ACT 21 OF 2012

LICENSING OF PUBLIC ADJUSTERS IN THE 21ST CENTURY

Presented by the Pennsylvania Insurance Department Bureau of Licensing & Enforcement June 13, 2012 Eirst major change in licensing since 1984

Major improvements to licensing process and allows for reciprocity in broad format similar to producer act. Act 21 of 2012 (Act 21) follows the intent of the National Association of Insurance Commissioners (NAIC) model for public adjusters adopted in 2005.

MIRRORS THE PRODUCER MODEL

ACT

Producer Act adopted in 2000

• NAIC Producer Model adopted in 2000 by NAIC and enacted in Pennsylvania in June 2003 totally modernized licensing for insurance producers. The act in Pennsylvania, Act 147 of 2002, eliminated the two license system for insurance producers, formerly agents or brokers.

NAIC Adjuster Model

 Adopted in 2005 and enacted in Pennsylvania effective September 30, 2012, will eliminate the two license system for public adjusters, making the adjuster solicitor, an adjuster. One license to perform all functions.

BACKGROUND CHECKS

CONSUMER PROTECTION CONSUMER PROTECTION

- Act 147 authorized the Insurance Department to access National Criminal History records to conduct better reviews of applicants that will be dealing with the public. This background investigation also enables the Department to comply with 18 U.S.C. § 1033/1034.
- Act 21 will authorize the Department to access the National Criminal History records similar to Act 147. Live scan fingerprinting is performed at the License exam Centers by Prometric. Applicants must be live scan printed at the exam center. Ink cards are not acceptable.

ONE STOP SHOP

Act 21 Exam registration

 Candidates for licensure will contact Prometric as before; however, on the initial registration, the candidate should arrange to be fingerprinted and pay the Prometric fee of \$19.00 plus the cost of the exam.

SUCCESSFUL CANDIDATES

Upon passing the exam, the candidate should then apply online at the kiosk located in the exam center, pay the license fee of \$200.00 and the background check fee of \$36.25 by credit card. This will print a confirmation page and allow the applicant to be fingerprinted.

APP PROCESS

E-APP

 Applications should be filed online at the kiosk in the exam center and live scan printing done the same day. This provides the Department, the PA State Police and the FBI all the information to begin to process the application review within 4 minutes. Normal cycle time on a clean app is 7 to 10 business days.

Contracts and Bonds

 Do not have to accompany the application. The act requires the public adjuster use an approved contract in conducting business but it is not a prerequisite to licensure The same with the bond, it is a market practice requirement, not a licensing prerequisite.

PROFESSIONAL DEVELOPMENT

 Act 21 now requires all resident public adjusters to complete 24 hours of continuing education (CE) in order to renew their individual license. Failure to complete the CE is a voluntary termination of the license, similar to failure to pay the fee timely (on or before the expiration date of the existing license).

CE PERIOD

- CE period runs with the license cycle, which now will be a biennial license cycle expiring on the last day of the birth month. The first cycle that will require CE is the first full renewal cycle after September 30, 2012.
- The law does not mandate any specific course curriculum; however, all courses that a licensee takes MUST be approved for CE in Pennsylvania. Approved courses are listed on www.sircon.com/pennsylvania

THE SOLICITOR

• This license sunsets with Act 21 and all solicitors will be converted to public adjusters on September 30, 2012. This will occur over the weekend of September 29 and be seamless to the licensee. Keep in mind for any solicitor converted to adjuster, before they can act as an adjuster, they must secure the new bond amount of \$20,000.00 required by Act 21.

Prohibited Acts

 The prohibited acts that can lead to a suspension, revocation or denial of a license application mirror the producer act. The goal was to have one level field for all licensees as all are considered licensed professionals and all should be held to the same market place standards.

APPROVED CONTRACT

 An approved contract will be posted on Department website and if used "AS IS" with no edits other than the information in the form fields displayed, will NOT require filing with the Department, similar to ISO forms used by the insurers. Any public adjuster wishing to edit the approved form must file that request "Prior" to using the form. There is no guarantee of cycle time to review the filed form. A sample will be displayed following this presentation.

QnA TIME!

QUESTIONS?????