

BILL ANALYSIS

C.S.H.B. 2131
By: Anderson, Rodney
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that certain policyholders would benefit from the ability of insurance adjusters who are not licensed to pay uncontested minor claims in first-party losses. C.S.H.B. 2131 seeks to provide for this benefit by exempting from statutory provisions regulating insurance adjusters certain employees who adjust first-party small claims under a property and casualty insurance policy.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2131 amends the Insurance Code to include among the persons exempted from the application of statutory provisions relating to regulation of insurance adjusters an individual employed by an insurer or an affiliate of the insurer who adjusts a loss not to exceed \$500, or who authorizes a payment on a claim for a loss for which there is a specified coverage limit of \$500 or less, arising from a first-party claim under a property and casualty insurance policy.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2131 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 4101.002(a), Insurance Code, is amended to read as follows: (a) This chapter does not apply to: (1) an attorney who:	SECTION 1. Section 4101.002(a), Insurance Code, is amended to read as follows: (a) This chapter does not apply to: (1) an attorney who:

- (A) adjusts insurance losses periodically and incidentally to the practice of law; and
- (B) does not represent that the attorney is an adjuster;
- (2) a salaried employee of an insurer who is not regularly engaged in the adjustment, investigation, or supervision of insurance claims;
- (3) a person employed only to furnish technical assistance to a licensed adjuster, including:
 - (A) an attorney;
 - (B) an engineer;
 - (C) an estimator;
 - (D) a handwriting expert;
 - (E) a photographer; and
 - (F) a private detective;
- (4) an agent or general agent of an authorized insurer who processes an undisputed or uncontested loss for the insurer under a policy issued by the agent or general agent;
- (5) a person who performs clerical duties and does not negotiate with parties to disputed or contested claims;
- (6) a person who handles claims arising under life, accident, and health insurance policies;
- (7) a person:
 - (A) who is employed principally as:
 - (i) a right-of-way agent; or
 - (ii) a right-of-way and claims agent;
 - (B) whose primary responsibility is the acquisition of easements, leases, permits, or other real property rights; and
 - (C) who handles only claims arising out of operations under those easements, leases, permits, or other contracts or contractual obligations;
- (8) an individual who is employed to investigate suspected fraudulent insurance claims but who does not adjust losses or determine claims payments;
- (9) a public insurance adjuster licensed under Chapter 4102; [øø]
- (10) an individual who:
 - (A) collects claim information from, or furnishes claim information to, an insured or claimant and enters data into an automated claims adjudication system; and
 - (B) is employed by a licensed independent adjuster or its affiliate under circumstances in which no more than 25 individuals performing duties described by Paragraph (A) are supervised by a single licensed

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independent adjuster or a single licensed agent; or

(11) an individual employed by an insurer or an affiliate of the insurer who adjusts a loss not to exceed \$500 arising from a first-party claim under a property and casualty insurance policy.

SECTION 2. This Act takes effect September 1, 2017.

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SECTION 2. Same as introduced version.