

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 523 w/CS Continuing Education for Public Adjusters
SPONSOR(S): Patterson
TIED BILLS: IDEN./SIM. BILLS: SB 2190

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Insurance Regulation (Sub)	8 Y, 0 N	Cheek	Schulte
2) Insurance	17 Y, 0 N	Cheek	Schultz
3) Commerce & Local Affairs Apps. (Sub)	(W/D)	Rayman	Belcher
4) Appropriations			
5)			

SUMMARY ANALYSIS

A "public adjuster" is an insurance adjuster who represents the insured on a fee-for-service basis in claims determinations and settlements.

The bill requires 24 hours of continuing education every 2 years for all licensed public adjusters. The bill also gives the Financial Services Commission rulemaking authority with respect to continuing education for worker's compensations adjusters and public adjusters.

The commission estimates revenues of \$5,000 for fiscal year 2003-04.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0523c.ap.doc
DATE: April 16, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

Background

Currently, any person holding a license for 24 consecutive months or longer, and every 2 years thereafter, who engages in adjusting worker's compensation insurance must complete 24 hours of continuing education courses, 2 hours of which related to ethics, in subjects designed to inform the licensee regarding the current worker's compensation law of this state in order to adjust fairly.

Changes in Current Law

The bill provides similar requirements for public adjusters. A person holding a public adjuster license for 24 consecutive months or longer, and every two years thereafter, is required to complete 24 hours of continuing education courses, 2 hours of which relate to ethics, in subjects designed to inform the licensee regarding current laws of the state of pertaining to lines of insurance other than life and annuities in order to adjust fairly.

The bill also gives the Financial Services Commission rulemaking authority with respect to continuing education for worker's compensation adjusters and public adjusters.

C. SECTION DIRECTORY:

Section 1: Amends section 626.869, F.S., relating to licensed public adjusters.

Section 2: Provides that the act takes effect upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Department of Financial Services estimates recurring revenue for fiscal year 2003-04 will be \$5,000.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Public adjusters would be required to take 24 hours of continuing education every 2 years. Average cost per credit hour is \$10 x 24 hours = \$240 biannually. This will result in revenue for the private sector CE course providers.

D. FISCAL COMMENTS:

The bill requires all public adjusters to complete 24 hours of continuing education every 2 years. As of March 31, 2003, there are 489 individuals licensed as public adjusters. Section 624.501(19)(d), F.S., authorizes the Department to charge \$100 for each request for approval of a continuing education course. We are estimating that 50 entities will request courses to be approved at the start of the program. We also estimated that there would be a 5% increase each year as far as the number of new courses being offered. The \$100 fee is a one-time fee that is assessed when the course is first submitted to the Department for approval.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill authorizes the Office of Insurance Regulation to adopt rules necessary to implement and administer the continuing education requirements for both workers' compensations adjusters and public adjusters.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

The bill as filed required the Office of Insurance Regulation to adopt rules necessary to implement and administer the continuing education requirements addressed in the bill. The committee substitute changed the agency responsible for rulemaking to the Financial Services Commission. The Financial Services Commission is the appropriate agency to adopt rules necessary to implement and administer the continuing education requirements. Under s. 20.121, F.S., the Financial Services Commission (i.e., the Governor and Cabinet) sets policy through rulemaking, and the Office of Insurance Regulation carries out those policies on a case-by-case basis.

