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ACP Applauds Introduction of New York Bills to Remove Barriers to Obtaining an Independent Adjuster License

WASHINGTON— The Association of Claims Professionals (ACP) today praised the introduction of legislation in the New York State Assembly that would modernize the State Insurance Code by repealing the outdated and redundant surety bond and character reference requirements for adjuster licensure. The move is expected to reduce costs for consumers and streamline the claims adjusting process.

A.3994 introduced by Assemblyman Michael Cusick would eliminate the outdated and costly policy that requires independent insurance adjusters to hold a surety bond, bringing New York in line with the 30 states that do not have such requirements for independent adjuster licensure. In addition, **A. 3942** was also introduced by Cusick, modernizing the independent adjuster insurance application process by eliminating the requirement that an adjuster procure character references from five different individuals.

“The ACP thanks Assemblyman Cusick for his leadership on these important issues and commends the introduction of commonsense legislation to update New York’s outdated insurance code,” said Matthew Craig, Senior Vice President and Regional Manager of Tristar Insurance Group “We look forward to working with lawmakers to enact this legislation into law and finally update New York’s adjuster licensing system for the modern economy – saving adjusters time and consumers money in the process.”

Under the New York Insurance Code, independent claims adjusters are required to have a \$1,000 bond on file with the Department of Financial Services at all times, which adds unnecessary layers of bureaucracy to the adjuster licensing process. Not only does the surety bond requirement create frustrating barriers, it also does not serve any public benefit, economic or otherwise. This is because the vast majority of independent adjusters work for companies that themselves are already licensed through the Department of Insurance and which would be liable for any malfeasance or adjusting errors. Industry representatives have been unable to identify a single instance where the Department has ever called upon such a bond for payment of a penalty, fine or restitution.

Further, any individual seeking to obtain an adjuster license must collect affidavits from five different individuals who can attest to the applicant's character and who have known the applicant for a minimum of five years. This requirement is unique to New York and serves no real purpose in the application process, particularly at a time when the vast majority of independent adjusters work for companies that already screen applicants before they join the company. This provision particularly affects those who have recently moved to New York and are seeking to obtain a license, given that they may not have the requisite number of local reference sources.

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About Association of Claims Professionals (ACP)

The Association represents the interests of independent claims professionals. Since its inception in 2002, the Association has promoted adjuster licensing uniformity and reciprocity to enhance quality and ensure prompt and equitable reimbursement of claims. In 2016, the Association updated its name to the Association of Claims Professionals and repositioned itself to embrace the forward-looking vision of its member companies. ACP's vision for the future is a claims management industry viewed as a trusted advisor and business partner by its customers and as a helpful and caring frontline responder by claimants. ACP companies are committed to providing career opportunities to attract the next generation of claims professionals. Learn more at claimsprofession.org.