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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1947

- 03/02/2017 Authored by Smith, Fenton, Nash, Hoppe, Kresha and others
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform
- 03/09/2017 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 05/22/2017 Pursuant to Rule 4.20, returned to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
 1.2 relating to commerce; regulating insurance adjusters; modifying the definition of
 1.3 adjuster; amending Minnesota Statutes 2016, section 72B.03, subdivision 1.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2016, section 72B.03, subdivision 1, is amended to read:

1.6 Subdivision 1. **Requirement; exceptions.** (a) A person shall not act or hold out as an
 1.7 independent adjuster or public adjuster unless the person is licensed as an independent
 1.8 adjuster or public adjuster in accordance with this chapter, or is exempt from licensure as
 1.9 an independent adjuster or public adjuster under this chapter.

1.10 (b) The definition of adjuster does not include, and a license as an adjuster is not required
 1.11 of, the following:

1.12 (1) attorneys-at-law admitted to practice in this state, when acting in the attorney's
 1.13 professional capacity as an attorney;

1.14 (2) a person employed solely to obtain facts surrounding a claim, such as recording a
 1.15 policyholder's first notice of loss, or to furnish technical assistance to a licensed adjuster;

1.16 (3) an individual who is employed to investigate suspected fraudulent insurance claims
 1.17 but who does not adjust losses or determine claims payments;

1.18 (4) a person who solely performs executive, administrative, managerial, or clerical duties
 1.19 or any combination of these duties and who does not investigate, negotiate, or settle claims
 1.20 with policyholders, claimants, or their legal representative;

2.1 (5) a licensed health care provider or its employee who provides managed care services
2.2 so long as the services do not include the determination of compensability;

2.3 (6) a managed care organization or any of its employees or an employee of any
2.4 organization providing managed care services so long as the services do not include the
2.5 determination of compensability;

2.6 (7) a person who settles only reinsurance or subrogation claims;

2.7 (8) an officer, director, manager, or employee of an authorized insurer, a surplus lines
2.8 insurer, a risk retention group, or an attorney-in-fact of a reciprocal insurer;

2.9 (9) a United States manager of the United States branch of an alien insurer;

2.10 (10) a person who investigates, negotiates, or settles life, accident and health, annuity,
2.11 or disability insurance claims;

2.12 (11) an individual employee, under a self-insured arrangement, who adjusts claims on
2.13 behalf of the employee's employer;

2.14 (12) a licensed insurance producer, attorney-in-fact of a reciprocal insurer, or managing
2.15 general agent of the insurer to whom claim authority has been granted by the insurer;

2.16 (13) a person authorized to adjust workers' compensation or disability claims under the
2.17 authority of a third-party administrator license pursuant to section 60A.23, subdivision 8;

2.18 ~~or~~

2.19 (14) an individual who:

2.20 (i) collects claim information from, or furnishes claim information to, insureds or
2.21 claimants; and

2.22 (ii) conducts data entry including entering data into an automated claims adjudication
2.23 system, provided that the individual is an employee of a licensed independent adjuster or
2.24 its affiliate where no more than 25 such persons are under the supervision of one licensed
2.25 independent adjuster or licensed insurance producer who is exempt from licensure under
2.26 clause (12); or

2.27 (15) a person who:

2.28 (i) reports claims information to a policyholder on behalf of and at the direction of an
2.29 insurer;

2.30 (ii) disburses claims payments on behalf of an insurer to a policyholder or a policyholder's
2.31 vendor; or

3.1 (iii) provides claims or market data to insurers.