
SUBSTITUTE HOUSE BILL 1865

State of Washington 62nd Legislature 2012 Regular Session

By House Business & Financial Services (originally sponsored by Representatives Kirby and Bailey)

READ FIRST TIME 01/17/12.

1 AN ACT Relating to handling claims associated with products issued
2 under specialty producer licenses; and adding a new section to chapter
3 48.17 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.17 RCW
6 to read as follows:

7 (1) An individual who collects claim information from, or furnishes
8 claim information to, insureds or claimants, and who enters data is not
9 an "adjuster" for the purpose of this chapter if both of the following
10 are satisfied:

11 (a) The individual's claim-related activity is limited exclusively
12 to claims originating from policies of insurance issued through a
13 communications equipment program as defined in RCW 48.120.005(2); and

14 (b) The individual is an employee of, and is supervised by, a
15 person that is licensed as an independent adjuster. For purposes of
16 this section, "employee" includes employees of entities under common
17 ownership with the licensed person.

18 (2) The person that is licensed as an independent adjuster must

1 maintain complete records of its employees engaged in the activity
2 described in subsection (1) of this section and must comply with either
3 (a) or (b) of this subsection:

4 (a) The person must submit a list of the names of all such
5 employees to the commissioner on forms prescribed by the commissioner
6 annually and must keep the list current by reporting all changes,
7 deletions, or additions within thirty days after the change, deletion,
8 or addition occurred. Each list must be retained by the licensed
9 independent adjuster for a period of three years from submission; or

10 (b) The person must maintain a system to track and document in the
11 claim records each employee engaged in the activity described in
12 subsection (1) of this section and, upon request of the commissioner,
13 must identify the employee who has engaged in the activity.

14 (3) The person licensed as an independent adjuster must provide a
15 training and education program for each employee engaged in the
16 activity described in subsection (1) of this section prior to allowing
17 the employee to engage in the activity. The training must include a
18 section on compliance with applicable insurance laws for which a
19 syllabus outlining the content of this section must be submitted to the
20 commissioner for approval prior to use, and resubmitted for approval of
21 any changes prior to use.

22 (4) The licensed independent adjuster that supervises the persons
23 engaged in the activity described in subsection (1) of this section is
24 responsible for their conduct. The commissioner may place on
25 probation, revoke, suspend, or refuse to renew the adjuster's license
26 of the independent adjuster, levy a civil penalty in accordance with
27 RCW 48.17.560, or any combination of actions for any of the causes for
28 which an adjuster's license may be revoked under chapter 48.17 RCW for
29 the violation of any insurance laws, or any rule, subpoena, or order of
30 the commissioner by a person engaged in the activity described in
31 subsection (1) of this section who is employed by the licensed
32 adjuster.

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