocal group, mutual group, underwriting
3 association or bureau, or any combination thereof, writing or
4 underwriting any insurance contracts; ~~and~~

5 6. "Home state" means the District of Columbia and any state or
6 territory of the United States in which the adjuster's principal
7 place of residence or principal place of business is located. If
8 neither the state in which the adjuster maintains the principal
9 place of residence nor the state in which the adjuster maintains the
10 principal place of business has a licensing or examination
11 requirement, the adjuster may declare another state which has an
12 examination requirement and in which the adjuster is licensed to be
13 the "home state"; and

14 7. "Automated claims adjudication system" means a preprogrammed
15 computer system designed for the collection, data entry, calculation
16 and final resolution of property insurance claims which:

- 17 a. may only be utilized by a licensed independent
18 adjuster, licensed agent, or individuals supervised by
19 a licensed independent adjuster or licensed agent,
- 20 b. shall comply with all claims payment requirements of
21 the Oklahoma Insurance Code, and
- 22 c. shall be certified as compliant by a licensed
23 independent adjuster.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 SECTION 2. AMENDATORY 36 O.S. 2001, Section 6203, as
2 amended by Section 40, Chapter 176, O.S.L. 2009 (36 O.S. Supp. 2010,
3 Section 6203), is amended to read as follows:

4 Section 6203. ~~For the purpose of the Insurance Adjusters~~
5 ~~Licensing Act, no one shall be deemed to be an adjuster or be~~
6 ~~required to obtain a license as an adjuster who is~~ The definition of
7 an insurance adjuster shall not be deemed to include, and a license
8 as an insurance adjuster shall not be required of the following:

9 1. A licensed agent or general agent of an insurer who
10 processes undisputed or uncontested losses for said insurers solely
11 pursuant to the provisions of policies issued by the agent, or his
12 agency, if the agent or general agent receives no extra compensation
13 for such services; ~~or~~

14 2. Engaged in investigating, adjusting, negotiating, or
15 processing claims arising pursuant to the provisions of life
16 insurance, annuity, or accident and health insurance contracts; ~~or~~

17 3. A nonresident who occasionally is in this state to adjust a
18 single loss or losses arising pursuant to the provisions of a policy
19 of marine insurance; ~~or~~

20 4. A salaried employee of a licensed insurer whose primary
21 duties are not adjusting, investigating, or supervising insurance
22 claims; ~~or~~

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1 5. A licensed attorney in the State of Oklahoma who adjusts
2 insurance losses from time to time, incidental to the practice of
3 law, and who does not advertise or represent that he is an adjuster;
4 ~~or~~

5 6. A person employed solely for the purpose of furnishing
6 technical assistance to a licensed adjuster, including but not
7 limited to photographers, appraisers, estimators, private
8 detectives, engineers, handwriting experts, and attorneys-at-law; ~~or~~

9 7. A person who performs clerical duties for a licensed insurer
10 or organization that handles claims and who does not negotiate
11 disputed or contested claims for the insurer or organization that
12 handles claims; ~~or~~

13 8. A nonresident insurance adjuster who is actively licensed in
14 another state and who is in this state no more than once a year for
15 the purpose of adjusting a single loss or losses arising out of an
16 occurrence common to all such losses, or who is acting as a
17 temporary substitute for a licensed adjuster; or

18 9. An individual who collects claim information from, or
19 furnishes claim information to, insured customers or claimants, and
20 who conducts data entry including entering data into an automated
21 claims adjudication system, provided that the individual is an
22 employee of a licensed independent adjuster or an affiliate where no
23 more than twenty-five persons are under the supervision of one

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~~Strike thru~~ language denotes deletion from present Statutes.

1 licensed independent adjuster or licensed agent who is exempt from
2 licensure pursuant to the requirements of the Insurance Adjusters
3 Licensing Act.

4 SECTION 3. AMENDATORY 36 O.S. 2001, Section 6205, as
5 last amended by Section 42, Chapter 176, O.S.L. 2009 (36 O.S. Supp.
6 2010, Section 6205), is amended to read as follows:

7 Section 6205. A. Application for a license as an adjuster
8 shall be made to the Insurance Commissioner upon forms prescribed
9 and furnished by the Commissioner. As a part of and in connection
10 with the application, the applicant shall furnish such information
11 concerning the applicant's identity, personal history, business
12 experience, business record and such other pertinent information
13 which the Commissioner shall reasonably require.

14 B. Unless denied licensure pursuant to Section 6220 of this
15 title, a nonresident applicant shall receive a nonresident adjuster
16 license if:

17 1. The applicant has passed an examination in the applicant's
18 home state;

19 2. The applicant is currently licensed and in good standing in
20 the home state of the applicant;

21 3. The applicant has submitted the proper request for licensure
22 and has paid the fees required by Section 6212 of this title; and

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1 4. The applicant's home state awards nonresident adjuster
2 licenses to residents of this state on the same basis.

3 C. If a nonresident applicant's home state does not license or
4 require an examination for an adjuster license, the adjuster may
5 declare another state which has an examination requirement and in
6 which the adjuster is licensed to be the home state. Should the
7 applicant not hold an active adjuster license in his or her home
8 state or declared home state, the applicant shall pass the adjuster
9 examination of this state prior to receiving a nonresident adjuster
10 license.

11 D. An individual who is a resident of Canada shall not be
12 licensed pursuant to the Insurance Adjusters Licensing Act nor
13 designate this state as the individual's home state, unless the
14 individual has successfully passed the adjuster examination and has
15 complied with all applicable requirements of the Insurance Adjusters
16 Licensing Act.

17 SECTION 4. This act shall become effective November 1, 2011.

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19 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 02-24-2011 - DO
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