

BILL ANALYSIS

S.B. 569
By: Carona
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, insurance adjusters must be licensed through the Texas Department of Insurance (TDI). In order to obtain a license, a person is required to take an examination offered by TDI. However, current law allows adjusters to take a course in adjusting losses and take a related examination through a third party vendor as an alternative. The third party course and examination must be approved by TDI. Interested parties observe that while the examination for insurance adjusters offered through TDI is subject to specific testing conditions, current law does not mandate any specific criteria or conditions for a third party examination, which has led to concerns regarding the structure of the examination setting. S.B. 569 seeks to provide certainty and legitimacy to the insurance adjuster examination process by establishing certain conditions for insurance adjuster license applicants who complete a course in adjusting losses and take a related examination through a third party vendor.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 569 amends the Insurance Code to require an applicant for an insurance adjuster license wishing to claim an exemption from the examination generally required for licensure by completing a course in adjusting losses and passing a related examination to schedule and take the required examination in a testing environment that is controlled, supervised, and proctored by a disinterested third party approved by the commissioner of insurance to administer the examination. The bill requires the fact that the applicant completed the course and passed the examination to be certified by a form signed by the disinterested third party.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.