

SENATE BILL NO. 662

BY SENATOR HEBERT

1 AN ACT

2 To amend and reenact R.S. 22:1662, 1664(C), and 1665(D), to enact R.S. 22:1665(E), and  
3 to repeal R.S. 22:1669(C), relative to claims adjusters; to provide with respect to  
4 general exemptions; to provide for application for claims adjuster license and  
5 resident license; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1662, 1664(C) and 1665(D) are hereby amended and reenacted  
8 and R. S. 22:1665(E) is hereby enacted to read as follows:

9 §1662. General exemptions

10 This Part does not apply to:

11 (1) An attorney at law admitted to practice in this state, when acting in his  
12 professional capacity as an attorney.

13 (2) An employee of an insurer who is not regularly engaged in the  
14 adjustment or investigation of insurance claims.

15 (3) A person employed only to furnish technical assistance to a licensed  
16 adjuster, including but not limited to an investigator, an attorney, an engineer, an  
17 estimator, a handwriting expert, a photographer, and a private detective.

18 (4) A producer of an authorized insurer or a licensed employee of a producer  
19 who processes an undisputed or uncontested loss for the insurer under a policy issued  
20 by the producer.

21 (5) A person who performs clerical duties and does not negotiate with parties  
22 on disputed or contested claims.

23 **(6)(a) An individual who collects claim information from, or furnishes**  
24 **claim information to, insured or claimants, who conducts data entry including**

1 entering data into an automated claims adjudication system provided such  
 2 individual is an employee of a business entity licensed pursuant to this Chapter,  
 3 or an employee of an affiliate of a business entity licensed pursuant to the  
 4 Chapter, if there are no more than twenty-five individuals under the  
 5 supervision of one licensed individual adjuster or licensed individual insurance  
 6 producer. As used in this Part, "automated claims adjudication system" means  
 7 a preprogrammed computer system designed for the collection, data entry,  
 8 calculation and system generated final resolution of consumer electronic  
 9 products insurance claims which:

10 (i) May be utilized only by a licensed adjuster or licensed producer, or  
 11 supervised individuals operating pursuant to this Paragraph;

12 (ii) Must comply with all claims payment requirements of the Louisiana  
 13 Insurance Code; and

14 (iii) Must be certified as compliant with this Section by a licensed  
 15 adjuster that is an officer of a licensed business entity under this Chapter.

16 (b) Individuals who are licensed as producers pursuant to R.S. 22:1543  
 17 are not required to be licensed as an adjuster for purposes of this Section.

18 ~~(6)(7)~~ A person who handles claims arising under life, accident, and health  
 19 insurance policies.

20 ~~(7)(8)~~ A person who is employed principally as a right-of-way agent or a  
 21 right-of-way and claims agent whose primary responsibility is the acquisition of  
 22 servitudes, leases, permits, or other real property rights and who handles only claims  
 23 arising out of operations under those servitudes, leases, permits, or other contracts  
 24 or contractual obligations.

25 ~~(8)(9)~~ An individual who is employed to investigate suspected fraudulent  
 26 insurance claims but who does not adjust losses or determine claims payments.

27 (10) A full-time salaried employee of a property owner or a property  
 28 management company retained by a property owner who either does not hold  
 29 the employee out as an insurance adjuster or who has not been hired to handle  
 30 a specific claim resulting from a fire or casualty loss and who acts at the sole

1 discretion of the property owner or management company regarding a claim  
2 related to the owner's property.

3 ~~(9)~~(11) A person who handles claims arising under vehicle mechanical  
4 breakdown insurance policies as defined in R.S. 22:361.

5 ~~(10)~~(12) A person who handles claims arising under property residual value  
6 insurance policies as defined in R.S. 22:381.

7 ~~(11)~~(13) A person handling claims for workers' compensation benefits  
8 pursuant to Title 23 of the Louisiana Revised Statutes of 1950 or a person handling  
9 claims arising under a workers' compensation policy or group self insurers fund  
10 indemnity agreement.

11 ~~(12)~~(14) A person handling commercial claims for excess coverages as  
12 classified by R.S. 22:47(14).

13 (15) A person who settles only reinsurance or subrogation claims.

14 \* \* \*

15 §1664. Application for claims adjuster license

16 \* \* \*

17 C.(1) In order to make a determination of eligibility, the commissioner of  
18 insurance is authorized to require fingerprints of applicants and submit the  
19 fingerprints and the fee required to perform the criminal history record checks to the  
20 Louisiana Bureau of Criminal Identification and Information and the Federal Bureau  
21 of Investigation (FBI) for state and national criminal history record checks. The  
22 commissioner of insurance shall require a criminal history record check on each  
23 applicant in accordance with this Part. The commissioner of insurance shall require  
24 each applicant to submit a full set of fingerprints in order for the commissioner of  
25 insurance to obtain and receive National Criminal History Records from the FBI  
26 Criminal Justice Information Services Division.

27 (2) All business entities applying to do business as independent adjusting  
28 companies must provide a listing of all executive officers and directors of the  
29 applicant and of all executive officers and directors of entities owning and any  
30 individuals owning, directly or indirectly, ten percent or more of the

outstanding voting securities of the applicant. In order to make a determination of eligibility, the commissioner may require any person listed above to submit addresses, social security numbers, criminal and administrative history, fingerprints, background checks, and biographical statements.

~~(2)~~**(3)** The commissioner of insurance may contract for the collection, transmission, and resubmission of fingerprints required under this Section. If the commissioner of insurance does so, the fee for collecting, transmitting, and retaining fingerprints shall be payable directly to the contractor by the person. The commissioner of insurance may agree to a reasonable fingerprinting fee to be charged by the contractor.

~~(3)~~**(4)** The commissioner of insurance may waive submission of fingerprints by any person that has previously furnished fingerprints and whose fingerprints are on file with the Central Repository of the National Association of Insurance Commissioners (NAIC), its affiliates, or subsidiaries.

~~(4)~~ **(5)** The commissioner of insurance is authorized to receive criminal history record information in lieu of the Louisiana Bureau of Criminal Identification and Information that submitted the fingerprints to the FBI.

~~(5)~~**(6)** The commissioner of insurance is authorized to submit electronic fingerprint records and necessary identifying information to the National Association of Insurance Commissioners (NAIC), its affiliates, or subsidiaries for permanent retention in a centralized repository. The purpose of such a centralized repository is to provide insurance commissioners with access to fingerprint records in order to perform criminal history record checks.

§1665. Resident license

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**D. No resident of Canada may be licensed pursuant to R.S. 22:1663, or may designate Louisiana as their home state, unless such person has successfully passed the adjuster examination and has complied with the other applicable portions of this Section, except that such applicant shall not be required to comply with Paragraph (A) (4) of this Section.**

1                    ~~D.E.~~ The commissioner of insurance may require any documents reasonably  
2                    necessary to verify the information contained in the application.  
3                    Section 2. The provisions of R.S. 22:1669(C) are hereby repealed.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_