



Study: State insurance licensing reciprocity benefits everyone

by Lyle Adriano
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A new study has found that the current system of licensing regulations for independent claims adjusters is causing more harm than help for the industry.

The study, entitled *“Breaking Down Barriers”* by Pacific Research Institute, found that the average claims adjuster holds between 10 and 12 different state licenses. This can set them back as much as \$1,000 each. The study pointed out that these “costly, burdensome state requirements” make it more difficult for adjusters to operate across states, while driving up costs for consumers and limiting the opportunities for new adjusters.

At present, 34 states require independent adjusters to hold a license, the Association of Claims Professionals (ACP) reported.

A survey by ACP revealed that there are more than 125,000 independent claims adjusters working in the US – yet there may be inconsistencies in each state’s licensing requirements that could prevent adjusters from working across state lines.

“The current patchwork of overlapping licensing laws and regulations prevents qualified adjusters who work out-of-state from being able to timely process insurance claims,” said the author of the report and Pacific Research Institute senior fellow for Business and Economics Dr. Wayne Winegarden.

However, there is pending legislation that could address the inconsistencies.

A bipartisan bill, currently before Congress, called the Claims Licensing Advancement for Interstate Matters (CLAIM) Act would give states four years to reform their licensing laws, allowing adjusters properly licensed in other states to process claims across state lines without discrimination. If this so-called licensing reciprocity has not been achieved by a state, independent adjusters would be able to apply for an inter-state license from the National Association of Registered Agents and Brokers under the bill.

“[The study’s] findings show that licensing reciprocity for claim adjusters can improve efficiency, reduce costs, and improve the quality of the services provided by these

professionals to the great benefit of consumers,” Winegarden remarked.

“Consumers’ ability to receive quick and effective claims adjusting services shouldn’t be dictated by state borders,” added Broadspire CEO Danielle Lisenbey. “We must empower states to adopt uniform and reciprocal licensing laws so adjusters can timely and efficiently process claims.”

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