

STORIES FROM THE FRONT LINES

The Claims Licensing Advancement for Interstate Matters (CLAIM) Act

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

WITH THE CLAIM ACT, CLAIMS ADJUSTERS WOULD NOT FACE THESE LICENSING OBSTACLES:

- Connecticut will not provide reciprocity to a licensed adjuster whose “designated home state” is New York or, if the licensed adjuster is a resident of New York licensed in New York, until that adjuster has a valid license from a state other than New York.
- Oklahoma will not offer reciprocity for claims adjusters licensed in Arizona, California, Hawaii, or New York; nor will Oklahoma allow an adjuster to rely on these states as his designated home state.
- Rhode Island requires its applicants to be licensed in one of 11 other states to receive a license. If an applicant is licensed in any other state, reciprocity will be denied, and the applicant must take the Rhode Island licensing examination.
- Vermont requires workers’ compensation adjusters to attend the state’s workers’ compensation conference—which is held once every two years in Vermont.
- Wyoming requires applicants that reside in Arizona to take the Wyoming licensing examination.
- California requires a bond for resident applicants but will not license non-resident applicants. California also requires two years’ adjusting experience before allowing an independent adjuster to take the licensing examination.
- Six states refuse to accept the crop adjuster national certification (known as CAPP), and still require a crop adjuster to take a property and casualty exam (irrelevant to their work) or a unique crop adjuster exam which may not comport with federal crop insurance standards.

THE FOLLOWING (TRUE) STORY EXEMPLIFIES THE OBSTACLES THAT CLAIM ADJUSTERS CURRENTLY ENCOUNTER:

A New York resident has held a non-resident adjuster license in Arkansas for five years. He contacted the Arkansas Department of Insurance (DOI) to inquire about continuing education requirements. During the course of the conversation with the Arkansas DOI employee, the adjuster mentioned his residence in New York. The Arkansas DOI employee responded that Arkansas does not have reciprocity with New York. As a result, the Arkansas DOI revoked the adjuster’s non-resident license and required him to take the Arkansas licensing examination, which is only offered in Arkansas and Tennessee.

When the adjuster challenged the decision due to the lack of information about reciprocity requirements on the Arkansas DOI website, the employee stated that the Arkansas DOI planned to revise the website and was bound by a statutory requirement to revoke the improperly-issued non-resident license from five years prior without any other consideration.

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