

## **BILL ANALYSIS**

Senate Research Center

H.B. 2699  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Certain insurers provide portable consumer electronics insurance coverage to policyholders who purchase portable electronic devices and related services. Interested parties observe that, unlike other types of insurance claims, portable consumer electronics insurance claims are simple and use very few calculations to determine the claim's outcome; customer service representatives take telephone calls from customers, input data into an automated electronic claims adjudication system, and claim approvals are delivered to policyholders by mail within just a few days. H.B. 2699 seeks to bring all customer service representatives under the supervision of licensed insurance adjusters.

H.B. 2699 amends current law relating to the requirements for an insurance adjuster license.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 4101.001(a), Insurance Code, to redefine "adjuster," "automated claims adjudication system," "business entity," "home state," and "person."

SECTION 2. Amends Section 4101.002, Insurance Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Provides that this chapter does not apply to:

(1)-(8) Makes no changes to these subdivisions;

(9) a public insurance adjuster licensed under Chapter 4102 (Public Insurance Adjusters); or

(10) an individual who:

(A) collects claim information from, or furnishes claim information to, an insured or claimant and enters data into an automated claims adjudication system; and

(B) is employed by a licensed independent adjuster or its affiliate under circumstances in which no more than 25 individuals performing duties prescribed by Paragraph (A) are supervised by a single licensed independent adjuster or a single licensed agent. Makes a nonsubstantive change.

(d) Provides that a licensed agent acting as a supervisor under Subsection (a)(10) is not required to be licensed as an adjuster.

SECTION 3. Amends Section 4101.053, Insurance Code, by amending Subsection (a) and adding Subsections (c) and (d), as follows:

(a) Requires an individual, rather than applicant, to qualify for a license under this chapter to meet certain criteria.

(c) Requires a business entity, to qualify for a license under this chapter, to:

(1) comply with this chapter; and

(2) present evidence satisfactory to the Texas Department of Insurance that the applicant is eligible to designate this state as its home state; is trustworthy; has designated a licensed adjuster responsible for the business entity's compliance with the insurance laws of this state; has not committed an act that is ground for probation, suspension, revocation, or refusal of an adjuster's license under Section 4101.201 (Grounds for Disciplinary Action); and has paid the fees prescribed under Section 4101.057 (Fees).

(d) Prohibits an individual who is a resident of Canada from being licensed under this chapter designate this state as the individual's home state unless the individual has successfully passed the adjuster examination and complied with the other applicable portions of this section, except that the individual is not required to comply with Subsection (a)(2)(B) (relating residing in this state) or (C) (relating to complying with federal laws).

SECTION 4. Makes application of Section 4101.053, Insurance Code, as amended by this Act, prospective.

SECTION 5. Effective date: September 1, 2011.