

BILL ANALYSIS

Senate Research Center
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S.B. 1584
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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. The 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 pre-licensing 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.

The 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.

As proposed, S.B. 1584 amends current law relating to waiver of continuing education requirements for certain insurance adjusters.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to commissioner of insurance in SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4101.060, Insurance Code, by adding Subsection (d), as follows:

(d) Requires the Texas Department of Insurance (TDI), notwithstanding Section 4004.051 (General Requirements), to waive any continuing education requirement imposed under this chapter (Insurance Adjusters) or Chapter 4004 (Continuing Education) for an adjuster who, during the license period for which the continuing education is required, receives a certificate of completion of a continuing education program issued by a professional organization of adjusters if the number of hours required to complete the continuing education 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) and the content of the continuing education program includes the content required under Section 4004.105 (Adjuster Continuing Education Program Contents).

SECTION 2. (a) Requires the commissioner of insurance, not later than December 1, 2019, to adopt the rules necessary to implement Section 4101.060(d), Insurance Code, as added by this Act.

(b) Makes application of Section 4101.060(d), Insurance Code, as added by this Act, prospective to January 1, 2020.

SECTION 3. Effective date: September 1, 2019.