

HOUSE BILL NO. 312

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE GATTIS

Introduced: 2/19/14

Referred: Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to insurance adjuster licensing."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 *** Section 1.** AS 21.27.010(j) is amended to read:

4 (j) This section does not apply to a person who

5 (1) is employed on salary or hourly wage by a person licensed under
6 this section solely for the performance of accounting, clerical, stenographic, and
7 similar office duties;

8 (2) only secures and forwards information required for the purposes of,
9 and does not receive a commission for, any of the following services:

10 (A) performing administrative services related to

11 (i) group life insurance;

12 (ii) group property and casualty insurance;

13 (iii) group annuities;

14 (iv) group or blanket accident and health insurance;

15 (B) enrolling individuals under plans for the types of insurance

1 or annuities specified in (A) of this paragraph;

2 (C) issuing certificates under plans for the types of insurance or
3 annuities specified in (A) of this paragraph, or otherwise assisting in
4 administering those plans;

5 (D) performing administrative services related to mass-
6 marketed property and casualty insurance;

7 (3) is employed on salary by a licensee at the licensee's place of
8 business, is supervised by and reports directly to a licensee in the firm, and who, after
9 explaining that the matter must be reviewed by a licensee, may

10 (A) furnish premium estimates from published or printed lists
11 of standard rates if the person does not advise, counsel, or suggest what
12 coverage may be needed, or otherwise solicit insurance coverage;

13 (B) arrange appointments for a licensee if the person does not
14 solicit insurance coverage;

15 (C) record information from an applicant or policyholder and
16 complete for the licensee's personal review and signature, a certificate of
17 insurance that is not a contract of insurance; the licensee's signature may be by
18 facsimile;

19 (D) inform a policyholder of the type of coverage shown in the
20 licensee's policy record if the person does not advise that an event or
21 hypothetical event is or is not covered; or

22 (E) in the physical presence of the licensee, record information
23 from an applicant or policyholder and complete for a licensee's personal
24 review and personal signature, applications, binders, endorsements, or
25 identification cards if the person discloses to the applicant or policyholder that
26 the applicant or policyholder may review the matter with a licensee;

27 (4) is an employee of an insurer or an organization employed by an
28 insurer and is engaged in the inspection, rating, or classification of risks, or in the
29 supervision of the training of insurance producers and is not individually engaged in
30 the sale, solicitation, or negotiation of insurance;

31 (5) advertises in this state through printed publications or electronic

1 mass media, the distribution of which is not limited to residents of this state, if the
2 person

3 (A) performs no other insurance-related activities in this state;

4 (B) does not intend to solicit in this state; and

5 (C) does not sell, solicit, or negotiate insurance of risks
6 resident, located, or to be performed in this state;

7 (6) is not a resident of this state, but sells, solicits, or negotiates
8 commercial property and casualty insurance for an insured with risks located in more
9 than one state if the person is licensed as an insurance producer in the state where the
10 insured maintains its principal place of business and the contract of insurance covers
11 risks located in that state;

12 (7) is a salaried full-time employee who counsels or advises the
13 person's employer regarding the insurance interests of the employer or of the
14 subsidiaries or business affiliates of the employer, if the employee does not sell or
15 solicit insurance or receive a commission from the sale or solicitation of insurance;

16 (8) is an employer or association or the employer's or association's
17 officer, director, employee, or the trustee of an employee trust plan, if the person is not
18 compensated, directly or indirectly, for transacting insurance and is engaged in the
19 administration or operation of a plan offering employee benefits for the employer's or
20 association's own employees, or the employees of its subsidiaries or affiliates; to
21 qualify under this paragraph, the plan must include insurance for employees; [OR]

22 (9) is an officer, director, or employee of an admitted insurer who does
23 not receive a commission on policies written or sold to risks resident, located, or to be
24 performed in this state if the officer's, director's, or employee's functions are executive,
25 administrative, managerial, clerical, or a combination of these and are only indirectly
26 related to the transaction of insurance; relate to underwriting or loss control; or are in
27 the capacity of an agency supervisor where the activities are limited to providing
28 technical assistance to insurance producers and whose activities do not include
29 transacting insurance;

30 **(10) is an employee of a licensed independent adjuster or an**
31 **employee of an affiliate of a licensed independent adjuster with not more than 25**

1 people under the supervision of one licensed independent adjuster or licensed
 2 producer who collects or furnishes claim information for portable electronics
 3 insurance issued under AS 21.36.515 to insureds or claimants and enters the
 4 information into an automated claims adjudication system; the automated claims
 5 adjudication system must be a preprogrammed computer system designed for the
 6 collection, data entry, calculation, and final resolution of portable electronics
 7 insurance claims that

8 (A) may be used only by a licensed independent adjuster,
 9 licensed agent, or supervised individuals operating under this section;

10 (B) must comply with the claims payment requirements of
 11 this title; and

12 (C) must be certified as compliant with this paragraph by a
 13 licensed independent adjuster that is an officer of a licensed entity under
 14 this chapter.

15 * **Sec. 2.** AS 21.27.270(b) is amended to read:

16 (b) Unless the director denies or refuses to renew a license under
 17 AS 21.27.410, the director shall issue a nonresident **adjuster**, producer, limited lines,
 18 surplus lines broker, managing general agent, reinsurance intermediary broker, or
 19 reinsurance intermediary manager license to a person who is not a resident of this state
 20 if

21 (1) the person is currently licensed and is in good standing in the
 22 person's home state; the director may verify the person's licensing status through the
 23 producer licensing database records maintained by the National Association of
 24 Insurance Commissioners or its affiliates or subsidiaries;

25 (2) the person has paid the fees required under AS 21.06.250 and has
 26 submitted to the director

27 (A) the license application the person submitted to the person's
 28 home state; or

29 (B) if the person is not a firm, a completed uniform application
 30 or, if a firm, the uniform business entity application; and

31 (3) the person's home state awards nonresident **adjuster**, producer,

1 limited lines, surplus lines, managing general agent, reinsurance intermediary broker,
2 and reinsurance intermediary manager licenses to residents of this state on the same
3 basis as does this state.

4 * **Sec. 3.** AS 21.27.270 is amended by adding new subsections to read:

5 (h) A nonresident applicant for an independent adjuster license who is
6 licensed as an independent adjuster and in good standing in the applicant's home state
7 does not have to meet the requirements of AS 21.27.060 or 21.27.830 to be licensed
8 under this section. A resident of Canada may not be licensed as an independent
9 adjuster under this section unless the applicant has obtained a resident independent
10 adjuster license in another state or declared another state the applicant's home state
11 and obtained an independent adjuster license in that state.

12 (i) If a nonresident independent adjuster applicant's home state does not
13 license independent adjusters, the independent adjuster applicant may designate the
14 applicant's home state as any state in which the applicant is licensed in good standing.

15 * **Sec. 4.** AS 21.27.900(10) is amended to read:

16 (10) "home state" means the District of Columbia or a state or territory
17 of the United States in which an insurance producer **or independent adjuster**
18 maintains the **insurance** producer's **or independent adjuster's** principal place of
19 residence or principal place of business and is licensed to act as an insurance producer
20 **or independent adjuster**;