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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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

3 **27-10-1.1. Definitions. -- As used in this chapter:**

4 (1) "Adjuster" means an individual licensed as either a public, company or independent
5 adjuster.

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

13 (3) "Company adjuster" means a person who:

14 (i) Is an individual who contracts for compensation with insurers or self-insurers as an
15 employee; and

16 (ii) Investigates, negotiates or settles property, casualty or workers' compensation claims
17 for insurers or for self-insurers as an employee.

18 (4) "Department" means the insurance division of the department of business regulation.

19 (5) "Home state" means the District of Columbia and any state or territory of the United

1 States in which the adjuster's principal place of residence or principal place of business is located.
2 If neither the state in which the public adjuster maintains the principal place of residence nor the
3 state in which the adjuster maintains the principal place of business has a substantially similar law
4 governing adjusters, the adjuster may declare another state in which it becomes licensed and acts
5 as a public adjuster to be the "home state."

6 (6) "Independent adjuster" means a person who:

7 (i) Is an individual who contracts for compensation with insurers or self-insurers as an
8 independent contractor; and

9 (ii) Investigates, negotiates or settles property, casualty or workers' compensation claims
10 for insurers or for self-insurers as an independent contractor.

11 (7) "Insurance commissioner" means the insurance commissioner within the department
12 of business regulation.

13 (8) "NAIC" means the National Association of Insurance Commissioners.

14 (9) "Public adjuster" means any person who, for compensation or any other thing of value
15 on behalf of the insured:

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

20 (ii) Advertises for employment as a public adjuster of insurance claims or solicits
21 business or represents himself or herself to the public as a public adjuster of first-party insurance
22 claims, for losses or damages arising out of policies of insurance that insure real or personal
23 property; or

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

28 (10) "Uniform individual application" means the current version of the National
29 Association of Insurance Commissioners (NAIC) Uniform Individual Application for resident
30 and nonresident individuals.

31 **27-10-1.2. License Required.--** (a) A person shall not act or hold himself or herself out
32 as a public, company or independent adjuster in this state, unless the person is licensed in
33 accordance with the provisions of this chapter.

34 (b) A person licensed as a public adjuster shall not misrepresent to a claimant that he or

1 she is an adjuster representing an insurer in any capacity, including acting as an employee of the
2 insurer or acting as an independent adjuster.

3 **27-10-7.1. Nonresident license reciprocity.--** (a) Unless denied licensure, a nonresident
4 person shall receive a nonresident adjuster license if:

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

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

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

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

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

15 (c) As a condition to continuation of an adjuster license issued under this section, the
16 licensee shall maintain a resident adjuster license in his or her home state. The non-resident
17 adjuster license issued under this section shall terminate and be surrendered immediately if the
18 home state adjuster license terminates for any reason, unless the adjuster has been issued a license
19 as a resident adjuster in his or her new home state. Notification to the state or states where the
20 non-resident license is issued must be made as soon as possible, yet no later than thirty (30) days
21 of change in new state resident license. The licensee shall include the new and old addresses in
22 the notification to the department. A new state resident license is required for non-resident
23 licenses to remain valid. The new state resident license must have reciprocity with the licensing
24 nonresident state(s) for the non-resident license not to terminate.

25 SECTION 2. Sections 27-10-1, 27-10-2, 27-10-3, 27-10-5, 27-10-6, 27-10-7, 27-10-8,
26 27-10-11, 27-10-12 and 27-10-13 of the General Laws in Chapter 27-10 entitled "Claim
27 Adjusters" are hereby amended to read as follows:

28 **27-10-1. ~~Applicability.~~ — Applicability, Purpose and Scope. --** ~~The provisions of this~~
29 ~~chapter shall apply to insurance claim adjusters. For the purposes of this chapter "insurance claim~~
30 ~~adjusters" means any person, who or which:~~

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

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

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

7 ~~(ii) Advertises for employment as a public adjuster of insurance claims or solicits~~
8 ~~business or represents himself or herself to the public as a public adjuster of first party insurance~~
9 ~~claims for losses or damages arising out of policies of insurance that insure real or personal~~
10 ~~property;~~

11 ~~(iii) Directly or indirectly solicits business, investigates or adjusts losses, or advises an~~
12 ~~insured about first party claims for losses or damages arising out of policies of insurance that~~
13 ~~insure real or personal property for another person engaged in the business of adjusting losses or~~
14 ~~damages covered by an insurance policy, for the insured; or~~

15 ~~(3) Advertises or solicits business as an adjuster, or holds himself or herself out to the~~
16 ~~public as engaging in adjusting as a business.~~

17 This chapter governs the qualifications and procedures for the licensing of public
18 adjusters, company adjusters and independent adjusters. It specifies the duties of and restrictions
19 on public, company and independent adjusters. The restrictions on public adjusters include
20 limiting their licensure to assisting insureds in first-party claims.

21 **27-10-2. Persons exempt.** -- The provisions of this chapter shall not apply to the
22 following:

23 (1) An attorney at law admitted to practice in this state, when acting in ~~the usual course~~
24 ~~of his or her profession~~ professional capacity as an attorney;

25 (2) Either an insurance producer of a domestic insurance company or an insurance
26 producer duly licensed by the insurance commissioner, when the insurance producer adjusts, or
27 assists in the adjustment of, claims arising only under policies of insurance or fidelity or surety
28 bonds negotiated, solicited, or effected by him or her or by the insurance producer, whether the
29 insurance producer is a person, partnership, or corporation, for which he or she acts; ~~or~~

30 (3) ~~Any employee or agent of a company, or an insurance producer licensed by the~~
31 ~~commissioner, who acts in the settlement of claims of two thousand five hundred dollars (\$2,500)~~
32 ~~or less.~~ A person who negotiates or settles claims arising under a life or health insurance policy or
33 an annuity contract;

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

1 furnishing technical assistance to a licensed adjuster, including photographers, estimators, private
2 investigators, engineers and handwriting experts;

3 (5) An individual who is employed to investigate suspected fraudulent insurance claims
4 but who does not adjust losses or determine claims payments;

5 (6) A person who solely performs executive, administrative, managerial or clerical duties,
6 or any combination thereof, and who does not investigate, negotiate or settle claims with
7 policyholders, claimants or their legal representative;

8 (7) A licensed healthcare provider or its employee who provides managed care services;
9 as long as the services do not include the determination of compensability;

10 (8) A managed care organization or any of its employees or an employee of any
11 organization providing managed care services; as long as the services do not include the
12 determination of compensability;

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

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

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

18 (12) A person authorized to adjust workers' compensation or disability claims under the
19 authority of a third-party administrator (TPA) pursuant to chapter 27-20.7.

20 (13) A person who adjusts claims for portable electronics insurance offered pursuant to
21 chapter 27-2.7 of the general laws.

22 **27-10-3. Issuance of license.** -- (a) The insurance commissioner may, ~~upon the payment~~
23 ~~of a license fee of one hundred twenty dollars (\$120) plus an application fee established by the~~
24 ~~commissioner,~~ issue to any person a license to act as either an insurance claims adjuster a public
25 adjuster, company adjuster or independent adjuster once that person ~~satisfies the reasonable~~
26 ~~requirements for the issuance of the license, as established by the commissioner.~~ files an
27 application in a format prescribed by the department, and declares under penalty of suspension,
28 revocation or refusal of the license that the statements made in the application are true, correct
29 and complete to the best of the individual's knowledge and belief. Before approving the
30 application, the department shall find that the individual:

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

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

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

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

3 (5) Has successfully passed the examination for the line(s) of authority for which the
4 person has applied; and

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

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

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

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

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

15 ~~**27-10-5. Application for license — Accompanying papers. — License. — An application**~~
16 ~~**by a person applying for the first time for a license to act as an insurance claim adjuster, shall be**~~
17 ~~**on a form furnished by the insurance commissioner and provide all of the information required by**~~
18 ~~**the insurance commissioner for licensing. (a) Unless denied licensure, persons who have met the**~~
19 ~~**requirements of § 27-10-3 shall be issued either a public, company or independent adjuster**~~
20 ~~**license.**~~

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

23 (i) Property and Casualty;

24 (ii) Workers' compensation; and/or

25 (iii) Crop.

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

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

32 (e) An adjuster whose license expires may, within twelve (12) months of the renewal
33 date, be reissued an adjuster license upon receipt of the renewal request, as prescribed by the
34 department. However, a penalty in the amount of fifty dollars (\$50.00) in addition to the renewal

1 fee shall be required to reissue the expired license.

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

6 (g) An adjuster shall be subject to chapters 27-9.1 and 27-29.

7 (h) The adjuster shall inform the department by any means acceptable by the department,
8 of any change in residence or business address(es) for the home state or in legal name, within
9 thirty (30) days of the change.

10 (i) In order to assist in the performance of the department's duties, the department may
11 contract with non-governmental entities, including the NAIC, its affiliates or subsidiaries, to
12 perform any ministerial functions, including the collection of fees and data, related to licensing
13 that the insurance commissioner may deem appropriate.

14 ~~**27-10-6. Minimum percentage of licensed adjusters -- Examination of applicants. --**~~

15 ~~**Examination.--** Any person who desires to act as an insurance claim adjuster or who is employed~~
16 ~~by an insurance company doing business in the state of Rhode Island and desires to act within the~~
17 ~~state as an insurance adjuster shall make a written application to the insurance commissioner for a~~
18 ~~license to engage in this type of business. All insurance claims adjusters and those employed by~~
19 ~~insurance companies in the state of Rhode Island as of January 1, 1976, who hold current and~~
20 ~~valid licenses including all persons engaged in the business of public adjusting as of June 12,~~
21 ~~1985 shall automatically qualify for a license to handle the various lines of business for which~~
22 ~~they are qualified. Insurance claim adjusters who have less than one year's experience adjusting~~
23 ~~claims shall be classified as trainees and it will be necessary for them to obtain a license to adjust~~
24 ~~claims in the state of Rhode Island in accordance with the provisions of this section. No insurance~~
25 ~~company shall have more than twenty five percent (25%) of its insurance claim adjusters in a~~
26 ~~trainee classification where that adjusting force consists of at least ten (10) people; this shall not~~
27 ~~apply to company training programs to qualify personnel in other jurisdictions. A minimum of~~
28 ~~seventy five percent (75%) of the insurance claim adjusters in any claims office shall be licensed~~
29 ~~insurance claim adjusters in the state of Rhode Island.~~

30 (a) The ~~commissioner~~ department shall subject the applicant to a written examination as
31 to his or her competency to act as an insurance claim adjuster. ~~These examinations shall be~~
32 conducted at the discretion of the commissioner, but in no event less than quarterly. ~~The~~
33 examination shall test the knowledge of the individual concerning the duties and responsibilities
34 of an adjuster, and the insurance laws and regulations of this state.

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

4 (c) Each individual applying for an examination shall remit a nonrefundable fee as
5 prescribed by the department.

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

9 (e) The department may accept successful completion of an examination administered by
10 a federal entity in substitute for a state examination for the crop line of authority for
11 company/independent adjusters.

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

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

1 an adjuster license.

2 **27-10-8. Emergency licenses.** -- (a) ~~Notwithstanding any of the provisions of this~~
3 ~~chapter, the commissioner may permit an experienced adjuster to act as an adjuster in this state~~
4 ~~without a Rhode Island license if:~~ In the event of a declared catastrophe an insurer shall notify the
5 department via an application for temporary emergency licensure, of each individual not already
6 licensed in the state where the catastrophe has been declared, that will act as an emergency
7 company or independent adjuster on behalf of the insurer.

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

13 (1) The name of the individual;

14 (2) The social security number of individual;

15 (3) The name of the insurer that the company or independent adjuster will represent;

16 (4) The effective date of the contract between the insurer and company or independent
17 adjuster, if applicable;

18 (5) The catastrophe or loss control number;

19 (6) The catastrophe event name; and

20 (7) Other information the department deems necessary.

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

23 (d) Any person licensed as an emergency company or independent adjuster must comply
24 with all the laws of this state, in the same manner as if they had been issued a company or
25 independent adjuster's license, and both the adjuster and insurer for whom the adjuster is working
26 are responsible in the same manner as they would be if the adjuster was a fully licensed adjuster.

27 (e) There is no fee payable to the state for the licensing of the emergency adjuster,
28 however, in order to assist in the performance of the department's duties, the department may
29 contract with nongovernmental entities, including NAIC, its affiliates or subsidiaries, to perform
30 any ministerial functions related to licensing that the department may deem appropriate, and the
31 applicant is responsible for the fee associated with these services as determined by the
32 department.

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

34 ~~(1) The adjuster is either a licensed adjuster in another state which requires a license or~~

1 ~~regularly adjusts in another state where such licensing is not required and works for an insurance~~
2 ~~company authorized to do business in Rhode Island;~~

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

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

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

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

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

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

19 **27-10-11. Penalty for violations.** -- Any person who acts as an ~~insurance claim~~ adjuster,
20 other than for life and accident and health insurance, without holding a current valid license as
21 provided in this chapter, or shall act in any manner in the negotiation of any insurance claim
22 agreement in violation of any provision of this chapter, shall be punished by ~~a fine of not more~~
23 ~~than five hundred dollars (\$500) or by imprisonment for not more than three (3) months, or both,~~
24 ~~for each offense. In addition, the insurance commissioner shall be empowered to revoke or~~
25 ~~suspend any license issued under this chapter for the violation of this chapter, as provided in~~
26 ~~section 27-10-7. an order to cease and desist such practices, and a fine or other penalty in~~
27 ~~accordance with the standards set forth in § 42-14-16.~~

28 **27-10-12. Enforcement. License denial, Non-renewal, or Revocation.** -- ~~The~~
29 ~~insurance commissioner shall enforce the provisions of this chapter and shall have the authority to~~
30 ~~promulgate all reasonable rules and regulations necessary to effect and to enforce the purposes~~
31 ~~and provisions of this chapter. (a) The insurance commissioner may place on probation, suspend,~~
32 ~~revoke or refuse to issue or renew a adjuster's license, or may levy a civil penalty in accordance~~
33 ~~with § 42-14-16, or any combination of actions, for any one or more of the following causes:~~

34 (1) Providing incorrect, misleading, incomplete, or materially untrue information in the

1 license application:

2 (2) Violating any insurance laws, or violating any regulation, subpoena, or order of the

3 insurance commissioner or of another state's insurance commissioner;

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

5 (4) Improperly withholding, misappropriating or converting any monies or properties

6 received in the course of doing insurance business;

7 (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract or

8 application for insurance;

9 (6) Having been convicted of a felony;

10 (7) Having admitted or been found to have committed any insurance unfair trade practice

11 or insurance fraud;

12 (8) Using fraudulent, coercive or dishonest practices; or demonstrating incompetence,

13 untrustworthiness or financial irresponsibility in the conduct of business in this state or

14 elsewhere;

15 (9) Having an insurance license, or its equivalent, denied, suspended, or revoked in any

16 other state, province, district or territory;

17 (10) Forging another's name to an application for insurance or to any document related to

18 an insurance transaction;

19 (11) Cheating, including improperly using notes or any other reference material, to

20 complete an examination for an insurance license;

21 (12) Knowingly accepting insurance business from an individual who is not licensed, but

22 who is required to be licensed by the department;

23 (13) Failing to comply with an administrative or court order imposing a child support

24 obligation; or

25 (14) Failing to pay state income tax or comply with any administrative or court order

26 directing payment of state income tax.

27 (b) In the event that the action by the department is to deny an application for or not

28 renew a license, the department shall notify the applicant or licensee, and advise, in writing, the

29 applicant or licensee of the reason for the nonrenewal or denial of the applicant's or licensee's

30 license. The applicant or licensee may make written demand upon the department within ten (10)

31 days for a hearing before the department to determine the reasonableness of the insurance

32 commissioner's action. The hearing shall be held pursuant to the provisions of chapter 42-35

33 ("The Administrative Procedures Act").

34 (c) The license of a business entity may be suspended, revoked or refused if the

1 department finds, after hearing, that an individual licensee's violation was known, or should have
2 been known, by one or more of the partners, officers or managers acting on behalf of the business
3 entity, and the violation was neither reported to the department nor corrective action taken.

4 (d) In addition to, or in lieu of any applicable denial, suspension or revocation of a
5 license, a person may, after hearing, be subject to a civil fine in accordance with the provisions of
6 § 42-14-16.

7 (e) The department shall retain the authority to enforce the provisions of and impose any
8 penalty or remedy authorized by this chapter and § 42-14-16 against any person who is under
9 investigation for or charged with a violation of this chapter or title even if the person's license has
10 been surrendered or has lapsed by operation of law.

11 **27-10-13. Rules and regulations.** -- The insurance commissioner shall have the authority
12 to promulgate all reasonable rules and regulations necessary to effect and to enforce the purposes
13 and provisions of this chapter. Included within this authority is the power to set standards for
14 public adjuster fees, the terms of the contract between a public adjuster and a consumer, and
15 requirements for escrow accounts held by public adjusters for funds held on behalf of others.

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

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

1 This act would define and provide for rules, regulations, restrictions and exemptions for
2 the qualification, examination and licensure of public adjusters, company adjusters and
3 independent adjusters. This act would further provide for the issuance of emergency licenses to
4 individuals employed by insurers, during a catastrophe declared by the President of the United
5 States, the governor or the insurance commissioner.

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

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