

State Corporation Commission

2022 Fiscal Impact Statement

1. Bill Number: SB 194

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Mason

3. Committee: Passed both houses

4. Title: Insurance; public adjusters, standards of conduct.

5. Summary: Prohibits a public adjuster from engaging in any activity that may reasonably be construed as a conflict of interest, including soliciting or accepting any remuneration of any kind or nature, directly or indirectly, except as set forth in a public adjusting contract with an insured. Additionally, the bill provides that for the purposes of the prohibition on a public adjuster having a financial interest in an insured's claim, "financial interest" includes participation by a public adjuster, directly or indirectly, in the reconstruction, repair, or restoration of damaged property that is the subject of a claim adjusted by that public adjuster. The bill contains technical amendments.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact for the State Corporation Commission

8. Fiscal Implications: None for the State Corporation Commission

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission
Bureau of Insurance

10. Technical Amendment Necessary: No

11. Other Comments: The patron introduced Senate Bill 194 at the request of the State Corporation Commission Bureau of Insurance regarding standards of conduct for public adjusters, who are licensed by the Bureau. The bill adds a general prohibition on activity that constitutes a conflict of interest after multiple instances arose where a public adjuster delegated obligations under a public adjuster contract to a contractor to handle a specific claim.

Date: 03/02/22/V. Tompkins