



DATE: August 30, 2019

TO: NAIC Producer Licensing Uniformity Working Group

SUBJ: Comments for Chapter 18, Adjusters

As previously noted, SILA continues with its efforts to monitor, review, and update information within its own Best Practices Handbook (SBPH) that addresses various licensing issues and requirements associated to all aspects of insurance licensing. One chapter within the SBPH addresses adjusters. After almost two years of feedback and discussions, our members have identified numerous inconsistencies, challenges and obstacles in adjuster licensing.

Although specific suggestions and improvements to address reciprocity issues in adjuster licensing may be outside the scope of this group's current charge, we believe inclusion of specific key issues noted below and previously adopted by the NAIC to address adjuster licensing would be accurate to reflect current state laws and business practices.

**1. Expand the Reciprocity section to address "Adjuster Designated Home State (ADHS) licenses.**

Most states issue either an independent, staff/company, or public adjuster license. However, inconsistency occurs since states do not offer the same adjuster license types, creating burdens, challenges, and a non-uniform, non-reciprocal environment for all stakeholders. With the adoption of the "home state" definition within the NAIC's Public Adjuster Model and Independent Adjuster Licensing Guideline, a designated home state license is issued by a nonresident state that will qualify an adjuster for licensing purposes and allow the adjuster to designate that state as the "home state".

We suggest adding language that recognizes current state laws and business practices that allows an adjuster residing in state where an adjuster license is not available to designate another state as its home state.

At the end of this section, add, "The adoption of the home state definition allows an adjuster who resides in a state that does not issue an adjuster license to designate another state as their home state. This process is intended to level the playing field for adjusters and provide assurances that the adjuster met the licensing standards that other states should accept and is not intended to provide adjusters with an option to choose a different "resident state" if the adjuster's resident state requires them to be licensed."

**2. Inclusion of the home state definition for independent adjusters.**

Under the "reciprocity" section within this chapter, there is reference to the NAIC Public Adjuster Model's definition but this section does not include the definition of home state noted within the NAIC's Independent Adjuster Licensing Guideline. We recommend inclusion and reference to the definition of home state within the NAIC Independent Adjuster Licensing Guideline that reads as follows:

*"Home State" means the District of Columbia and any state or territory of the United States in which an Independent Adjuster maintains his or her principal place of residence or principal place of business and is licensed to act as an independent adjuster. If such state does not issue an independent adjuster license for the line of business sought, the independent adjuster may designate as their "Home State" any state in which the independent adjuster qualifies pursuant to Section 6 of this Act.*

- Additionally, we recommend modifying the Best Practice for Regulators section to state:  
Use the definition of "home state" as defined in the NAIC Public Adjuster Model Act **and the NAIC's Independent Adjuster Licensing Guideline** as the basis of reciprocity.
  
- 3. **Remove the word "New" under the section titled, "The New NAIC Public Adjuster Model Act defines Home state as:"**. The Public Adjuster Model Act was adopted many years ago and should no longer be considered "new".
  
- 4. **Recognition of the NAIC's Independent Adjuster Reciprocity Best Practices & Guidelines** that was adopted in 2012 to provide states a general license framework for adjusters, including DHS adjusters for measuring whether a state is reciprocal on specific non-resident independent adjuster licensing requirements. We recommend inclusion and reference to the NAIC Independent Adjuster Reciprocity Best Practices & Guidelines under the best practices section to read as follows:  
  
Use the NAIC Independent Adjuster Reciprocity Best Practices & Guidelines as the structure for license qualifications, CE, and DHS requirements for nonresident licensing.
  
- We also suggest adding this document as part of the library of reference materials that will be linked to the SLHB.

In closing, our industry continues to struggle with the challenges, obstacles and inconsistencies within adjuster licensing and look forward to any future discussions specific to this issue that may address these issues that continue to have significant impacts to our members.

Regards,



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SILA