

CS FOR SENATE BILL NO. 214(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/9/14

Referred: Rules

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to insurance adjuster and independent portable electronics adjuster**
2 **licensing."**

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

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

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

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

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

11 (A) performing administrative services related to

12 (i) group life insurance;

13 (ii) group property and casualty insurance;

14 (iii) group annuities;

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

2 (B) enrolling individuals under plans for the types of insurance
3 or annuities specified in (A) of this paragraph;

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

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

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

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

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

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

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

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

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

1 the sale, solicitation, or negotiation of insurance;

2 (5) advertises in this state through printed publications or electronic
3 mass media, the distribution of which is not limited to residents of this state, if the
4 person

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

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

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

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

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

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

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

1 **(10) is an employee of a licensed independent adjuster or an**
 2 **employee of an affiliate of a licensed independent adjuster with not more than 25**
 3 **people under the supervision of one licensed independent adjuster or licensed**
 4 **producer who collects or furnishes claim information for portable electronics**
 5 **insurance issued under AS 21.36.515 to insureds or claimants and enters the**
 6 **information into an automated claims adjudication system; the automated claims**
 7 **adjudication system must be a preprogrammed computer system designed for the**
 8 **collection, data entry, calculation, and final resolution of portable electronics**
 9 **insurance claims that**

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

12 **(B) must comply with the claims payment requirements of**
 13 **this title; and**

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

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

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

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

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

29 (A) the license application the person submitted to the person's
 30 home state; or

31 (B) if the person is not a firm, a completed uniform application

1 or, if a firm, the uniform business entity application; and

2 (3) the person's home state awards nonresident **adjuster**, producer,
3 limited lines, surplus lines, managing general agent, reinsurance intermediary broker,
4 and reinsurance intermediary manager licenses to residents of this state on the same
5 basis as does this state.

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

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

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

17 * **Sec. 4.** AS 21.27.330(a) is amended to read:

18 (a) A person licensed under this chapter shall have and maintain at least one
19 place of business that is physically accessible to the public in this state unless the
20 person holds a nonresident license and principally conducts transactions in another
21 state. However, the nonresident licensee must have at least one physically accessible
22 place in the nonresident licensee's home state. The requirements of this subsection do
23 not apply to **a nonresident independent portable electronics adjuster that has**
24 **designated a state or territory other than the nonresident adjuster's resident state**
25 **as the nonresident adjuster's home state or to** a licensee who only conducts
26 business in life or health insurance or annuities. **In this subsection, "independent**
27 **portable electronics adjuster" means an independent adjuster who collects,**
28 **furnishes, or enters claim information for portable electronics insurance issued**
29 **under AS 21.36.515.**

30 * **Sec. 5.** AS 21.27.900(10) is amended to read:

31 (10) "home state," **with respect to**

1 **(A) an insurance producer,** means the District of Columbia or
2 a state or territory of the United States in which an insurance producer
3 maintains the producer's principal place of residence or principal place of
4 business and is licensed to act as an insurance producer;

5 **(B) an independent adjuster, means the District of**
6 **Columbia or a state or territory of the United States in which an**
7 **independent adjuster maintains the independent adjuster's principal place**
8 **of residence or principal place of business and is licensed to act as an**
9 **independent adjuster or, if the state or territory of the United States of the**
10 **independent adjuster's principal place of residence or principal place of**
11 **business does not license independent adjusters, the state or territory of**
12 **the United States designated by the independent adjuster where the**
13 **independent adjuster is licensed;**