

## **BILL ANALYSIS**

Senate Research Center

S.B. 718  
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Business & Commerce  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, insurers are required to use licensed insurance adjusters to pay uncontested minor claims, such as the food spoilage claims that result from power outages. Permitting non-licensed employees to pay small claims would allow insurers to better utilize claim-handling resources. By using employees to expedite the payment of smaller claims, these policyholders would recover sooner. This will also allow insurance companies to assign licensed claim adjusters to the more serious claims, decreasing the time necessary for completion of estimates and payment of those claims as well. S.B. 718 addresses this issue by authorizing insurance company employees to adjust small claims under a property and casualty insurance policy.

S.B. 718 amends Chapter 4101, Insurance Code, to authorize an employee of an insurer or an affiliate of the insurer to adjust a loss not to exceed \$500 arising from a first-party claim under a property and casualty insurance policy by exempting such persons from statutory provisions governing insurance adjusters.

S.B. 718 amends current law relating to the regulation of insurance adjusters.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 4101.002(a), Insurance Code, as follows

(a) Provides that this chapter (Insurance Adjusters) does not apply to certain individuals, including an individual employed by an insurer or an affiliate of the insurer who adjusts a loss not to exceed \$500, or 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. Makes nonsubstantive changes.

SECTION 2. Effective date: September 1, 2017.