

SENATE BILL NO. 152—SENATOR SCHNEIDER

FEBRUARY 16, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions governing insurance adjusters. (BDR 57-939)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to insurance; revising provisions governing insurance adjusters; exempting certain persons from provisions of the Nevada Insurance Adjusters Law governing the licensing and regulation of adjusters; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The Nevada Insurance Adjusters Law governs the licensing of adjusters and the
2 regulation of their conduct. (NRS 684A.010-684A.260) The Nevada Insurance
3 Adjusters Law defines “adjuster,” “independent adjuster,” “public adjuster” and
4 “associate adjuster” for purposes of the Nevada Insurance Code. (NRS 684A.020,
5 684A.030) The Nevada Insurance Adjusters Law is applicable only to persons who
6 satisfy the statutory definition of adjuster, but not to persons who adjust or settle
7 claims relating to life insurance, health insurance or annuities. (NRS 684A.010)
8 **Section 2** of this bill exempts certain persons from the provisions governing the
9 licensing and regulation of adjusters by specifically providing that such persons are
10 not considered adjusters for purposes of the Code. **Section 2** provides that the
11 following persons are not considered adjusters: (1) officers, directors or managers
12 of an insurer; (2) certain employees of an independent adjuster who collect
13 information relating to a claim or conduct data entry; (3) persons employed only to
14 collect factual information concerning a claim for coverage arising under an
15 insurance contract; (4) persons employed only to provide technical assistance to an
16 independent adjuster; (5) persons employed to investigate suspected fraudulent
17 claims for coverage arising under an insurance contract but who do not adjust
18 losses or determine the payment of claims; (6) persons who perform only executive,
19 administrative, managerial or clerical duties, or any combination thereof, but do not
20 investigate or settle claims for coverage arising under an insurance contract; (7)
21 licensed health care providers or any employees thereof who provide managed care
22 services if those services do not include the determination of compensability; (8)
23 managed care organizations or any employees thereof or organizations that provide
24 managed care services or any employees thereof if the services provided do not



25 include the determination of compensability; (9) persons who settle only claims for
26 coverage for reinsurance or subrogation arising under an insurance contract; (10)
27 brokers, agents or representatives of risk retention groups; (11) attorneys-in-fact of
28 reciprocal insurers; (12) managers of branch offices of alien insurers that are
29 located in the United States; (13) persons who investigate, negotiate or settle claims
30 relating to accident or disability insurance claims; and (14) salaried employees of a
31 self-insured who adjust claims arising under insurance contracts only on behalf of
32 the self-insured.

33 **Section 3** of this bill revises the definition of “independent adjuster” to mean an
34 adjuster who, for compensation as an independent contractor, enters into a contract
35 with an insurer or a self-insurer to investigate or settle claims for the insurer or self-
36 insurer arising under insurance contracts for property or casualty coverage or
37 coverage that relates to a claim for workers’ compensation insurance.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 684A of NRS is hereby amended by
2 adding thereto a new section to read as follows:

3 *As used in this Code, “automated claims adjudication system”*
4 *means a computer system which is designed for the collection,*
5 *data entry, calculation and final resolution of claims arising under*
6 *an insurance contract for property coverage.*

7 **Sec. 2.** NRS 684A.020 is hereby amended to read as follows:

8 684A.020 1. ~~[As]~~ *Except as otherwise provided in*
9 *subsection 2, as used in this Code, “adjuster” means any person*
10 *who, for compensation as an independent contractor or for a fee or*
11 *commission, investigates and settles, and reports to his or her*
12 *principal relative to, claims:*

13 (a) Arising under insurance contracts for property, casualty or
14 surety coverage, on behalf solely of the insurer or the insured; or

15 (b) Against a self-insurer who is providing similar coverage,
16 unless the coverage provided relates to a claim for industrial
17 insurance.

18 2. For the purposes of this chapter:

19 (a) An associate adjuster, as defined in NRS 684A.030;

20 (b) An attorney at law who adjusts insurance losses from time to
21 time incidental to the practice of his or her profession;

22 (c) An adjuster of ocean marine losses;

23 (d) ~~[A]~~ *An officer, director, manager or* salaried employee of
24 an insurer; ~~[or]~~

25 (e) A salaried employee of a managing general agent
26 maintaining an underwriting office in this state ~~[;]~~;

27 (f) *An employee of an independent adjuster who is one of not*
28 *more than 25 such employees under the supervision of an*
29 *independent adjuster or licensed agent and who:*



1 (1) Collects information relating to a claim for coverage
2 arising under an insurance contract from or furnishes such
3 information to an insured or a claimant; or

4 (2) Conducts data entry, including, without limitation,
5 entering data into an automated claims adjudication system;

6 (g) A person who is employed only to collect factual
7 information concerning a claim for coverage arising under an
8 insurance contract;

9 (h) A person who is employed only to provide technical
10 assistance to an independent adjuster;

11 (i) A person who is employed to investigate suspected
12 fraudulent claims for coverage arising under an insurance
13 contract but who does not adjust losses or determine the payment
14 of claims;

15 (j) A person who performs only executive, administrative,
16 managerial or clerical duties, or any combination thereof, but
17 does not investigate or settle claims for coverage arising under an
18 insurance contract;

19 (k) A licensed health care provider or any employee thereof
20 who provides managed care services if those services do not
21 include the determination of compensability;

22 (l) A managed care organization or any employee thereof or
23 an organization that provides managed care services or any
24 employee thereof if the services provided do not include the
25 determination of compensability;

26 (m) A person who settles only claims for coverage for
27 reinsurance or subrogation arising under an insurance contract;

28 (n) A broker, agent or representative of a risk retention group;

29 (o) An attorney-in-fact of a reciprocal insurer;

30 (p) A manager of a branch office of an alien insurer that is
31 located in the United States;

32 (q) A person who investigates, negotiates or settles claims
33 relating to accident or disability insurance claims; or

34 (r) A salaried employee of a self-insured who adjusts
35 claims arising under insurance contracts only on behalf of the
36 self-insured,

37 ↪ is not considered an adjuster.

38 **Sec. 3.** NRS 684A.030 is hereby amended to read as follows:

39 684A.030 As used in this Code:

40 1. "Independent adjuster" means an adjuster ~~representing the~~
41 ~~interests of~~ who, for compensation as an independent contractor,
42 enters into a contract with an insurer or a self-insurer ~~[-]~~ to
43 investigate or settle claims for the insurer or self-insurer arising
44 under insurance contracts for property or casualty coverage or



1 *coverage that relates to a claim for workers' compensation*
2 *insurance.*

3 2. "Public adjuster" means an adjuster employed by and
4 representing solely the financial interests of the insured named in
5 the policy.

6 3. "Associate adjuster" means an employee of an adjuster who,
7 under the direct supervision of the adjuster, assists in the
8 investigation and settlement of insurance losses on behalf of his or
9 her employer.

10 **Sec. 4.** NRS 684A.060 is hereby amended to read as follows:

11 684A.060 1. On behalf of, as authorized by, an insurer as to
12 which he or she is licensed as an agent under chapter 683A of NRS,
13 an agent ~~[may from time to time]~~ :

14 (a) *Except as otherwise provided in paragraph (b), may* act as
15 an adjuster without a license as an adjuster . ~~[; but no such agent~~
16 ~~shall]~~

17 (b) *Shall not* act as an adjuster for an insurer with which the
18 agent has a contract providing for compensation retrospectively
19 contingent upon losses incurred under insurance sold or serviced by
20 the agent.

21 2. No license ~~[shall be]~~ *is* required of a nonresident salaried
22 adjuster or independent adjuster for the adjustment in this state of
23 one or more losses arising out of a catastrophe common to all such
24 losses where such losses are designated to be a catastrophe by
25 responsible insurance associations or the Commissioner.

