

DEPARTMENT OF INSURANCE

Statutory Authority: 18 Delaware Code, Sections 314 & 1111 (18 Del.C. §§313, 1111)

FINAL

ORDER

507 Workers' Compensation Insurance Adjusters

Proposed Regulation 507 relating to Workers' Compensation Insurance Adjusters was published in the *Delaware Register of Regulations* on October 1, 2010. The comment period remained open until November 1, 2010. There was no public hearing on proposed Regulation 507. Public notice of the proposed Regulation 507 in the *Register of Regulations* was in conformity with Delaware law.

SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED

Comment was received from the American Insurance Association (AIA). AIA was concerned that the proposed regulation would impose additional requirements on currently licensed casualty adjusters, adjusters currently licensed to adjust workers' compensation in other states, and those employed as such adjusters and certified by CPCU or AIC. AIA expressed concern that these adjusters would not be "waived in". Comment along the same line was also received from Property Casualty Insurers Association of America (PCIAA). In addition, PCIAA believes the proposed regulation is vague as it defines who may need a license.

FINDINGS OF FACT

Based on Delaware law and the record in this docket, I make the following findings of fact:

The requirements of the proposed Regulation 507 best serve the interests of the public and of insurers and comply with Delaware law. The concerns expressed by AIA are valid. However, the proposed regulation does not establish a new license requirement, but establishes a new line for currently-licensed casualty adjusters, licensed either in Delaware or another jurisdiction. Currently-licensed casualty adjusters who adjust workers' compensation claims will merely add this new line to their licensing information after the effective date of the regulation.

DECISION AND EFFECTIVE DATE

Based on the provisions of 18 Del.C. §§314, 1111 and 29 Del.C. §§10113-10118 and the record in this docket, I hereby adopt amended Regulation 507 as may more fully and at large appear in the version attached hereto to be effective on January 3, 2011.

TEXT AND CITATION

The text of the proposed Regulation 507 last appeared in the *Register of Regulations* Vol. 14, Issue 4, pages 251-252.

IT IS SO ORDERED this 5th day of November 2010.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

507 Workers' Compensation Insurance Adjusters

1.0 Purpose

- 1.1 The purpose of this Chapter is to provide rules to assist the Commissioner in administering the laws relating to the licensure and regulation of Workers' Compensation insurance adjusters, as provided for in 18 Del.C. Chapter 17 et. seq.

- 1.2 This regulation should not be viewed as replacing any other or additional statutory requirements not explicitly included in this regulation.

2.0 Scope

This regulation applies to all persons acting as Workers' Compensation insurance adjusters in this state. The Workers' Compensation Insurance adjuster license is to be issued by the Commissioner.

3.0 Definitions.

"Commissioner" means the Commissioner of the Delaware Insurance Department.

"Department" means the Department of Insurance;

"NAIC" means the National Association of Insurance Commissioners;

"Person" means a natural person;

"Workers Compensation insurance adjuster" means any person, who, as an independent contractor, or on behalf of an independent contractor, insurer or self-insurer, producer or managing general agent, investigates and/or negotiates settlement of workers' compensation claims arising under insurance contracts.

4.0 Qualification for the Issuance of a License.

A person shall apply for and receive from the Commissioner a Workers Compensation insurance adjuster license to operate as a workers compensation adjuster in this State. All applications for licensure shall be in accordance with the requirements of 18 Del.C. §§1706 and 1707(1).

5.0 Examination Requirements.

- 5.1 All individuals applying for a workers compensation insurance adjuster license are required to pass the approved proficiency test for workers compensation insurance adjusters.
- 5.2 The Commissioner may enter into a contract with a testing organization for the examination of applicants for a license as a workers compensation insurance adjuster. Such contract may provide that the testing organization shall:
- 5.2.1 Assume responsibility for the administration and grading of the examination; and
- 5.2.2 Charge and collect from each applicant the fee for administering the examination.

6.0 Continuing Education Requirement.

- 6.1 An individual, who holds a workers compensation insurance adjuster license shall satisfactorily complete a minimum of twelve (12) hours of continuing education credits, three (3) of which shall be in ethics subjects, during each biennium reporting period. The education required by this section shall be in addition to any other continuing education requirements required for other professional licenses held by the individuals licensed under Chapter 17 of the **Delaware Code**.
- 6.2 Only continuing education courses approved by the Commissioner shall be used to satisfy the continuing education requirement of Paragraph 6.1.

7.0 Effective Date

This Regulation shall take effect 10 days after execution of an Order by the Commissioner and its publication in the *Register of Regulations* or January 1, 2011, whichever shall occur last.

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