

BILL ANALYSIS

Senate Research Center
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S.B. 569
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Insurance claims adjusters are governed by Chapter 4101 (Insurance Adjusters), Insurance Code. Under current law, insurance claims adjusters must be licensed through the Texas Department of Insurance (TDI). In order to obtain a license, a person is required to take a course and a subsequent examination, which is offered through TDI. However, current law allows claims adjusters to take an adjusting losses course and examination through a third party vendor as an alternative. The third party course and examination must be approved by TDI. While the examination for claims adjusters offered through TDI is subject to specific testing conditions, current law does not mandate any specific criteria or conditions for a third party adjusting losses examination, which has led to concerns regarding the structure of the examination setting.

S.B. 569 requires applicants for a claims adjuster license through an adjusting losses examination to schedule the examination and take the examination in a controlled, supervised, and proctored testing center. The applicant is also required to submit a signed, sworn, and notarized affidavit to the commissioner of insurance indicating that the applicant has completed the requisite course and complied with the mandatory examination conditions stated above. These measures are meant to provide certainty and legitimacy to the claims adjusters licensing examination as consistent with the requirements and conditions of other individuals obtaining insurance-related licenses.

As proposed, S.B. 569 amends current law relating to the examination 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 Sections 4101.056(a) and (b), Insurance Code, as follows:

(a) Provides that an applicant for a license under this chapter (Insurance Adjusters) is not required to pass an examination under Section 4101.054 (Examination Required) to receive the license if the applicant:

(1)-(3) Makes no changes to these subdivisions; or

(4) has completed a course in adjusting losses as prescribed and approved by the commissioner of insurance (commissioner) and it is certified, by an affidavit signed and sworn to by a person described by Subsection (b)(2) before a notary public, to the commissioner on completion of the course that the applicant has completed the course and passed an examination, in a manner described by Subsection (b)(2), testing the applicant's knowledge and qualification, as prescribed by the commissioner.

(b) Requires an applicant wishing to claim an exemption under Subsection (a)(4) to:

(1) schedule the required examination;

(2) take the required examination in a testing center environment that is controlled, supervised, and proctored by the course provider or another disinterested third party approved by the commissioner to administer the examination; and

(3) submit an affidavit described by Subsection (a)(4) to the commissioner.

Deletes existing text providing that an applicant wishing to claim an exemption under Subsection (a)(4) is responsible for the scheduling and administration of the examination required under that subsection.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2013.