



association of
claims professionals

FREQUENTLY ASKED QUESTIONS

The Claims Licensing Advancement for Interstate Matters (CLAIM) Act

WHY IS THE CLAIM ACT NEEDED?

Independent claims adjusters today face a patchwork of inconsistent state regulations that can delay the prompt adjustment of disaster victim and other consumers' claims. The CLAIM Act is designed to provide independent claims adjusters with the regulatory consistency needed to provide timely, efficient, and cost-effective service to claimants, and to facilitate prompt adjusting in the case of natural and other disasters.

The CLAIM Act will ensure that claims adjusters are treated consistently with other specialized state-licensed professionals who enjoy uniformity and reciprocity among the states, including insurance producers, physicians, nurses, attorneys, and emergency responders.

HOW WILL THE CLAIM ACT ACHIEVE THESE POLICY GOALS?

The CLAIM Act advances uniformity, reciprocity, and consumer protections for claims adjusting across state lines. While respecting state oversight of insurance, the CLAIM Act:

- Encourages states to adopt uniform and reciprocal independent adjuster licensing laws;
- Enables independent claims adjusters to handle claims more efficiently and effectively across state lines in a national marketplace by spurring reciprocal state licensing;
- Protects consumers by incentivizing states to adopt uniform licensing criteria; and
- Facilitates accelerated adjusting of claims arising from natural or other disasters.

WHAT WILL THE CLAIM ACT ACTUALLY DO?

The CLAIM Act requires states that license adjusters to adopt uniform and reciprocal requirements, consistent with federal law previously enacted for agents and brokers. If a state does not establish the required laws and regulations within four years, independent adjusters who are properly licensed in their home state may apply to the National Association of Registered Agents and Brokers for a license to adjust claims in such state.

HOW WILL THE CLAIM ACT PROTECT STATES' RIGHTS TO REGULATE THE INSURANCE INDUSTRY?

The CLAIM Act respects states' rights to regulate insurance. Yet, building on legislative precedent, the CLAIM Act urges the states timely to complete adoption of uniform and reciprocal adjuster licensing laws. In doing so, the CLAIM Act recognizes that state regulators are uniquely positioned and qualified to address licensing standards issues.

Each state retains its independence to adopt licensing rules, as it deems appropriate, within a four-year period, as well as to determine if it does not wish to license adjusters at all. State discretion is explicitly retained in the legislation, and states are permitted to charge appropriate licensing fees and adopt other requirements provided they do not discriminate against out-of-state adjusters.

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