

## **BILL ANALYSIS**

Senate Research Center

S.B. 1584  
By: Hughes  
Business & Commerce  
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Enrolled

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

Currently, 34 states require licensure of independent adjusters, including Texas. Each of these states developed minimum standards to ensure its licensees have the skills to protect the public's interests. The majority of independent adjusters maintain licenses in multiple states. CLM created the universal claims certification (UCC) to help foster a uniform approach to multi-state insurance claims professional certification, including required continuing education. S.B. 1584 would allow Texas licensed adjusters to satisfy their continuing education (CE) requirements by completing a certification such as the UCC.

The UCC provides an optional, streamlined process for efficient reciprocity of the different state licensure requirements. For new licensees, the UCC requires completion of a 40-hour prelicensing course, the passage of a comprehensive, monitored examination, and 24 hours of continuing education for renewal, including five hours of law and ethics. This standard is based upon the most stringent state's requirements and regulations and therefore protects the public's interests in all states.

CLM has been an approved and active CE provider in Texas for almost 10 years. In 2017, CLM became an approved pre-licensing provider in Texas and our UCC course and examination were approved by the Texas Department of Insurance (TDI). Taking the UCC course and examination fulfills the Texas adjuster pre-licensing and examination requirement. This grants anyone who successfully completes the course and passes the examination eligibility to receive a Texas adjuster license issued by TDI. Now, we are seeking to have the continuing education portion recognized by Texas as completion of a Texas licensed independent adjuster's continuing education requirement.

Developed in 2017, the UCC has been formally recognized in five states through legislative or regulatory enactments: Alabama, Florida, Mississippi, Georgia, and California. CLM is very much committed to the UCC and seeing it fully accepted in all states.

Each UCC CE course will be submitted through an online submission portal for approval by the institutes, the leading not-for-profit education provider in the insurance and risk management industries for more than 100 years, and courses must be specific to the business of insurance. Specifically, courses must concern the handling of claims and litigation as relevant to the role of an adjuster, including Texas-specific subject matter. Only providers approved by TDI will be delivering UCC continuing education courses. All approved courses will be issued a unique course number for identification. The legislation will allow TDI to audit courses within the UCC that constitute continuing education. All UCC credits earned will be tracked within CLM's system and reported to the state. (Original Author's/Sponsor's Statement of Intent)

S.B. 1584 amends current law relating to satisfaction of continuing education requirements for certain insurance adjusters.

### **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 Subchapter B, Chapter 4101, Insurance Code, by adding Section 4101.062, as follows:

Sec. 4101.062. ALTERNATIVE CONTINUING EDUCATION: CLAIMS CERTIFICATION. Requires the Texas Department of Insurance (TDI), notwithstanding Section 4004.051 (General Requirements), to accept as satisfaction of any continuing education requirement imposed on an adjuster under this chapter (Insurance Adjusters) or Chapter 4004 (Continuing Education) a claims certification that the adjuster receives during a license period for which the continuing education is required if:

- (1) the claims certification is issued by a national or state claims association (association) with a certification program;
- (2) the number of hours required to complete the certification program is not less than the number of hours of continuing education that an adjuster is required to complete during the license period under Sections 4004.053 (Requirements Based on Type of License Held) and 4004.054 (Ethics Requirement);
- (3) the content of the certification program:
  - (A) includes the content required under Section 4004.105 (Adjuster Continuing Education Program Contents); and
  - (B) is made available through an electronic portal maintained by the association for review and audit by TDI;
- (4) the association is approved by TDI as a continuing education provider;
- (5) the association reports the adjuster's completion of the certification program to TDI through an electronic portal maintained by TDI; and
- (6) the association, through an electronic portal maintained by the association, provides TDI access to the adjuster's transcript showing the adjuster's completion of the certification program.

SECTION 2. Makes application of Section 4101.062, Insurance Code, as added by this Act, prospective to January 1, 2020.

SECTION 3. Effective date: September 1, 2019.