

1-1 By: Creighton S.B. No. 718  
 1-2 (In the Senate - Filed February 2, 2017; February 21, 2017,  
 1-3 read first time and referred to Committee on Business & Commerce;  
 1-4 April 3, 2017, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 8, Nays 0; April 3, 2017,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 718 By: Creighton

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the regulation of insurance adjusters.  
 1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-23 SECTION 1. Section 4101.002(a), Insurance Code, is amended  
 1-24 to read as follows:  
 1-25 (a) This chapter does not apply to:  
 1-26 (1) an attorney who:  
 1-27 (A) adjusts insurance losses periodically and  
 1-28 incidentally to the practice of law; and  
 1-29 (B) does not represent that the attorney is an  
 1-30 adjuster;  
 1-31 (2) a salaried employee of an insurer who is not  
 1-32 regularly engaged in the adjustment, investigation, or supervision  
 1-33 of insurance claims;  
 1-34 (3) a person employed only to furnish technical  
 1-35 assistance to a licensed adjuster, including:  
 1-36 (A) an attorney;  
 1-37 (B) an engineer;  
 1-38 (C) an estimator;  
 1-39 (D) a handwriting expert;  
 1-40 (E) a photographer; and  
 1-41 (F) a private detective;  
 1-42 (4) an agent or general agent of an authorized insurer  
 1-43 who processes an undisputed or uncontested loss for the insurer  
 1-44 under a policy issued by the agent or general agent;  
 1-45 (5) a person who performs clerical duties and does not  
 1-46 negotiate with parties to disputed or contested claims;  
 1-47 (6) a person who handles claims arising under life,  
 1-48 accident, and health insurance policies;  
 1-49 (7) a person:  
 1-50 (A) who is employed principally as:  
 1-51 (i) a right-of-way agent; or  
 1-52 (ii) a right-of-way and claims agent;  
 1-53 (B) whose primary responsibility is the  
 1-54 acquisition of easements, leases, permits, or other real property  
 1-55 rights; and  
 1-56 (C) who handles only claims arising out of  
 1-57 operations under those easements, leases, permits, or other  
 1-58 contracts or contractual obligations;  
 1-59 (8) an individual who is employed to investigate  
 1-60 suspected fraudulent insurance claims but who does not adjust

2-1 losses or determine claims payments;  
2-2 (9) a public insurance adjuster licensed under Chapter  
2-3 4102; ~~[or]~~  
2-4 (10) an individual who:  
2-5 (A) collects claim information from, or  
2-6 furnishes claim information to, an insured or claimant and enters  
2-7 data into an automated claims adjudication system; and  
2-8 (B) is employed by a licensed independent  
2-9 adjuster or its affiliate under circumstances in which no more than  
2-10 25 individuals performing duties described by Paragraph (A) are  
2-11 supervised by a single licensed independent adjuster or a single  
2-12 licensed agent; or  
2-13 (11) an individual employed by an insurer or an  
2-14 affiliate of the insurer who adjusts a loss not to exceed \$500, or  
2-15 authorizes a payment on a claim for a loss for which there is a  
2-16 specified coverage limit of \$500 or less, arising from a  
2-17 first-party claim under a property and casualty insurance policy.  
2-18 SECTION 2. This Act takes effect September 1, 2017.

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