

SENATE BILL No. 138

By Committee on Financial Institutions and Insurance

2-6

1 AN ACT concerning licensing of public adjusters; amending K.S.A. 2012
2 Supp. 40-5502 and repealing the existing section.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2012 Supp. 40-5502 is hereby amended to read as
6 follows: 40-5502. As used in K.S.A. 2012 Supp. 40-5501 through 40-
7 5519, and amendments thereto: (a) "Business entity" means a corporation,
8 association, partnership, limited liability company, limited liability
9 partnership or other legal entity.

10 (b) "Catastrophic disaster" means, according to the federal response
11 plan, an event:

12 (1) Declared by the president of the United States or governor of
13 Kansas;

14 (2) results in large numbers of deaths and injuries;

15 (3) causes extensive damage or destruction of facilities that provide
16 and sustain human needs;

17 (4) produces an overwhelming demand on state and local response
18 resources and mechanisms;

19 (5) causes a severe long-term effect on general economic activity; and

20 (6) severely affects state, local and private sector capabilities to begin
21 and sustain response activities.

22 (c) "Commissioner" means the state commissioner of insurance.

23 (d) "FBI" means the federal bureau of investigation.

24 (e) "Fingerprint" means an impression of the lines on a finger taken
25 for purpose of identification. The impression may be electronic or in ink
26 converted to electronic format.

27 (f) "Home state" means the District of Columbia and any state or
28 territory of the United States in which a public adjuster's principal place of
29 residence or principal place of business is located. If neither the state in
30 which the public adjuster maintains the principal place of residence nor the
31 state in which the public adjuster maintains the principal place of business
32 has a law governing public adjusters substantially similar to this act, the
33 public adjuster may declare another state in which it becomes licensed and
34 acts as a public adjuster to be the home state.

35 (g) "KBI" means the Kansas bureau of investigation.

36 (h) "Licensed public adjuster" means a public adjuster licensed in

1 accordance with this act.

2 (i) "NAIC" means the national association of insurance
3 commissioners and its affiliates and subsidiaries.

4 (j) "Person" means an individual or a business entity.

5 (k) "Public adjuster" means any individual who:

6 (1) For compensation or any other thing of value, and solely in
7 relation to first party claims arising under insurance claims or contracts
8 that insure the real or personal property of the insured, aids or acts on
9 behalf of an insured in negotiating for, or effecting the settlement of, a
10 claim for loss or damage covered by ~~and limited to commercial lines~~
11 ~~insurance contracts~~ *an insurance contract*;

12 (2) advertises for employment as a public adjuster of insurance claims
13 or directly or indirectly solicits business or represents to the public that
14 such person is a public adjuster of first party insurance claims for losses or
15 damages to real or personal property covered by ~~and limited to commercial~~
16 ~~lines insurance contracts~~ *an insurance contract*; or

17 (3) for compensation or any other thing of value, investigates or
18 adjusts losses or advises an insured about first party claims for losses or
19 damages to real or personal property of the insured covered by ~~and limited~~
20 ~~to commercial lines insurance contracts~~ *an insurance contract*, for another
21 person engaged in the business of adjusting losses or damages covered by
22 ~~and limited to commercial lines insurance contracts~~ *an insurance contract*.

23 (l) "Uniform individual application" means the current version of the
24 NAIC uniform individual application for resident and nonresident
25 individuals.

26 (m) "Uniform business entity application" means the current version
27 of the NAIC uniform business entity application for resident and
28 nonresident business entities.

29 Sec. 2. K.S.A. 2012 Supp. 40-5502 is hereby repealed.

30 Sec. 3. This act shall take effect and be in force from and after its
31 publication in the statute book.