



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

Testimony of the Connecticut Insurance Department

Before the
Insurance and Real Estate Committee

Thursday, March 8, 2012

FTR

SB 319 - An Act Exempting Certain Individuals From Casualty Adjuster Licensing Requirements

Senator Crisco and Representative Megna, committee-co-chairs, Senator Kelly and Representative Sampson, ranking members, and Members of the Committee, the Insurance Department appreciates the opportunity to submit written testimony in opposition to Raised Bill No. 319.

The Act seeks to amend the laws relating to the licensure of casualty adjusters by broadening the exemption from licensure to include: (1) individuals who, under certain conditions, perform some ministerial tasks related to the collection and data entry of claim information; (2) insurance producers authorized by the insurer to adjust claims; (3) company authorized managing general agents; and, (4) company authorized attorneys-in-fact of reciprocal insurers.

While it is the Department's understanding that, under the laws relating to casualty adjusters as they are currently in force, individuals who collect and furnish claim information or conduct data entry with regard to such information are not required to be licensed as casualty adjusters, the Insurance Commissioner is concerned that the much broader and sweeping exception enumerated in SB 319 are against the best interest of the public and would undermine the protection to which insurance claimants are entitled.

Currently, with limited exceptions provided by statute or regulations, any person desiring to become a casualty adjuster must obtain a license from the Insurance Department. In order to obtain a casualty adjuster's license, individuals are required to furnish satisfactory evidence to the Commissioner that they are competent, trustworthy and duly qualified to act as adjusters for each insurance line for which they desire to be licensed. The licensing process ensures that licensees have the knowledge and expertise required and that have demonstrated to possess the proper qualifications to deal with claimants both in a competent in a fair and responsible manner.

The Department is concerned that SB 319 has the potential to harm insurance consumers by allowing unlicensed, untrained and potentially unaccountable persons, some of which do not even fall within the jurisdiction and regulatory authority of the Insurance Department, to become involved in the adjusting process.

If the Department can be of assistance to the Committee as it considers this bill, please do not hesitate to contact us.