

1 *Senate* BILL NO. *288*
 2 INTRODUCED BY LYNCH
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO UPGRADE THE
 5 PROFESSION OF INSURANCE ADJUSTERS BY REQUIRING A LICENSING
 6 EXAMINATION AND CREATING A PROHIBITION AGAINST THE
 7 UNLICENSED PRACTICE OF LAW, BY AMENDING SECTION 40-3327,
 8 R.C.M. 1947."
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 40-3327, R.C.M. 1947, is amended to
 12 read as follows:

13 "40-3327. Adjuster's license -- qualifications --
 14 catastrophe adjustments -- special revocation. (1) No person
 15 shall in this state act as or hold himself out to be an
 16 adjuster unless then licensed therefor under this chapter.
 17 Application for license shall be made to the commissioner
 18 according to forms as prescribed and furnished by him. The
 19 commissioner shall issue the license as to individuals
 20 qualified therefor upon payment of the license fee stated in
 21 section 40-2726.

22 (2) To be licensed as an adjuster the applicant must
 23 be qualified therefor as follows:

24 (a) Must be an individual eighteen (18) years of age
 25 or more.

1 (b) Must be a resident in and of Montana, or resident
 2 of another state which will permit residents of Montana
 3 regularly to act as adjusters in such other state.

4 (c) Must be a full-time salaried employee of a
 5 licensed adjuster, or a graduate of a recognized law school,
 6 or must have had experience or special education or training
 7 as to the handling of loss claims under insurance contracts
 8 of sufficient duration and extent reasonably to make him
 9 competent to fulfill the responsibilities of an adjuster.

10 (d) Must be of good character and reputation.

11 (e) Must have and maintain in this state an office
 12 accessible to the public and keep therein the usual and
 13 customary records pertaining to transactions under the
 14 license. This provision shall not be deemed to prohibit
 15 maintenance of such office in the home of the licensee.

16 (f) Shall take and pass an examination prepared,
 17 given, and evaluated by the commissioner of insurance.

18 (3) A firm or corporation, whether or not organized
 19 under the laws of this state, may be licensed as an adjuster
 20 if each individual who is to exercise the license powers is
 21 separately licensed, or is named in the firm or corporation
 22 license and is qualified as for an individual license as
 23 adjuster. An additional full license fee shall be paid as to
 24 each individual in excess of one so named in the firm or
 25 corporation license to exercise its powers.

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1 (4) Except, that no such adjuster's license or
2 qualifications shall be required ~~as-to~~ of any adjuster who
3 is sent into this state by and on behalf of an insurer or
4 adjusting firm or corporation for the purpose of
5 investigating or making adjustments of a particular loss
6 under an insurance policy, or for the adjustment of a series
7 of losses resulting from a catastrophe common to all such
8 losses.

9 (5) An adjuster's license shall be revoked, after
10 notice and hearing in accordance with the Montana
11 Administrative Procedures Act, when the adjuster engages in
12 the unlicensed practice of law as defined in section
13 93-2009, R.C.M. 1947. Extended negotiation of insurance
14 contract settlements is grounds for revocation under this
15 subsection."

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