



Senate

General Assembly

File No. 127

February Session, 2012

Senate Bill No. 319

Senate, March 27, 2012

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT EXEMPTING CERTAIN INDIVIDUALS FROM CASUALTY ADJUSTER LICENSING REQUIREMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-792 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2012*):

3 (a) (1) No person may act as an adjuster of casualty claims for any
4 insurance company or firm or corporation engaged in the adjustment
5 of casualty claims unless such person has first secured a license from
6 the commissioner, and has paid the license fee specified in section
7 38a-11, for each two-year period or fraction thereof. Application for
8 such license shall be made as provided in section 38a-769. [The
9 commissioner may waive the requirement for examination in the case
10 of any applicant for a casualty claims adjuster's license who is a
11 nonresident of this state and who holds an equivalent license from any
12 other state.] Any such license issued by the commissioner shall be in
13 force until the thirtieth day of June in each odd-numbered year unless
14 sooner revoked or suspended. The [license] person may, [in] at the

15 discretion of the commissioner, [be renewed] renew the license
16 biennially upon payment of the fee specified in section 38a-11. [The
17 commissioner may waive the examination required under section
18 38a-769, in the case of an applicant who at any time within two years
19 next preceding the date of application has been licensed in this state
20 under a license of the same type as the license applied for.]

21 (2) The commissioner may waive the examination required under
22 section 38a-769, in the case of any applicant for a casualty adjuster's
23 license that (A) is a nonresident of this state or has its principal place of
24 business in another state, and holds an equivalent license from any
25 other state, or (B) at any time within two years next preceding the date
26 of application has been licensed in this state under a license of the
27 same type as the license applied for.

28 (b) The commissioner may prescribe reasonable regulations, in
29 accordance with the provisions of chapter 54, governing the licensing
30 of casualty adjusters and the adjustment of casualty claims.

31 (c) Any person who violates any provision of this section shall be
32 fined not more than two thousand dollars or imprisoned not more
33 than one year or both.

34 (d) The provisions of this section shall not apply to any: [member]

35 (1) (A) Individual who (i) collects claim information from or
36 furnishes claim information to insureds or claimants, and (ii) conducts
37 data entry including data entry into an automated claims adjudication
38 system, provided such individual is an employee of a casualty adjuster
39 licensed in this state and not more than twenty-five such individuals
40 are under the supervision of such casualty adjuster or an insurance
41 producer licensed in this state and employed by such casualty adjuster.

42 (B) For purposes of this subdivision, "automated claims adjudication
43 system" means a preprogrammed computer system, designed for the
44 collection, data entry, calculation and final resolution of cellular mobile
45 telephone claims, that (i) is used only by a supervised individual, a

46 casualty adjuster licensed in this state or an insurance producer
 47 licensed in this state, in accordance with subparagraph (A) of this
 48 subdivision, (ii) complies with all applicable claims payment
 49 requirements under title 38a, and (iii) is certified as complying with the
 50 provisions of this subdivision by an individual who is (I) an officer of
 51 the business entity licensed as a casualty adjuster in this state, and (II)
 52 a casualty adjuster licensed in this state;

53 (2) Insurance producer licensed in this state and authorized by an
 54 insurance company to adjust claims in this state on behalf of such
 55 company;

56 (3) Managing general agent, as defined in section 38a-90a,
 57 authorized by an insurance company to adjust claims in this state on
 58 behalf of such company;

59 (4) Attorney-in-fact of a reciprocal insurer authorized by such
 60 insurer to adjust claims in this state on behalf of such insurer; and

61 (5) Member of the bar of this state in good standing who is engaged
 62 in the general practice of the law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2012	38a-792

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Resources of the General Fund	GF - Revenue Loss	See Below	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill exempts from licensure as casualty adjusters certain insurance producers, managing general agents and attorneys-in-fact. As such, the General Fund would lose revenue from licensure fees.

There are approximately 40,000 licensed casualty adjusters in the state who are required to pay an \$80 fee every two years (in the odd numbered fiscal year)¹. It is not known how many of the current adjusters fit the categories of exemption outlined in the bill. Should, for example, these exemptions result in 10% fewer biennial license fees, the General Fund would lose \$320,000 in revenue in every odd numbered fiscal year.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ Licensure data as reported by the Department of Insurance.

OLR BILL ANALYSIS**SB 319*****AN ACT EXEMPTING CERTAIN INDIVIDUALS FROM CASUALTY ADJUSTER LICENSING REQUIREMENTS.*****SUMMARY:**

This bill exempts specified people from the casualty adjuster licensing requirement, including certain cellular mobile telephone claims employees, licensed insurance producers, managing general agents, and attorneys-in-fact for reciprocal insurers. Current law exempts only Connecticut attorneys in the general practice of law who are in good standing. Unless exempt, no one may adjust casualty claims without first obtaining a license from the insurance commissioner. By law, a violator is fined up to \$2,000, imprisoned up to one year, or both.

EFFECTIVE DATE: October 1, 2012

LICENSING EXEMPTIONS***Certain Cellular Mobile Telephone Claims Employees Exempted***

The bill exempts from the casualty adjuster licensing requirement a Connecticut-licensed casualty adjuster's employee who collects or furnishes claim information and enters data into an automated claims adjudication system for cellular mobile telephone claims. The employee must be one of no more than 25 such employees under the supervision of (1) the licensed casualty adjuster or (2) a Connecticut-licensed insurance producer who is employed by the licensed casualty adjuster.

The bill defines an "automated claims adjudication system" as a preprogrammed computer system designed for the collection, data entry, calculation, and resolution of cellular mobile telephone claims.

The system must be used only by a supervised employee or a Connecticut-licensed casualty adjuster or insurance producer. It must comply with all claims payment requirements under Connecticut law. Finally, (1) an officer of the business entity that is licensed as a casualty adjuster in Connecticut and (2) a Connecticut-licensed casualty adjuster must certify that the system complies with the bill.

Others Exempted

The bill also exempts from the casualty adjuster licensing requirement:

1. a Connecticut-licensed insurance producer or managing general agent authorized by an insurer to adjust claims in Connecticut on the insurer's behalf, and
2. an attorney-in-fact of a reciprocal insurer who is authorized by that insurer to adjust claims in Connecticut on the insurer's behalf. (A reciprocal insurer is a member of an association of entities that insure themselves and each other. An attorney-in-fact is someone specifically named by another through a written "power of attorney" to act for that person in conducting the appointer's business.)

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 19 Nay 0 (03/13/2012)