

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Rules

BILL: SB 534

INTRODUCER: Senators Gibson and Thurston

SUBJECT: Insurance Representative Examination Requirements

DATE: March 29, 2021

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Schrader</u>	<u>Knudson</u>	<u>BI</u>	Favorable
2.	<u>Davis</u>	<u>Cibula</u>	<u>JU</u>	Favorable
3.	<u>Schrader</u>	<u>Phelps</u>	<u>RC</u>	Pre-meeting

I. Summary:

SB 534 amends s. 626.221, F.S., to add a category of persons to the list of individuals who are not required to take the examination to become an all-lines insurance adjuster—namely a person certified as an Accredited Insurance Claims Specialist (AICS) from Encore Claim Services (Encore).

II. Present Situation:

An adjuster is “an individual employed by a property/casualty insurer to evaluate losses and settle policyholder claims.”¹ An adjuster may be licensed as either an “all-lines adjuster” or a “public adjuster.”² An all-lines adjuster “is a person who, for money, commission, or any other thing of value, directly or indirectly undertakes on behalf of a public adjuster or an insurer to ascertain and determine the amount of any claim, loss, or damage payable under an insurance contract or undertakes to effect settlement of such claim, loss, or damage.”³ Subject to certain exceptions, a public adjuster is someone who is paid by an insured to prepare and file a claim for the insured against his or her insurer.⁴

Among other requirements, an applicant must pass an examination to obtain an adjuster’s license; however, the examination requirement is waived if the applicant has attained certain professional designations that document his or her successful completion of professional education coursework.⁵

¹ INSURANCE INFORMATION INSTITUTE, GLOSSARY (defining “adjuster”), <https://www.iii.org/resource-center/iii-glossary/A> (last visited March 16, 2021).

² Section 626.864, F.S.

³ Sections 626.015(2) and 626.8548, F.S.

⁴ Section 626.854, F.S.

⁵ Section 626.221, F.S.

An examination is not required for all-lines adjuster applicants having one of the following professional designations:

- Accredited Claims Adjuster (ACA) from a regionally accredited postsecondary institution in this state.
- Associate in Claims (AIC) from the Insurance Institute of America.
- Professional Claims Adjuster (PCA) from the Professional Career Institute.
- Professional Property Insurance Adjuster (PPIA) from the HurriClaim Training Academy.
- Certified Adjuster (CA) from ALL LINES Training.
- Certified Claims Adjuster (CCA) from AE21 Incorporated.
- Claims Adjuster Certified Professional (CACP) from WebCE, Inc.
- Universal Claims Certification (UCC) from Claims and Litigation Management Alliance (CLM).⁶

The DFS must approve the curriculum, which must include comprehensive analysis of basic property and casualty lines of insurance and testing at least equal to that of standard department testing for the all-lines adjuster license.⁷ The DFS rules state that the curriculum must include at least 40 hours of instruction covering all of the topics in the all-lines adjuster Examination Content Outline adopted by the DFS.⁸

Encore Claims Services provides training for individuals in the insurance industry⁹ and offers a 40-hour online course to assist individuals applying for all-lines adjuster licenses.¹⁰ Encore is a subsidiary of JYM Associates Group Inc., a Florida for-profit corporation based in Jacksonville.¹¹

III. Effect of Proposed Changes:

Section 1 of the bill amends s. 626.221, F.S., to exempt an applicant who receives an Accredited Insurance Claims Specialist (AICS) designation from Encore Claim Services, from the all-lines adjuster licensing exam requirement. However, Encore's curriculum still must be approved by the DFS, pursuant to s. 626.221(2)(j), F.S., and Rule 69B-227.320, F.A.C., before the exemption would apply.

Section 2 of the bill reenacts s. 626.8734, F.S., to incorporate the amendment made to s. 626.221, F.S.

Section 3 of the bill provides an effective date of July 1, 2021.

⁶ Section 626.221(2)(j), F.S.

⁷ *Id.*

⁸ Rule 69B-227.320, F.A.C.

⁹ *About us*, Encore Claim Services, <https://encoreclaimservices.com/aboutus/#> (last visited March 16, 2021).

¹⁰ *Encore Claim Services 40-hour Online Claim Adjuster Training*, Encore Claim Services, <https://encoreclaimservices.teachable.com/p/florida-all-lines-adjuster-final-exam> (last visited March 16, 2021).

¹¹ *Supra* note 9; *Detail by Entity Name: JYM Associates Group Inc.*, Division of Corporations: Sunbiz.org, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=JYMASSOCIATESGROUP%20P190000278530&aggregateId=domp-p19000027853-2eb71327-7ed7-4dea-9b5c-0c37bbe3e227&searchTerm=JYM%20ASSOCIATES%20GROUP%20INC.&listNameOrder=JYMASSOCIATESGROUP%20P190000278530> (last visited March 16, 2021).

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

SB 534 may reduce licensure fees for some applicants who have the AICS designation by eliminating their need to pay the examination fee.

C. Government Sector Impact:

The bill may cause the DFS to incur some cost in reviewing and approving the AICS curriculum offered by Encore to confirm that said curriculum comports with the requirements of Section 626.221(2)(j), F.S., and Rule 69B-227.320, F.A.C.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends s. 626.221 of the Florida Statutes.

This bill reenacts s. 626.8734 of the Florida Statutes.

IX. Additional Information:

A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
