

FINAL BILL REPORT

SHB 1037

C 22 L 21
Synopsis as Enacted

Brief Description: Concerning insurance adjusters.

Sponsors: House Committee on Consumer Protection & Business (originally sponsored by Representatives Kirby and Vick; by request of Insurance Commissioner).

House Committee on Consumer Protection & Business
Senate Committee on Business, Financial Services & Trade

Background:

Adjusters.

An adjuster is a person who is compensated to investigate or report on claims arising under insurance contracts on the sole behalf of either the insurer or the insured. An independent adjuster represents the interests of an insurer. A public adjuster represents the interests of the insured. The definition of adjuster specifically excludes attorneys who occasionally adjust insurance losses, salaried employees of an insurer, and adjusters of marine losses.

Licensing Requirements.

The Office of the Insurance Commissioner (OIC) licenses adjusters. Licensing requirements include: passing a written examination; undergoing a background check; and having experience, education, or training in handling insurance claims.

Emergency Adjusters.

Nonresident independent adjusters may operate in the state without a license if they are adjusting a single loss or multiple losses from a common catastrophe.

Summary:

Adjusters.

The definition of adjuster is modified. An adjuster is a person who either investigates and negotiates an insurance claim settlement, applies the factual circumstances of a claim to an

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insurance policy, or both. An appraiser or umpire working under the appraisal clause in an insurance contract is added to the persons excluded from the definition of adjuster. An appraiser is defined as a person selected by the insurer or the insured to place a value on or estimate the amount of loss under an appraisal clause in an insurance contract. An umpire is defined as a person selected by the appraisers representing the insurer and the insured, or by the court if the appraisers cannot agree, who is charged with resolving issues that the appraisers are unable to agree upon during the course of an appraisal.

Licensing Requirements.

The OIC may establish minimum continuing education requirements for adjusters.

Emergency Adjusters.

Nonresident independent adjusters may only operate in the state without a license if the common catastrophe is the subject of a state of emergency proclamation and the adjuster registers as an emergency adjuster with the OIC. In addition, the emergency adjuster: (1) may not operate in the state longer than 180 days unless approved by the OIC; (2) is subject to the same disciplinary provisions and penalties as a licensed adjuster; and (3) is subject to civil liability for all actions in the state.

Votes on Final Passage:

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| House | 96 | 0 |
| Senate | 49 | 0 |

Effective: July 25, 2021