

AMENDED IN ASSEMBLY MAY 9, 2016
AMENDED IN ASSEMBLY APRIL 18, 2016
AMENDED IN ASSEMBLY MARCH 30, 2016
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2588

Introduced by Assembly Member Chu

February 19, 2016

An act to amend ~~and repeal Sections 14027, 14030, and 14037 of, to amend, repeal, and add Sections 1722, 1751.5, 14000, 14001, 14010, 14020, 14021, 14022, 14022.5, 14024, 14025, 14026, 14028, 14029, 14031, 14032, 14038, 14039, 14040, 14042, 14061, 14063, 14064, 14078, 14080, 14090.1, 14097, and 14099 of, and to add Sections 14025.1 and 14079 to, the Insurance Code, relating to insurance. Sections 1722, 1751.5, 14000, 14001, 14020, 14022, 14022.5, 14024, 14025, 14028, 14031, 14032, 14039, 14042, 14080, 14090.1, 14097, and 14099 of, to amend and repeal Sections 14030 and 14037 of, to amend, repeal, and add Sections 14029, 14038, 14040, 14061, 14063, and 14064 of, to add Sections 14025.1 and 14079 to, to repeal Section 14027 of, and to repeal and add Sections 14010, 14021, 14026, and 14078 of, the Insurance Code, relating to insurance.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2588, as amended, Chu. Independent insurance adjusters.

Existing law, the Insurance Adjuster Act, sets forth various requirements with respect to operation as an insurance adjuster in this state, including, but not limited to, that the person be licensed, licensing qualifications and application requirements, codes of conduct, disciplinary actions, and nonresident and emergency licenses. The act

defines the term, “insurance adjuster,” to include a person, other than a private investigator, who, for any consideration whatsoever, engages in business or accepts employment to furnish, or agrees to make, or makes, any investigation for the purpose of obtaining, information in the course of adjusting or otherwise participating in the disposal of, any claim under or in connection with a policy of insurance on behalf of an insurer or engages in soliciting insurance adjustment business. Any person who knowingly falsifies the fingerprints or photographs submitted as part of the application process is guilty of a felony, and any person who violates any other provision governing insurance adjusters is guilty of a misdemeanor punishable by a fine not to exceed \$500, or by imprisonment in the county jail not to exceed one year, or by both that fine and imprisonment. Existing law prescribes a schedule for various insurance adjuster application, license, and license renewal fees.

This bill, beginning January 1, 2018, *bill* would revise and recast the above provisions by, among other things, changing the name of the act to the Independent Insurance Adjuster Act and redefining an “independent insurance adjuster” to mean an individual, a business entity, an independent contractor, or an employee of a contractor, who contracts for compensation with insurers, a person whose tax treatment by the insurers is consistent with that of an independent contractor rather than as an employee, and a person who investigates, negotiates, or settles property and casualty claims for insurers. The bill would expand the categories of persons exempt from the act to include, among others, an individual who is employed to investigate suspected fraudulent insurance claims but who does not adjust losses or determine claims payments, and a person who solely performs administrative or clerical duties, or any combination thereof, and who does not investigate, negotiate, or settle claims with policyholders, claimants, or their legal representative. The bill would impose additional information and educational requirements on applicants and would impose additional *administrative and code of conduct* requirements on licensees. The bill would revise the provisions relating to nonresident and emergency licenses with regards to qualifying for those licenses. The bill would also create an apprentice independent insurance adjuster license to facilitate the experience, education, and training necessary to ensure reasonable competency in the responsibilities and duties of an independent insurance adjuster and would set forth the various terms and conditions of the license, including an application fee to be fixed

at up to \$170. The bill would make an apprentice independent insurance adjuster subject to a felony conviction if he or she knowingly falsifies the fingerprints or photograph submitted as part of his or her application for a license. The bill would also make conforming changes. Because the bill would create a new crime, it would impose a state-mandated local program. The bill would also change various independent insurance adjuster application, license, and renewal fees, as prescribed.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1722 of the Insurance Code is amended
2 to read:
3 1722. If a natural person while licensed pursuant to the
4 provisions of this chapter or ~~Chapters~~ Chapter 6 (commencing
5 with Section 1760), Chapter 7 (commencing with Section 1800),
6 or Chapter 8 (commencing with Section 1831) of this part, or Part
7 5 (commencing with Section 12140) of Division 2, or Chapter
8 1 (commencing with Section 14000) of Division 5 enters the
9 military service of the United States and is in ~~such that~~ service at
10 a time prescribed for the filing of a renewal application, the filing
11 of ~~such that~~ application is waived, and the license held by ~~such~~
12 that licensee at the time of his or her entry into military service
13 shall remain in force during the period of ~~such that~~ military service
14 and until the end of the license year in which he or she is released
15 from ~~such that~~ service but not for less than six months after ~~such~~
16 that release. During ~~such period~~ ~~such that period~~, that person may
17 secure a license of the type held by him or her on his or her entry
18 into military service upon the filing of an application and paying
19 the fee therefor without the necessity of taking any examination
20 or paying any penalty.
21 SEC. 2. Section 1751.5 of the Insurance Code is amended to
22 read:

1 1751.5. The fees required by this chapter and by Chapter 6
2 (commencing with Section 1760), Chapter 7 (commencing with
3 Section 1800), and Chapter 8 (commencing with Section 1831) of
4 this part *and by Chapter 1 (commencing with Section 14000) of*
5 *Division 5* are filing fees, no portion of which shall be refunded
6 whether or not the application is acted upon or the examination is
7 taken.

8 *SEC. 3. Section 14000 of the Insurance Code is amended to*
9 *read:*

10 14000. This chapter may be cited as the *Independent Insurance*
11 *Adjuster Act.*

12 *SEC. 4. Section 14001 of the Insurance Code is amended to*
13 *read:*

14 14001. As used in this ~~chapter~~ *chapter*, the following terms
15 have the following meanings:

16 (a) “*Catastrophe*” means an event that results in a large number
17 of deaths or injuries, causes extensive damage or destruction of
18 facilities that provide and sustain human needs, produces an
19 overwhelming demand on state and local response resources and
20 mechanisms, causes a severe long-term effect on general economic
21 activity, or severely affects state, local, and private sector
22 capabilities to begin and sustain response activities.

23 ~~(a)~~

24 (b) “*Commissioner*” means the Insurance Commissioner.

25 ~~(b)~~

26 (c) “*Department*” means the Department of Insurance.

27 (d) “*Fingerprints*” means an impression of the lines on the
28 finger taken for the purposes of identification.

29 (e) “*Home state*” means the District of Columbia and any state
30 or territory of the United States in which an independent insurance
31 adjuster maintains his, her, or its principal place of residence or
32 business and is licensed to act as a resident independent insurance
33 adjuster. If the resident state does not license independent
34 insurance adjusters for the line of authority sought, the independent
35 insurance adjuster shall designate as his, her, or its home state
36 either California or any state in which the independent insurance
37 adjuster is licensed following an examination, provided that the
38 independent insurance adjuster is licensed and in good standing
39 in that state.

40 (f) “*Individual*” means a natural person.

1 (e)

2 (g) "Licensee" means a person licensed under this chapter.

3 (d)

4 (h) "Manager" means the individual under whose direction,
5 control, charge, or management the business of a licensee is
6 operated.

7 (i) "Nonresident" means a person who is not a resident of
8 California at the time of the performance of the act referred to in
9 Section 14071.

10 (e)

11 (j) "Person" includes any individual, firm, company, association,
12 organization, partnership, limited liability company, and
13 corporation.

14 *SEC. 5. Section 14010 of the Insurance Code is repealed.*

15 ~~14010. The department succeeds to and is vested with all the~~
16 ~~duties, powers, purposes, responsibilities, and jurisdiction~~
17 ~~previously vested in the Bureau of Collection and Investigative~~
18 ~~Services with respect to the licensing of insurance adjusters.~~

19 ~~Any reference to prior licensing shall be deemed to licensing~~
20 ~~under the Private Investigator and Adjuster Act.~~

21 ~~The commissioner shall administer and enforce the provisions~~
22 ~~of this chapter.~~

23 *SEC. 6. Section 14010 is added to the Insurance Code, to read:*

24 *14010. The commissioner shall administer and enforce the*
25 *provisions of this chapter.*

26 *SEC. 7. Section 14020 of the Insurance Code is amended to*
27 *read:*

28 ~~14020. No~~(a) A person shall *not* engage in a business
29 regulated by this chapter, or act or assume to act as, or represent
30 himself or herself to be, a licensee unless he or she is licensed
31 ~~under as an independent insurance adjuster in accordance with~~
32 this chapter.

33 ~~No~~

34 (b) A person shall *not* falsely represent that he or she is
35 employed by a licensee.

36 *SEC. 8. Section 14021 of the Insurance Code is repealed.*

37 ~~14021. An insurance adjuster within the meaning of this chapter~~
38 ~~is a person other than a private investigator as defined in Section~~
39 ~~7521 of the Business and Professions Code who, for any~~
40 ~~consideration whatsoever, engages in business or accepts~~

1 employment to furnish, or agrees to make, or makes, any
 2 investigation for the purpose of obtaining, information in the course
 3 of adjusting or otherwise participating in the disposal of, any claim
 4 under or in connection with a policy of insurance on behalf of an
 5 insurer or engages in soliciting insurance adjustment business or
 6 aids an insurer in any manner with reference to:

7 ~~Crime or wrongs done or threatened against the United States~~
 8 ~~of America or any state or territory of the United States of America;~~
 9 ~~the identity, habits, conduct, business, occupation, honesty,~~
 10 ~~integrity, credibility, knowledge, trustworthiness, efficiency,~~
 11 ~~loyalty, activity, movement, whereabouts, affiliations, associations,~~
 12 ~~transactions, acts, reputation, or character of any person; the~~
 13 ~~location, disposition, or recovery of lost or stolen property; the~~
 14 ~~cause or responsibility for fires, libels, losses, accidents, or damage~~
 15 ~~or injury to persons or to property; or securing evidence to be used~~
 16 ~~before any court, board, officer, or investigating committee.~~

17 ~~Notwithstanding any other provision of law, this section is in~~
 18 ~~no way intended to limit the ability of a duly licensed independent~~
 19 ~~insurance adjuster to perform the duties of an independent~~
 20 ~~insurance adjuster for any other entity.~~

21 *SEC. 9. Section 14021 is added to the Insurance Code, to read:*
 22 *14021. An independent insurance adjuster, for purposes of this*
 23 *chapter, is all of the following:*

24 *(a) An individual, a business entity, an independent contractor,*
 25 *or an employee of a contractor, who contracts for compensation*
 26 *with insurers.*

27 *(b) A person whose tax treatment by the insurers is consistent*
 28 *with that of an independent contractor rather than an employee,*
 29 *as defined in Section 3121 of Title 26 of the United States Code.*

30 *(c) A person who investigates, negotiates, or settles property*
 31 *and casualty claims for insurers.*

32 *SEC. 10. Section 14022 of the Insurance Code is amended to*
 33 *read:*

34 *14022. This chapter does not apply to: to any of the following:*

35 *(a) A person employed exclusively and regularly by one*
 36 *employer in connection with the affairs of such that employer only*
 37 *and where there exists an employer-employee employer-employee*
 38 *relationship. This subdivision shall become inoperative on January*
 39 *1, 2018.*

- 1 (b) An officer or employee of the United States of America, or
2 of this state or a political subdivision thereof, while ~~such that~~
3 officer or employee is engaged in the performance of his or her
4 official duties.
- 5 (c) A person engaged exclusively in the business of obtaining
6 and furnishing information as to the financial rating of persons.
- 7 (d) A charitable philanthropic society or association duly
8 incorporated under the laws of this state, which is organized and
9 maintained for the public good and not for private profit.
- 10 (e) An attorney at law ~~in performing his or her duties as such~~
11 ~~attorney at law. admitted to practice in California, when acting in~~
12 ~~his or her professional capacity as an attorney.~~
- 13 (f) A licensed collection agency or an employee thereof while
14 acting within the scope of his or her employment, while making
15 an investigation incidental to the business of the agency, including
16 an investigation of the location of a debtor or his or her property
17 where the contract with an assignor creditor is for the collection
18 of claims owed or due or asserted to be owed or due or the
19 equivalent thereof.
- 20 ~~(g) Admitted insurers and agents and insurance brokers licensed~~
21 ~~by the state, performing duties in connection with insurance~~
22 ~~transacted by them.~~
- 23 (g) *An officer, director, manager, or employee of an authorized*
24 *insurer, surplus line insurer, a risk retention group, or an*
25 *attorney-in-fact of a reciprocal insurer.*
- 26 ~~(h)~~
- 27 (h) *A licensed insurance agent or broker or managing general*
28 *agent of the insurer to whom claim authority has been granted by*
29 *the insurer.*
- 30 (i) The legal owner of personal property ~~which that~~ has been
31 sold under a conditional sales agreement or a mortgagee under the
32 terms of a chattel mortgage.
- 33 ~~(i)~~
- 34 (j) Any bank subject to the jurisdiction of the Commissioner of
35 ~~Financial Institutions of the State of California~~ *Business Oversight*
36 under Division 1 (commencing with Section 99) of the Financial
37 Code or the Comptroller of the Currency of the United States.
- 38 ~~(j)~~
- 39 (k) ~~A person engaged solely in the business of securing~~
40 ~~information about persons or property from public records.~~

1 *employed solely to obtain facts surrounding a claim or to furnish*
2 *technical assistance to a licensed independent insurance adjuster.*

3 ~~(k)~~

4 (l) *Any building contractor, engineer, technical expert, or other*
5 *person who is engaged by an insurer or licensed independent*
6 *insurance adjuster to provide an expert or professional evaluation*
7 *of the extent, cause, or origin of damage to the insured property,*
8 *but who does not otherwise participate in the process of adjusting*
9 *claims.*

10 (m) *An individual who is employed to investigate suspected*
11 *fraudulent insurance claims but who does not adjust losses or*
12 *determine claims payments.*

13 (n) *A person who solely performs administrative or clerical*
14 *duties, or any combination thereof, and who does not investigate,*
15 *negotiate, or settle claims with policyholders, claimants, or their*
16 *legal representative.*

17 (o) *A licensed health care provider or its employees who provide*
18 *managed care if the services do not include the determination of*
19 *compensability.*

20 (p) *A managed care organization or any of its employees who*
21 *provide managed care services if the services do not include the*
22 *determination of compensability.*

23 (q) *A person who settles only reinsurance or subrogation claims.*

24 (r) *A United States manager of the United States branch of an*
25 *alien insurer.*

26 (s) *An individual employee, under a self-insured arrangement,*
27 *who adjusts claims on behalf of his or her employer.*

28 (t) *An individual or business entity that investigates, negotiates,*
29 *or settles workers' compensation claims.*

30 (u) *An individual who, in regards to portable electronics*
31 *insurance claims, collects claims information from, or furnishes*
32 *claims information to, insureds or claimants, and who conducts*
33 *data entry, including entering data into an automated claims*
34 *adjudication system, provided that the individual is an employee*
35 *of a licensed independent insurance adjuster or its affiliate where*
36 *no more than 25 of those persons are under the supervision of one*
37 *licensed independent insurance adjuster or licensed producer.*

38 *SEC. 11. Section 14022.5 of the Insurance Code is amended*
39 *to read:*

1 14022.5. (a) In the event of an emergency situation as declared
2 by the commissioner, claims arising out of the emergency,
3 catastrophe, disaster, or other similar occurrence may be adjusted
4 by a nonlicensed *independent insurance* adjuster upon registration
5 with the commissioner if all of the following requirements are met:

6 (1) The work performed by the nonlicensed *independent*
7 *insurance* adjuster is under the active direction, control, charge,
8 or management of a licensed *independent insurance* adjuster or
9 an insurer authorized to do business in this state.

10 (2) Registration with the commissioner is accomplished within
11 *15 five* working days from the date on which the nonlicensed
12 *independent insurance* adjuster commences the claims adjusting
13 activity in connection with the emergency situation.

14 (b) "Registration," within the meaning of this section, ~~shall~~
15 ~~mean~~ *means* a written letter to the commissioner, submitted by the
16 supervising licensed *independent insurance* adjuster or admitted
17 insurer, naming the nonlicensed *independent insurance* adjusters,
18 identifying their *independent insurance* adjuster licenses held in
19 other jurisdictions, and stating when their claims adjusting activity
20 commenced.

21 (c) Registration under this section is valid for a period of 180
22 days from the date of the registration letter. Before the lapse of
23 that period, the commissioner may grant further 180-day extensions
24 as he or she deems appropriate upon written request from the
25 supervising licensed *independent insurance* adjuster or the admitted
26 insurer.

27 *SEC. 12. Section 14024 of the Insurance Code is amended to*
28 *read:*

29 14024. (a) An *individual* application shall be verified and
30 shall ~~include~~: *include all of the following:*

31 (a)

32 (1) The full legal name and ~~business address~~ *business, residence,*
33 *and mailing addresses* of the applicant.

34 (b)

35 (2) The name under which *the* applicant intends to do business.

36 (3) *The applicant's birth date and social security number.*

37 (4) *The application fees set forth in Section 14097.*

38 (c)

39 (5) A statement as to the general nature of the business in which
40 the applicant intends to engage.

- 1 ~~(d)~~
- 2 (6) A statement as to the ~~classification or~~ classifications under
- 3 which the applicant desires to be qualified.
- 4 ~~(e) If the applicant is a person other than an individual, the~~
- 5 (7) *Two photographs, no more than six months old, of the*
- 6 *applicant, of a type prescribed by the commissioner, and one*
- 7 *classifiable set of his or her fingerprints, to be sent to a live scan*
- 8 *fingerprint provider as directed by the department, if fingerprints*
- 9 *are not submitted in person with a live scan fingerprinting service*
- 10 *provider certified by the Department of Justice.*
- 11 (8) *A verified statement of his or her experience qualifications,*
- 12 *unless applying for an apprentice independent insurance adjuster*
- 13 *license.*
- 14 (9) *Other information, evidence, statement, or document as may*
- 15 *be required by the commissioner.*
- 16 (b) *A business entity application shall be verified and shall*
- 17 *include all of the following:*
- 18 (1) *The full legal name and residence address of each of its*
- 19 *partners, officers, and directors, and its manager.*
- 20 ~~(f) Two recent photographs of the applicant, of a type prescribed~~
- 21 ~~by the commissioner, and two classifiable sets of his or her~~
- 22 ~~fingerprints.~~
- 23 (2) *The name under which the applicant intends to do business.*
- 24 (3) *That the applicant paid the fees set forth in Section 14097.*
- 25 (4) *A statement as to the general nature of the business in which*
- 26 *the applicant intends to engage.*
- 27 ~~(g)~~
- 28 ~~(5) A verified statement of his or her experience qualifications.~~
- 29 ~~statement as to the classifications under which the applicant desires~~
- 30 ~~to be qualified.~~
- 31 ~~(h) Such other~~
- 32 (6) *Other information, evidence, statements, or documents as*
- 33 *may be required by the commissioner.*
- 34 SEC. 13. *Section 14025 of the Insurance Code is amended to*
- 35 *read:*
- 36 14025. ~~Before an application for a license is granted, the~~
- 37 ~~applicant, or his or her manager, shall meet all of the following:~~
- 38 ~~applicant shall meet all of the following requirements:~~
- 39 (a) Be at least 18 years of age.

1 (b) Not have committed acts or crimes constituting grounds for
2 denial of licensure under ~~Section 480 of the Business and~~
3 ~~Professions Code. Sections 1668 and 1669.~~

4 ~~(e) Shall have had at least two years of experience in adjusting~~
5 ~~insurance claims or the equivalent thereof as determined by the~~
6 ~~commissioner.~~

7 (c) *Shall have had either of the following:*

8 (1) *At least two years of experience in adjusting insurance*
9 *claims or the equivalent thereof as determined by the*
10 *commissioner, unless applying for an apprentice independent*
11 *insurance adjuster license.*

12 (2) *One year as a licensed apprentice independent insurance*
13 *adjuster, which is considered the equivalent of two years of*
14 *experience in adjusting claims.*

15 (d) (1) *Completed a 20-hour prelicensing education course of*
16 *study.*

17 (2) *A nonresident applicant currently licensed as a home state*
18 *independent insurance adjuster in another state who has met that*
19 *state's prelicensing education requirements is exempt from*
20 *completing the prelicensing education requirement.*

21 (3) *A resident applicant currently listed under a licensed*
22 *independent insurance adjuster's license as an unlicensed*
23 *employee is exempt from completing the prelicensing education*
24 *requirement. This exemption shall be in effect only until January*
25 *1, 2019.*

26 (e) *Successfully passed the examination for the independent*
27 *insurance adjuster license, unless he or she qualifies for an*
28 *exemption in Section 14026.*

29 ~~(d)~~

30 (f) *Comply with ~~such~~ those other qualifications ~~as that~~ the*
31 *commissioner may ~~fix by rule.~~ require by regulation.*

32 *SEC. 14. Section 14025.1 is added to the Insurance Code, to*
33 *read:*

34 *14025.1. (a) The apprentice independent insurance adjuster*
35 *license is a license to facilitate the experience, education, and*
36 *training necessary to ensure reasonable competency in the*
37 *responsibilities and duties of an independent insurance adjuster.*

38 (b) *An individual applying for an apprentice independent*
39 *insurance adjuster license shall submit an application in a format*
40 *prescribed by the commissioner and shall declare under penalty*

1 of suspension, revocation, or refusal of the license that the
2 statements made in the application are true, correct, and complete
3 to the best of the individual's knowledge and belief. Before
4 approving the application, the commissioner shall determine that
5 the individual meets all of the following:

- 6 (1) Is at least 18 years of age.
- 7 (2) Is a resident of California or is a resident of another state
8 and has designated California as his or her home state.
- 9 (3) Has a business or mailing address in California for the
10 acceptance of service of process.
- 11 (4) Has not committed any act that is a ground for suspension,
12 revocation, or denial of licensure as set forth in Sections 1668,
13 1668.1, and 1669.
- 14 (5) Has paid the fees set forth in subdivision (h) of Section
15 14097.

16 (c) The apprentice independent insurance adjuster license shall
17 be subject to the following terms and conditions:

- 18 (1) The applicant shall submit, with the apprentice independent
19 insurance adjuster application, an attestation from a licensed
20 independent insurance adjuster certifying that the apprentice will
21 be subject to training, direction, and control by the licensed
22 independent insurance adjuster and further certifying that the
23 licensed independent insurance adjuster assumes responsibility
24 for the actions of the apprentice in the apprentice's capacity as
25 an apprentice independent insurance adjuster.
- 26 (2) The apprentice independent insurance adjuster is only
27 authorized to adjust claims in California.
- 28 (3) The apprentice independent insurance adjuster is restricted
29 to participation in the investigation, settlement, and negotiation
30 of claims subject to the review and final determination of the claim
31 by a supervising licensed independent insurance adjuster.
- 32 (4) The apprentice independent insurance adjuster shall not be
33 required to take and successfully complete the independent
34 insurance adjuster examination to adjust claims as an apprentice
35 independent insurance adjuster. At any time during the
36 apprenticeship, the apprentice independent insurance adjuster
37 may choose to take the examination. If the individual takes and
38 successfully completes the independent insurance adjuster exam,
39 the apprentice independent insurance adjuster license shall

1 *automatically terminate and an independent insurance adjuster*
2 *license shall be issued to that individual in its place.*

3 *(5) The apprentice independent insurance adjuster license is*
4 *valid for a period not to exceed 12 months and is nonrenewable.*

5 *(6) The licensee shall be subject to suspension, revocation, or*
6 *denial pursuant to Sections 1668, 1668.1, and 1669.*

7 *(7) The applicant shall submit two photographs, no more than*
8 *six months old, of the applicant, of a type prescribed by the*
9 *commissioner, and one classifiable set of his or her fingerprints,*
10 *to be sent to a live scan fingerprint provider as directed by the*
11 *department, if fingerprints are not submitted in person with a live*
12 *scan fingerprinting service provider certified by the Department*
13 *of Justice.*

14 *SEC. 15. Section 14026 of the Insurance Code is repealed.*

15 ~~14026. The commissioner may require an applicant, or his or~~
16 ~~her manager, to demonstrate his or her qualifications by a written~~
17 ~~or oral examination, or a combination of both.~~

18 *SEC. 16. Section 14026 is added to the Insurance Code, to*
19 *read:*

20 *14026. (a) An applicant for an independent insurance adjuster*
21 *license, unless applying for an apprentice independent insurance*
22 *adjuster license or crop insurance adjuster license, shall pass a*
23 *written examination.*

24 *(1) The examination shall test the knowledge of the applicant*
25 *concerning the duties and responsibilities of an independent*
26 *insurance adjuster and this code.*

27 *(2) An applicant applying for an examination shall remit a*
28 *nonrefundable fee as prescribed by the commissioner in Section*
29 *14097.*

30 *(b) An individual who applies for an independent insurance*
31 *adjuster license in California who holds a home state license in*
32 *another state as an independent insurance adjuster shall not be*
33 *required to complete the examination if he or she successfully*
34 *passed an examination as a condition of receiving an independent*
35 *insurance adjuster license in his or her home state. This exemption*
36 *applies to individuals who are currently licensed in their home*
37 *state or if the home state license expired and the application is*
38 *received by the commissioner within 90 days of expiration.*

39 *(c) An individual who applies for an apprentice independent*
40 *insurance adjuster license pursuant to Section 14025.1, and who*

1 *adjusts claims in that capacity, shall not be required to take and*
 2 *successfully complete the independent insurance adjuster*
 3 *examination.*

4 *SEC. 17. Section 14027 of the Insurance Code is repealed.*

5 ~~14027. Payment of the application fee prescribed by this chapter~~
 6 ~~entitles an applicant, or his or her manager, to one examination~~
 7 ~~without further charge. If the person fails to pass the examination,~~
 8 ~~he or she shall not be eligible for any subsequent examination~~
 9 ~~except upon payment of the reexamination fee prescribed by this~~
 10 ~~chapter for each such subsequent examination.~~

11 *SEC. 18. Section 14028 of the Insurance Code is amended to*
 12 *read:*

13 14028. After a ~~hearing~~ *hearing*, the commissioner may deny
 14 a license unless the application makes a showing satisfactory to
 15 the commissioner that the applicant, if an individual, has not, or
 16 if the applicant is a person other than an individual, that its manager
 17 and each of its officers and partners have ~~not~~ *not done any of the*
 18 *following:*

19 ~~(a) Committed any acts or crimes constituting grounds for denial~~
 20 ~~of licensure under Section 480 of the Business and Professions~~
 21 ~~Code.~~

22 ~~(b)~~

23 *(a)* Been refused a license under this chapter or had a license
 24 revoked.

25 ~~(c)~~

26 *(b)* Been an officer, partner, or manager of any person who has
 27 been refused a license under this chapter or whose license has been
 28 revoked.

29 ~~(d)~~

30 *(c)* While unlicensed committed, or aided and abetted the
 31 commission of, any act for which a license is required by this
 32 chapter.

33 ~~(e)~~

34 *(d)* Committed any act or crime constituting grounds for denial
 35 of ~~license~~ *licensure* under Section 1668.

36 *SEC. 19. Section 14029 of the Insurance Code is amended to*
 37 *read:*

38 14029. (a) The business of each licensee shall be operated
 39 under the active direction, control, charge, or management of the

1 licensee, if the licensee is qualified, or the person who has qualified
2 to act as the licensee's manager, if the licensee is not qualified.

3 (b) No person shall act as a manager of a licensee until he or
4 she has complied with each of the following:

5 (1) Demonstrated his or her qualifications by a written or oral
6 examination, or a combination of both, if required by the
7 commissioner.

8 (2) Made a satisfactory showing to the commissioner that he or
9 she has the qualifications prescribed by Section 14025 and that
10 none of the facts stated in Section 14028 or 14028.5 exist as to
11 him or her.

12 (c) If the manager, who has qualified as provided in this section,
13 ceases for any reason whatsoever to be connected with the licensee
14 to whom the license is issued, the licensee shall notify the
15 commissioner in writing 30 days from the cessation. If notice is
16 given, the license shall remain in force for a reasonable length of
17 time to be determined by the rules of the commissioner pending
18 the qualifications, as provided in this chapter, of another manager.
19 If the licensee fails to notify the commissioner within the 30-day
20 period, his or her license shall be subject to suspension or
21 revocation and may be reinstated only upon the filing of an
22 application for reinstatement, payment of the reinstatement fee, if
23 any is due, and the qualification of a manager as provided herein.

24 (d) Every manager shall renew his or her authority by satisfying
25 the requirements of Article 8 (commencing with Section 14090).

26 (e) *This section shall remain in effect only until January 1, 2018,*
27 *and as of that date is repealed, unless a later enacted statute, that*
28 *is enacted before January 1, 2018, deletes or extends that date.*

29 *SEC. 20. Section 14029 is added to the Insurance Code, to*
30 *read:*

31 *14029. (a) Each organization licensed under this chapter shall*
32 *designate an individual also licensed as an independent insurance*
33 *adjuster to be responsible for the organization's compliance with*
34 *state law.*

35 *(b) This section shall become operative on January 1, 2018.*

36 *SEC. 21. Section 14030 of the Insurance Code is amended to*
37 *read:*

38 *14030. (a) Whenever the individual on the basis of whose*
39 *qualifications a license under this chapter has been obtained ceases*
40 *to be connected with the licensee for any reason whatever, the*

1 business may be carried on for ~~such~~ a temporary period and under
 2 ~~such~~ the terms and conditions as the commissioner shall provide
 3 by regulation.

4 (b) *This section shall remain in effect only until January 1, 2018,*
 5 *and as of that date is repealed, unless a later enacted statute, that*
 6 *is enacted before January 1, 2018, deletes or extends that date.*

7 SEC. 22. *Section 14031 of the Insurance Code is amended to*
 8 *read:*

9 14031. ~~Whenever a hearing is~~ A hearing held under this chapter
 10 to determine whether an application for a license should be granted
 11 ~~or to determine the qualifications of a licensee's manager, the~~
 12 ~~proceedings~~ shall be conducted in accordance with Chapter 5
 13 (commencing with Section 11501) of Part 1 of Division 3 of Title
 14 2 of the Government Code, and the commissioner shall have all
 15 of the powers granted therein.

16 SEC. 23. *Section 14032 of the Insurance Code is amended to*
 17 *read:*

18 14032. The form and content of the license shall be determined
 19 by ~~the commissioner in accordance with Section 164 of the~~
 20 ~~Business and Professions Code:~~ commissioner.

21 SEC. 24. *Section 14037 of the Insurance Code is amended to*
 22 *read:*

23 14037. (a) A licensee shall at all times be legally responsible
 24 for the good conduct in the business of each of his or her employees
 25 or agents, including his or her manager.

26 (b) *This section shall remain in effect only until January 1, 2018,*
 27 *and as of that date is repealed, unless a later enacted statute, that*
 28 *is enacted before January 1, 2018, deletes or extends that date.*

29 SEC. 25. *Section 14038 of the Insurance Code is amended to*
 30 *read:*

31 14038. (a) Any licensee or officer, director, partner, or manager
 32 of a licensee may divulge to any law enforcement officer or district
 33 attorney, or to his or her representative, any information he or she
 34 may acquire as to any criminal offense, but he or she shall not
 35 divulge to any other person, except as he or she may be required
 36 by law to do so, any information acquired by him or her except at
 37 the direction of the employer or client for whom the information
 38 was obtained.

39 (b) ~~No~~ A licensee or officer, director, partner, manager, or
 40 employee of a licensee shall *not* knowingly make any false report

1 to his or her employer or client for whom information was being
2 obtained.

3 (c) ~~No~~A written report shall *not* be submitted to a client except
4 by the licensee, qualifying manager, or a person authorized by one
5 or either of them, and ~~such~~ *the* person submitting the report shall
6 exercise diligence in ascertaining whether or not the facts and
7 information in ~~such a~~ *that* report are true and correct.

8 (d) ~~No licensee,~~A licensee or officer, director, partner, manager,
9 or employee of a licensee shall *not* use a badge in connection with
10 the official activities of the licensee's business.

11 (e) ~~No licensee,~~A licensee or officer, director, partner, manager,
12 or employee of a licensee, shall *not* use a title, ~~or~~ wear a uniform,
13 ~~or~~ use an insignia, or use an identification card, or make any
14 statement with the intent to give an impression that he or she is
15 connected in any way with the federal government, a state
16 government, or any political subdivision of a state government.

17 (f) ~~No licensee,~~A licensee or officer, director, partner, manager,
18 or employee of a licensee, shall *not* enter any private building or
19 portion thereof without the consent of the owner or of the person
20 in legal possession thereof.

21 (g) ~~No~~A licensee shall *not* appear as an assignee party in any
22 proceeding involving claim and delivery, replevin, or other
23 possessory action, action to foreclose a chattel mortgage,
24 mechanic's lien, materialman's lien, or any other lien.

25 (h) ~~No~~A licensee shall *not* permit an employee or agent in his
26 or her own name to advertise, engage clients, furnish reports, or
27 present bills to clients, or in any manner whatever to conduct
28 business for which a license is required under this chapter. All
29 business of the licensee shall be conducted in the name of and
30 under the control of the licensee.

31 (i) ~~No~~A licensee acting as an independent automobile damage
32 appraiser or adjuster or as an automobile insurance claims adjuster,
33 ~~appraiser~~ *appraiser*, or representative shall *not* receive any financial
34 benefit from an automobile repair facility. "Financial benefit"
35 means the receiving of any commission or gratuity, discount on
36 repair costs, free repairs, employment by a repair facility, or
37 possession of more than 3 percent direct ownership in an
38 automobile repair facility located in this state.

1 (j) *This section shall remain in effect only until January 1, 2018,*
2 *and as of that date is repealed, unless a later enacted statute, that*
3 *is enacted before January 1, 2018, deletes or extends that date.*

4 SEC. 26. *Section 14038 is added to the Insurance Code, to*
5 *read:*

6 14038. (a) *Any licensee or officer, director, or partner of a*
7 *licensee may divulge to any law enforcement officer or district*
8 *attorney, or to his or her representative, any information he or*
9 *she may acquire as to any criminal offense, but he or she shall not*
10 *divulge to any other person, except as he or she may be required*
11 *by law to do so, any information acquired by him or her except at*
12 *the direction of the employer or client for whom the information*
13 *was obtained.*

14 (b) *A licensee or officer, director, or partner of a licensee shall*
15 *not knowingly make any false report to his or her employer or*
16 *client for whom information was being obtained.*

17 (c) *A written report shall not be submitted to a client except by*
18 *the licensee who shall exercise diligence in ascertaining whether*
19 *or not the facts and information in that report are true and correct.*

20 (d) *A licensee or officer, director, or partner of a licensee shall*
21 *not use a badge in connection with the official activities of the*
22 *licensee's business.*

23 (e) *A licensee or officer, director, or partner of a licensee shall*
24 *not use a title, wear a uniform, use an insignia, use an*
25 *identification card, or make any statement with the intent to give*
26 *an impression that he or she is connected in any way with the*
27 *federal government, a state government, or any political*
28 *subdivision of a state government.*

29 (f) *A licensee or officer, director, or partner of a licensee shall*
30 *not enter any private building or portion thereof without the*
31 *consent of the owner or of the person in legal possession thereof.*

32 (g) *A licensee shall not appear as an assignee party in any*
33 *proceeding involving claim and delivery, replevin, or other*
34 *possessory action, action to foreclose a chattel mortgage,*
35 *mechanic's lien, materialman's lien, or any other lien.*

36 (h) *A licensee shall not permit an agent in his or her own name*
37 *to advertise, engage clients, furnish reports, or present bills to*
38 *clients, or in any manner whatever to conduct business for which*
39 *a license is required under this chapter. All business of the licensee*

1 shall be conducted in the name of and under the control of the
2 licensee.

3 (i) A licensee acting as an independent automobile damage
4 appraiser or adjuster or as an automobile insurance claims
5 adjuster, appraiser, or representative shall not receive any
6 financial benefit from an automobile repair facility. “Financial
7 benefit” means the receiving of any commission or gratuity,
8 discount on repair costs, free repairs, employment by a repair
9 facility, or possession of more than 3 percent direct ownership in
10 an automobile repair facility located in this state.

11 (j) This section shall become operative on January 1, 2018.

12 SEC. 27. Section 14039 of the Insurance Code is amended to
13 read:

14 14039. ~~No~~A person licensed as an independent insurance
15 adjuster shall not do any of the following:

16 (a) Fail to disclose his or her full financial interest in a contract
17 or agreement executed by him or her for the adjustment of a claim
18 prior to the execution thereof.

19 (b) Use any misrepresentation to solicit a contract or agreement
20 to adjust a claim.

21 (c) Solicit or accept remuneration from, or have a financial
22 interest exceeding 3 percent in, any salvage, repair, or other firm,
23 which firm that obtains business in connection with any claim
24 which that he or she has a contract or agreement to adjust.

25 SEC. 28. Section 14040 of the Insurance Code is amended to
26 read:

27 14040. (a) Any badge or cap insignia worn by a person who
28 is a licensee, officer, director, partner, manager, or employee of a
29 licensee shall be of a design approved by the commissioner, and
30 shall bear on its face a distinctive word indicating the name of the
31 licensee and an employee number by which ~~such~~ the person may
32 be identified by the licensee.

33 (b) This section shall remain in effect only until January 1, 2018,
34 and as of that date is repealed, unless a later enacted statute, that
35 is enacted before January 1, 2018, deletes or extends that date.

36 SEC. 29. Section 14040 is added to the Insurance Code, to
37 read:

38 14040. (a) Any badge or cap insignia worn by a person who
39 is a licensee, officer, director, or partner of a licensee shall be of
40 a design approved by the commissioner, and shall bear on its face

1 *a distinctive word indicating the name of either the licensee or the*
 2 *adjusting firm the licensee represents.*

3 *(b) This section shall become operative on January 1, 2018.*

4 *SEC. 30. Section 14042 of the Insurance Code is amended to*
 5 *read:*

6 14042. ~~No~~(a) A licensee shall *not* conduct a business under
 7 a fictitious or other business name unless and until he or she has
 8 obtained the written authorization of the commissioner to do so.

9 ~~The~~

10 (b) *The* commissioner shall not authorize the use of a fictitious
 11 or other business name ~~which~~ *that* is so similar to that of a public
 12 officer or agency or of that used by another licensee that the public
 13 may be confused or misled thereby.

14 ~~The~~

15 (c) *The* authorization shall require, as a condition precedent to
 16 the use of any fictitious name, that the licensee comply with Section
 17 ~~1724.5 of this code and Chapter 5 (commencing with Section~~
 18 ~~17900) of Part 3 of Division 7 of the Business and Professions~~
 19 ~~Code. 1724.5.~~

20 ~~A~~

21 (d) A licensee desiring to conduct his or her business under
 22 more than one fictitious business name shall obtain the
 23 authorization of the commissioner in the manner prescribed in this
 24 section for the use of ~~each such~~ *that* name.

25 ~~The~~

26 (e) *The* licensee shall pay a fee of ten dollars (\$10) for each
 27 authorization to use an additional fictitious business name and for
 28 each change in the use of a fictitious business name. If the original
 29 license is issued in a nonfictitious name and authorization is
 30 requested to have the license reissued in a fictitious business name,
 31 the licensee shall pay a fee of twelve dollars (\$12) for ~~such that~~
 32 authorization.

33 *SEC. 31. Section 14061 of the Insurance Code is amended to*
 34 *read:*

35 14061. (a) The commissioner may suspend or revoke a license
 36 issued under this chapter or may issue a restricted license in
 37 accordance with Section 14026.5 if he or she determines that the
 38 licensee, or his or her manager, if an individual, or if the licensee
 39 is a person other than an individual, that any of its officers,

- 1 directors, partners, or its ~~manager, has:~~ *manager has done any of*
2 *the following:*
- 3 ~~(a)~~
 - 4 (1) Made any false statement or given any false information in
5 connection with an application for a license or a renewal or
6 reinstatement of a license.
 - 7 ~~(b)~~
 - 8 (2) Violated any provisions of this chapter.
 - 9 ~~(c)~~
 - 10 (3) Violated any rule of the commissioner adopted pursuant to
11 the authority contained in this chapter.
 - 12 ~~(d)~~
 - 13 (4) Been convicted of any crime substantially related to the
14 qualifications, ~~functions~~ *functions*, and duties of the holder of the
15 registration or license in question.
 - 16 ~~(e)~~
 - 17 (5) Impersonated, or permitted or aided and abetted an employee
18 to ~~impersonate~~ *impersonate*, a law enforcement officer or employee
19 of the United States of America, *States*, or of any state or political
20 subdivision thereof.
 - 21 ~~(f)~~
 - 22 (6) Committed or permitted any employee to commit any act,
23 while the license was expired ~~which~~ *that* would be cause for the
24 suspension or revocation of a license, or grounds for the denial of
25 an application for a license.
 - 26 ~~(g)~~
 - 27 (7) Willfully failed or refused to render to a client services or
28 a report as agreed between the parties and for which compensation
29 has been paid or tendered in accordance with the agreement of the
30 parties.
 - 31 ~~(h)~~
 - 32 (8) Committed assault, battery, or kidnapping, or used force or
33 violence on any person, without proper justification.
 - 34 ~~(i)~~
 - 35 (9) Knowingly ~~violated,~~ *violated* or advised, encouraged, or
36 assisted the violation of any court order or injunction in the course
37 of business as a licensee.
 - 38 ~~(j)~~
 - 39 (10) Acted as a runner or capper for any attorney.
 - 40 ~~(k)~~

1 (11) Committed any act ~~which~~ *that* is a ground for denial of an
 2 application for license under this chapter.

3 ~~(1) Purchased, possessed, or transported any tear gas weapon~~
 4 ~~except as authorized by law. A violation of this subdivision may~~
 5 ~~be punished by the suspension of a license for a period to be~~
 6 ~~determined by the commissioner.~~

7 (12) *Purchased, possessed, or transported any tear gas weapon*
 8 *except as authorized by law. A violation of this paragraph may be*
 9 *punished by the suspension of a license for a period to be*
 10 *determined by the commissioner.*

11 (b) *This section shall remain in effect only until January 1, 2018,*
 12 *and as of that date is repealed, unless a later enacted statute, that*
 13 *is enacted before January 1, 2018, deletes or extends that date.*

14 SEC. 32. *Section 14061 is added to the Insurance Code, to*
 15 *read:*

16 14061. (a) *The commissioner may suspend or revoke a license*
 17 *issued under this chapter or may issue a restricted license in*
 18 *accordance with Section 14026.5 if he or she determines that the*
 19 *licensee or if the licensee is a person other than an individual, that*
 20 *any of its officers, directors, partners, or its designated responsible*
 21 *person has done any of the following:*

22 (1) *Made any false statement or given any false information in*
 23 *connection with an application for a license or a renewal or*
 24 *reinstatement of a license.*

25 (2) *Violated any provisions of this chapter.*

26 (3) *Violated any rule of the commissioner adopted pursuant to*
 27 *the authority contained in this chapter.*

28 (4) *Been convicted of any crime substantially related to the*
 29 *qualifications, functions, and duties of the holder of the registration*
 30 *or license in question.*

31 (5) *Impersonated, or permitted or aided and abetted an*
 32 *employee to impersonate, a law enforcement officer or employee*
 33 *of the United States, or of any state or political subdivision thereof.*

34 (6) *Committed or permitted any employee to commit any act,*
 35 *while the license was expired that would be cause for the*
 36 *suspension or revocation of a license, or grounds for the denial*
 37 *of an application for a license.*

38 (7) *Willfully failed or refused to render to a client services or*
 39 *a report as agreed between the parties and for which compensation*

1 *has been paid or tendered in accordance with the agreement of*
2 *the parties.*

3 (8) *Committed assault, battery, or kidnapping, or used force or*
4 *violence on any person, without proper justification.*

5 (9) *Knowingly violated or advised, encouraged, or assisted the*
6 *violation of any court order or injunction in the course of business*
7 *as a licensee.*

8 (10) *Acted as a runner or capper for any attorney.*

9 (11) *Committed any act that is a ground for denial of an*
10 *application for license under this chapter.*

11 (12) *Purchased, possessed, or transported any tear gas weapon*
12 *except as authorized by law. A violation of this paragraph may be*
13 *punished by the suspension of a license for a period to be*
14 *determined by the commissioner.*

15 (b) *This section shall become operative on January 1, 2018.*

16 SEC. 33. *Section 14063 of the Insurance Code is amended to*
17 *read:*

18 14063. (a) *The commissioner may suspend or revoke a license*
19 *issued under this chapter or may issue a restricted license in*
20 *accordance with Section 14026.5 if the commissioner determines*
21 *that the licensee, or his or her manager, if an individual, or if the*
22 *licensee is a person other than an individual, that any of its officers,*
23 *directors, partners, or its ~~manager, has:~~ manager has done any of*
24 *the following:*

25 ~~(a)~~

26 (1) *Used any letterhead, advertisement, or other printed matter,*
27 *or in any matter whatever represented that he or she is an*
28 *instrumentality of the federal government, or of a state or any*
29 *political subdivision thereof.*

30 ~~(b)~~

31 (2) *Used a name different from that under which he or she is*
32 *currently licensed in any advertisement, solicitation, or contract*
33 *for business.*

34 (b) *This section shall remain in effect only until January 1, 2018,*
35 *and as of that date is repealed, unless a later enacted statute, that*
36 *is enacted before January 1, 2018, deletes or extends that date.*

37 SEC. 34. *Section 14063 is added to the Insurance Code, to*
38 *read:*

39 14063. (a) *The commissioner may suspend or revoke a license*
40 *issued under this chapter or may issue a restricted license in*

1 accordance with Section 14026.5 if the commissioner determines
2 that the licensee, if an individual, or if the licensee is a person
3 other than an individual, that any of its officers, directors, or
4 partners has done any of the following:

5 (1) Used any letterhead, advertisement, or other printed matter,
6 or in any matter whatever represented that he or she is an
7 instrumentality of the federal government, or of a state or any
8 political subdivision thereof.

9 (2) Used a name different from that under which he or she is
10 currently licensed in any advertisement, solicitation, or contract
11 for business.

12 (b) The section shall become operative on January 1, 2018.

13 SEC. 35. Section 14064 of the Insurance Code is amended to
14 read:

15 14064. (a) The commissioner may suspend or revoke a license
16 issued under this chapter or may issue a restricted license in
17 accordance with Section 14026.5 if the commissioner determines
18 that the licensee, or his or her manager, if an individual, or if the
19 licensee is a person other than an individual, that any of its officers,
20 directors, partners, or its manager, has committed any act in the
21 course of the licensee’s business constituting dishonesty or fraud.

22 ~~“Dishonesty~~

23 (b) ~~“Dishonesty~~ or fraud” as used in this section includes, in
24 addition to other acts not specifically enumerated herein, all of the
25 following:

26 ~~(a)~~

27 (1) Knowingly making a false statement relating to evidence or
28 information obtained in the course of employment, or knowingly
29 publishing a slander or a libel in the course of business.

30 ~~(b)~~

31 (2) Using illegal means in the collection or attempted collection
32 of a debt or obligation.

33 ~~(c)~~

34 (3) Manufacture of evidence.

35 ~~(d)~~

36 (4) Acceptance of employment adverse to a client or former
37 client relating to a matter with respect to which the licensee has
38 obtained confidential information by reason of or in the course of
39 his or her employment by ~~such~~ that client or former client.

40 ~~(e)~~

1 (5) Impersonating, or permitting or aiding and abetting an
2 employee to ~~impersonate~~ *impersonate*, a law enforcement officer
3 or employee of the United ~~States of America~~, *States*, or of any
4 state or political subdivision thereof.

5 (c) *This section shall remain in effect only until January 1, 2018,*
6 *and as of that date is repealed, unless a later enacted statute, that*
7 *is enacted before January 1, 2018, deletes or extends that date.*

8 *SEC. 36. Section 14064 is added to the Insurance Code, to*
9 *read:*

10 *14064. (a) The commissioner may suspend or revoke a license*
11 *issued under this chapter or may issue a restricted license in*
12 *accordance with Section 14026.5 if the commissioner determines*
13 *that the licensee, if an individual, or if the licensee is a person*
14 *other than an individual, that any of its officers, directors, partners,*
15 *or its designated responsible person has committed any act in the*
16 *course of the licensee's business constituting dishonesty or fraud.*

17 (b) *"Dishonesty or fraud" as used in this section includes, in*
18 *addition to other acts not specifically enumerated herein, all of*
19 *the following:*

20 (1) *Knowingly making a false statement relating to evidence or*
21 *information obtained in the course of employment, or knowingly*
22 *publishing a slander or a libel in the course of business.*

23 (2) *Using illegal means in the collection or attempted collection*
24 *of a debt or obligation.*

25 (3) *Manufacture of evidence.*

26 (4) *Acceptance of employment adverse to a client or former*
27 *client relating to a matter with respect to which the licensee has*
28 *obtained confidential information by reason of or in the course of*
29 *his or her employment by that client or former client.*

30 (5) *Impersonating, or permitting or aiding and abetting an*
31 *employee to impersonate, a law enforcement officer or employee*
32 *of the United States, or of any state or political subdivision thereof.*

33 (c) *This section shall become operative on January 1, 2018.*

34 *SEC. 37. Section 14078 of the Insurance Code is repealed.*

35 ~~14078. As used in this article, "nonresident" means a person~~
36 ~~who is not a resident of this state at the time of the performance~~
37 ~~of the act referred to in Section 14071.~~

38 *SEC. 38. Section 14078 is added to the Insurance Code, to*
39 *read:*

1 14078. (a) Unless refused licensure pursuant to Sections 14060
2 to 14065, inclusive, a nonresident person shall receive a
3 nonresident independent insurance adjuster license if all of the
4 following apply:

5 (1) The applicant is currently licensed in good standing as an
6 independent insurance adjuster in his, her, or its resident or home
7 state.

8 (2) The applicant paid the fees required by Section 14097.

9 (3) The applicant submitted to the commissioner the completed
10 application for licensure.

11 (4) The applicant's home state issues nonresident independent
12 insurance adjuster licenses to residents of California on the same
13 basis.

14 (b) The commissioner may verify the independent insurance
15 adjuster's licensing status through any appropriate database,
16 including the Producer Database maintained by the National
17 Association of Insurance Commissioners, its affiliates or
18 subsidiaries, or may request certification of good standing.

19 (c) As a condition to the continuation of a nonresident
20 independent insurance adjuster license, the licensee shall maintain
21 a resident independent insurance adjuster license in his, her, or
22 its home state.

23 (1) The nonresident independent insurance adjuster license
24 issued under this chapter shall terminate and be surrendered
25 immediately to the commissioner if the resident independent
26 insurance adjuster license terminates for any reason, unless the
27 termination is due to the independent insurance adjuster being
28 issued a new resident independent insurance adjuster license in
29 his, her, or its new home state.

30 (2) The nonresident independent insurance adjuster license
31 shall terminate if the person's home state does not issue
32 nonresident independent insurance adjuster licenses to residents
33 of California on the same basis.

34 (3) (A) The licensee is required to give notice of resident
35 independent insurance adjuster license termination to any state
36 that issued a nonresident independent insurance adjuster license.

37 (B) The notice is required to be given within 30 days of the
38 termination date. If the resident independent insurance adjuster
39 license was terminated for change in resident home state, then the

1 notice is required to include both the previous and current
2 addresses.

3 (4) Maintaining a resident independent insurance adjuster
4 license is required for the nonresident independent insurance
5 adjuster license to remain valid.

6 SEC. 39. Section 14079 is added to the Insurance Code, to
7 read:

8 14079. (a) An independent insurance adjuster shall be honest
9 and fair in all communications with the insured, the insurer, and
10 the public.

11 (b) An independent insurance adjuster shall provide
12 policyholders and claimants with prompt and knowledgeable
13 service and courteous, fair, and objective treatment at all times.

14 (c) An independent insurance adjuster shall not give legal advice
15 and shall not deal directly with any policyholder or claimant who
16 is represented by legal counsel without the consent of the legal
17 counsel involved.

18 (d) An independent insurance adjuster shall comply with all
19 local, state, and federal privacy and information security laws.

20 (e) An independent insurance adjuster shall identify himself or
21 herself as an independent insurance adjuster and, if applicable,
22 shall identify his or her employer when dealing with any
23 policyholder or claimant.

24 (f) An independent insurance adjuster shall not have any
25 financial interest in any adjustment or shall not acquire for himself,
26 herself, or any person any interest or title in salvage, without first
27 receiving written authority from the principal.

28 SEC. 40. Section 14080 of the Insurance Code is amended to
29 read:

30 14080. Any person who knowingly falsifies the fingerprints
31 or photographs submitted under *paragraph (7) of subdivision (f)*
32 *(a) of Section 14024 or paragraph (7) of subdivision (c) of Section*
33 *14025.1* is guilty of a felony. Any person who violates any of the
34 other provisions of this chapter is guilty of a misdemeanor
35 punishable by fine not to exceed five hundred dollars (\$500), or
36 by imprisonment in the county jail not to exceed one year, or by
37 both ~~such~~ the fine and imprisonment.

38 SEC. 41. Section 14090.1 of the Insurance Code is amended
39 to read:

1 14090.1. (a) An individual who holds an *independent* insurance
 2 adjuster license and who is not exempt under subdivision (b) shall
 3 satisfactorily complete a minimum of 24 hours, of which three
 4 hours are to be in ethics, of continuing education courses pertinent
 5 to the duties and responsibilities of an *independent* insurance
 6 adjuster license ~~reported~~ *and shall report the completion of this*
 7 *coursework* to the insurance commissioner on a biennial basis in
 8 conjunction with his or her license renewal cycle.

9 (b) This section does not apply to any of the following:

10 (1) A licensee not licensed for one full year prior to the end of
 11 the applicable continuing education biennium.

12 (2) A licensee holding a nonresident *independent* insurance
 13 adjuster license who has met the continuing education requirements
 14 of his or her designated ~~resident~~ *home* state.

15 (3) An individual licensed as an *independent* insurance adjuster
 16 and as a property or casualty broker-agent, pursuant to Section
 17 1625, who has met the continuing education requirements specified
 18 in Section 1749.3.

19 (4) *An individual licensed as an apprentice independent*
 20 *insurance adjuster pursuant to Section 14025.1.*

21 *SEC. 42. Section 14097 of the Insurance Code is amended to*
 22 *read:*

23 14097. The amount of fees prescribed by this chapter, unless
 24 otherwise fixed, is that fixed in the following schedule:

25 (a) The application fee for *the qualifying examination for an*
 26 *original license is ~~twenty-nine dollars (\$29): seventy-two dollars~~*
 27 *(\$72).*

28 (b) The application fee for an original branch office certificate
 29 is ~~eighteen dollars (\$18):~~ *forty-seven dollars (\$47).*

30 (c) The fee for an original license ~~is an amount equal to the~~
 31 ~~renewal fee in effect on the last regular renewal date before the~~
 32 ~~date on which the license is issued, except that, if.~~ *application is*
 33 *up to one hundred seventy dollars (\$170). If the license will expire*
 34 *less than one year after its issuance, then the fee is an amount equal*
 35 *to 50 percent of the renewal fee in effect on the last regular renewal*
 36 *date before the date on which the license is issued. The*
 37 *commissioner may, by appropriate regulation, provide for the*
 38 *waiver or refund of the initial license fee where the license is issued*
 39 *less than 45 days before the date on which it will expire.*

1 (d) The renewal fee shall be fixed by the commissioner as
2 follows:

3 (1) For a license as an *independent* insurance adjuster, not more
4 than ~~one hundred eighteen dollars (\$118)~~: *one hundred seventy*
5 *dollars (\$170)*.

6 (2) For a branch office certificate, not more than ~~twenty-four~~
7 ~~dollars (\$24)~~: *fifty-six dollars (\$56)*.

8 (e) The application and license fee for classifications prescribed
9 by the commissioner, in addition to those provided for in this
10 chapter, and the application and license fees for a change in the
11 type of business organization of a licensee, shall be in the amount
12 prescribed by rule and regulation of the commissioner.

13 (f) The delinquency fee shall be 50 percent of the renewal fee
14 in effect on the date of ~~expiration~~, ~~but not more than twenty-nine~~
15 ~~dollars (\$29)~~: *expiration*.

16 (g) The fee for reexamination of an applicant ~~or his manager is~~
17 ~~twelve dollars (\$12)~~: *is twenty-nine dollars (\$29)*.

18 (h) *The application fee for an apprentice independent insurance*
19 *adjuster license shall be up to one hundred seventy dollars (\$170)*.

20 *SEC. 43. Section 14099 of the Insurance Code is amended to*
21 *read:*

22 14099. Application or license ~~fee fees~~ shall not be refunded
23 ~~Section 158 of the Business and Professions Code~~: *pursuant to*
24 *Section 1751.5*.

25 *SEC. 44. No reimbursement is required by this act pursuant*
26 *to Section 6 of Article XIII B of the California Constitution because*
27 *the only costs that may be incurred by a local agency or school*
28 *district will be incurred because this act creates a new crime or*
29 *infraction, eliminates a crime or infraction, or changes the penalty*
30 *for a crime or infraction, within the meaning of Section 17556 of*
31 *the Government Code, or changes the definition of a crime within*
32 *the meaning of Section 6 of Article XIII B of the California*
33 *Constitution.*

34 ~~SECTION 1. Section 1722 of the Insurance Code is amended~~
35 ~~to read:~~

36 ~~1722. (a) If a natural person while licensed pursuant to the~~
37 ~~provisions of this chapter or Chapter 6 (commencing with Section~~
38 ~~1760), Chapter 7 (commencing with Section 1800), or Chapter 8~~
39 ~~(commencing with Section 1831) of this part, or Part 5~~
40 ~~(commencing with Section 12140) of Division 2 enters the military~~

1 service of the United States and is in that service at a time
2 prescribed for the filing of a renewal application, the filing of that
3 application is waived, and the license held by that licensee at the
4 time of his or her entry into military service shall remain in force
5 during the period of that military service and until the end of the
6 license year in which he or she is released from that service but
7 not for less than six months after that release. During that period,
8 that person may secure a license of the type held by him or her on
9 his or her entry into military service upon the filing of an
10 application and paying the fee therefor without the necessity of
11 taking any examination or paying any penalty.

12 (b) ~~This section shall remain in effect only until January 1,~~
13 ~~2018, and as of that date is repealed, unless a later enacted statute,~~
14 ~~that is enacted before January 1, 2018, deletes or extends that date.~~

15 SEC. 2. Section 1722 is added to the Insurance Code, to read:

16 1722. (a) If a natural person while licensed pursuant to the
17 provisions of this chapter or Chapter 6 (commencing with Section
18 1760), Chapter 7 (commencing with Section 1800), or Chapter 8
19 (commencing with Section 1831) of this part, Part 5 (commencing
20 with Section 12140) of Division 2, or Chapter 1 (commencing
21 with Section 14000) of Division 5 enters the military service of
22 the United States and is in that service at a time prescribed for the
23 filing of a renewal application, the filing of that application is
24 waived, and the license held by that licensee at the time of his or
25 her entry into military service shall remain in force during the
26 period of that military service and until the end of the license year
27 in which he or she is released from that service but not for less
28 than six months after that release. During that period, that person
29 may secure a license of the type held by him or her on his or her
30 entry into military service upon the filing of an application and
31 paying the fee therefor without the necessity of taking any
32 examination or paying any penalty.

33 (b) ~~This section shall become operative on January 1, 2018.~~

34 SEC. 3. Section 1751.5 of the Insurance Code is amended to
35 read:

36 1751.5. (a) ~~The fees required by this chapter and by Chapter~~
37 ~~6 (commencing with Section 1760), Chapter 7 (commencing with~~
38 ~~Section 1800), and Chapter 8 (commencing with Section 1831) of~~
39 ~~this part are filing fees, no portion of which shall be refunded~~

1 whether or not the application is acted upon or the examination is
2 taken.

3 ~~(b) This section shall remain in effect only until January 1, 2018,~~
4 ~~and as of that date is repealed, unless a later enacted statute, that~~
5 ~~is enacted before January 1, 2018, deletes or extends that date.~~

6 ~~SEC. 4. Section 1751.5 is added to the Insurance Code, to read:~~

7 ~~1751.5. (a) The fees required by this chapter and by Chapter~~
8 ~~6 (commencing with Section 1760), Chapter 7 (commencing with~~
9 ~~Section 1800), and Chapter 8 (commencing with Section 1831) of~~
10 ~~this part and by Chapter 1 (commencing with Section 14000) of~~
11 ~~Division 5 are filing fees, no portion of which shall be refunded~~
12 ~~whether or not the application is acted upon or the examination is~~
13 ~~taken.~~

14 ~~(b) This section shall become operative on January 1, 2018.~~

15 ~~SEC. 5. Section 14000 of the Insurance Code is amended to~~
16 ~~read:~~

17 ~~14000. (a) This chapter may be cited as the Insurance Adjuster~~
18 ~~Act.~~

19 ~~(b) This section shall remain in effect only until January 1, 2018,~~
20 ~~and as of that date is repealed, unless a later enacted statute, that~~
21 ~~is enacted before January 1, 2018, deletes or extends that date.~~

22 ~~SEC. 6. Section 14000 is added to the Insurance Code, to read:~~

23 ~~14000. (a) This chapter may be cited as the Independent~~
24 ~~Insurance Adjuster Act.~~

25 ~~(b) This section shall become operative on January 1, 2018.~~

26 ~~SEC. 7. Section 14001 of the Insurance Code is amended to~~
27 ~~read:~~

28 ~~14001. (a) As used in this chapter, the following terms have~~
29 ~~the following meanings:~~

30 ~~(1) "Commissioner" means the Insurance Commissioner.~~

31 ~~(2) "Department" means the Department of Insurance.~~

32 ~~(3) "Licensee" means a person licensed under this chapter.~~

33 ~~(4) "Manager" means the individual under whose direction,~~
34 ~~control, charge, or management the business of a licensee is~~
35 ~~operated.~~

36 ~~(5) "Person" includes any individual, firm, company,~~
37 ~~association, organization, partnership, limited liability company,~~
38 ~~and corporation.~~

1 ~~(b) This section shall remain in effect only until January 1, 2018,~~
2 ~~and as of that date is repealed, unless a later enacted statute, that~~
3 ~~is enacted before January 1, 2018, deletes or extends that date.~~

4 SEC. 8. Section 14001 is added to the Insurance Code, to read:

5 14001. (a) As used in this chapter, the following terms have
6 the following meanings:

7 (1) “Catastrophe” means an event that results in a large number
8 of deaths or injuries, causes extensive damage or destruction of
9 facilities that provide and sustain human needs, produces an
10 overwhelming demand on state and local response resources and
11 mechanisms, causes a severe long-term effect on general economic
12 activity, or severely affects state, local, and private sector
13 capabilities to begin and sustain response activities.

14 (2) “Commissioner” means the Insurance Commissioner.

15 (3) “Department” means the Department of Insurance.

16 (4) “Fingerprints” means an impression of the lines on the finger
17 taken for the purposes of identification.

18 (5) “Home state” means the District of Columbia and any state
19 or territory of the United States in which an independent insurance
20 adjuster maintains his, her, or its principal place of residence or
21 business and is licensed to act as a resident independent insurance
22 adjuster. If the resident state does not license independent insurance
23 adjusters for the line of authority sought, the independent insurance
24 adjuster shall designate as his, her, or its home state either
25 California or any state in which the independent insurance adjuster
26 is licensed following an examination, provided that the independent
27 insurance adjuster is licensed and in good standing in that state.

28 (6) “Individual” means a natural person.

29 (7) “Licensee” means a person licensed under this chapter.

30 (8) “Manager” means the individual under whose direction,
31 control, charge, or management the business of a licensee is
32 operated.

33 (9) “Nonresident” means a person who is not a resident of
34 California at the time of the performance of the act referred to in
35 Section 14071.

36 (10) “Person” includes any individual, firm, company,
37 association, organization, partnership, limited liability company,
38 and corporation.

39 (b) This section shall become operative on January 1, 2018.

1 ~~SEC. 9.~~ Section 14010 of the Insurance Code is amended to
2 read:

3 14010. (a) ~~The department succeeds to and is vested with all~~
4 ~~the duties, powers, purposes, responsibilities, and jurisdiction~~
5 ~~previously vested in the Bureau of Collection and Investigative~~
6 ~~Services with respect to the licensing of insurance adjusters.~~

7 ~~Any reference to prior licensing shall be deemed to licensing~~
8 ~~under the Private Investigator and Adjuster Act.~~

9 ~~The commissioner shall administer and enforce the provisions~~
10 ~~of this chapter.~~

11 ~~(b) This section shall remain in effect only until January 1, 2018,~~
12 ~~and as of that date is repealed, unless a later enacted statute, that~~
13 ~~is enacted before January 1, 2018, deletes or extends that date.~~

14 ~~SEC. 10.~~ Section 14010 is added to the Insurance Code, to
15 read:

16 14010. (a) ~~The commissioner shall administer and enforce the~~
17 ~~provisions of this chapter.~~

18 ~~(b) This section shall become operative on January 1, 2018.~~

19 ~~SEC. 11.~~ Section 14020 of the Insurance Code is amended to
20 read:

21 14020. (a) ~~A person shall not engage in a business regulated~~
22 ~~by this chapter, or act or assume to act as, or represent himself or~~
23 ~~herself to be, a licensee unless he or she is licensed under this~~
24 ~~chapter.~~

25 ~~(b) A person shall not falsely represent that he or she is~~
26 ~~employed by a licensee.~~

27 ~~(c) This section shall remain in effect only until January 1, 2018,~~
28 ~~and as of that date is repealed, unless a later enacted statute, that~~
29 ~~is enacted before January 1, 2018, deletes or extends that date.~~

30 ~~SEC. 12.~~ Section 14020 is added to the Insurance Code, to
31 read:

32 14020. (a) ~~A person shall not engage in a business regulated~~
33 ~~by this chapter, or act or assume to act as, or represent himself or~~
34 ~~herself to be, a licensee unless he or she is licensed as an~~
35 ~~independent insurance adjuster in accordance with this chapter.~~

36 ~~(b) A person shall not falsely represent that he or she is~~
37 ~~employed by a licensee.~~

38 ~~(c) This section shall become operative on January 1, 2018.~~

39 ~~SEC. 13.~~ Section 14021 of the Insurance Code is amended to
40 read:

1 ~~14021. (a) An insurance adjuster within the meaning of this~~
 2 ~~chapter is a person other than a private investigator as defined in~~
 3 ~~Section 7521 of the Business and Professions Code who, for any~~
 4 ~~consideration whatsoever, engages in business or accepts~~
 5 ~~employment to furnish, or agrees to make, or makes, any~~
 6 ~~investigation for the purpose of obtaining, information in the course~~
 7 ~~of adjusting or otherwise participating in the disposal of, any claim~~
 8 ~~under or in connection with a policy of insurance on behalf of an~~
 9 ~~insurer or engages in soliciting insurance adjustment business or~~
 10 ~~aids an insurer in any manner with reference to:~~

11 ~~Crime or wrongs done or threatened against the United States~~
 12 ~~of America or any state or territory of the United States of America;~~
 13 ~~the identity, habits, conduct, business, occupation, honesty,~~
 14 ~~integrity, credibility, knowledge, trustworthiness, efficiency,~~
 15 ~~loyalty, activity, movement, whereabouts, affiliations, associations,~~
 16 ~~transactions, acts, reputation, or character of any person; the~~
 17 ~~location, disposition, or recovery of lost or stolen property; the~~
 18 ~~cause or responsibility for fires, libels, losses, accidents, or damage~~
 19 ~~or injury to persons or to property; or securing evidence to be used~~
 20 ~~before any court, board, officer, or investigating committee.~~

21 ~~(b) Notwithstanding any other law, this section is in no way~~
 22 ~~intended to limit the ability of a duly licensed independent~~
 23 ~~insurance adjuster to perform the duties of an independent~~
 24 ~~insurance adjuster for any other entity.~~

25 ~~(c) This section shall remain in effect only until January 1, 2018,~~
 26 ~~and as of that date is repealed, unless a later enacted statute, that~~
 27 ~~is enacted before January 1, 2018, deletes or extends that date.~~

28 ~~SEC. 14. Section 14021 is added to the Insurance Code, to~~
 29 ~~read:~~

30 ~~14021. (a) An independent insurance adjuster, for purposes~~
 31 ~~of this chapter, is all of the following:~~

32 ~~(1) An individual, a business entity, an independent contractor,~~
 33 ~~or an employee of a contractor, who contracts for compensation~~
 34 ~~with insurers.~~

35 ~~(2) A person whose tax treatment by the insurers is consistent~~
 36 ~~with that of an independent contractor rather than an employee,~~
 37 ~~as defined in Section 3121 of Title 26 of the United States Code.~~

38 ~~(3) A person who investigates, negotiates, or settles property~~
 39 ~~and casualty claims for insurers.~~

40 ~~(b) This section shall become operative on January 1, 2018.~~

1 ~~SEC. 15.~~ Section 14022 of the Insurance Code is amended to
2 read:

3 ~~14022.~~ (a) This chapter does not apply to any of the following:

4 (1) A person employed exclusively and regularly by one
5 employer in connection with the affairs of that employer only and
6 where there exists an employer-employee relationship.

7 (2) An officer or employee of the United States of America, or
8 of this state or a political subdivision thereof, while that officer or
9 employee is engaged in the performance of his or her official
10 duties.

11 (3) A person engaged exclusively in the business of obtaining
12 and furnishing information as to the financial rating of persons.

13 (4) A charitable philanthropic society or association duly
14 incorporated under the laws of this state, which is organized and
15 maintained for the public good and not for private profit.

16 (5) An attorney at law in performing his or her duties as an
17 attorney.

18 (6) A licensed collection agency or an employee thereof while
19 acting within the scope of his or her employment, while making
20 an investigation incidental to the business of the agency, including
21 an investigation of the location of a debtor or his or her property
22 where the contract with an assignor creditor is for the collection
23 of claims owed or due or asserted to be owed or due or the
24 equivalent thereof.

25 (7) Admitted insurers and agents and insurance brokers licensed
26 by the state, performing duties in connection with insurance
27 transacted by them.

28 (8) The legal owner of personal property that has been sold
29 under a conditional sales agreement or a mortgagee under the terms
30 of a chattel mortgage.

31 (9) Any bank subject to the jurisdiction of the Commissioner
32 of Business Oversight under Division 1 (commencing with Section
33 99) of the Financial Code or the Comptroller of the Currency of
34 the United States.

35 (10) A person engaged solely in the business of securing
36 information about persons or property from public records.

37 (11) Any building contractor, engineer, technical expert, or
38 other person who is engaged by an insurer or licensed adjuster to
39 provide an expert or professional evaluation of the extent, cause,

1 or origin of damage to the insured property, but who does not
2 otherwise participate in the process of adjusting claims:

3 (b) This section shall remain in effect only until January 1, 2018,
4 and as of that date is repealed, unless a later enacted statute, that
5 is enacted before January 1, 2018, deletes or extends that date.

6 SEC. 16. Section 14022 is added to the Insurance Code, to
7 read:

8 14022. (a) This chapter does not apply to any of the following:

9 (1) An officer or employee of the United States of America, or
10 of this state or a political subdivision thereof, while that officer or
11 employee is engaged in the performance of his or her official
12 duties.

13 (2) A person engaged exclusively in the business of obtaining
14 and furnishing information as to the financial rating of persons.

15 (3) A charitable philanthropic society or association duly
16 incorporated under the laws of this state, which is organized and
17 maintained for the public good and not for private profit.

18 (4) An attorney at law admitted to practice in California, when
19 acting in his or her professional capacity as an attorney.

20 (5) A licensed collection agency or an employee thereof while
21 acting within the scope of his or her employment, while making
22 an investigation incidental to the business of the agency, including
23 an investigation of the location of a debtor or his or her property
24 where the contract with an assignor creditor is for the collection
25 of claims owed or due or asserted to be owed or due or the
26 equivalent thereof.

27 (6) An officer, director, manager, or employee of an authorized
28 insurer, surplus line insurer, a risk retention group, or an
29 attorney-in-fact of a reciprocal insurer.

30 (7) A licensed insurance agent or broker or managing general
31 agent of the insurer to whom claim authority has been granted by
32 the insurer.

33 (8) The legal owner of personal property that has been sold
34 under a conditional sales agreement or a mortgagee under the terms
35 of a chattel mortgage.

36 (9) Any bank subject to the jurisdiction of the Commissioner
37 of Business Oversight under Division 1 (commencing with Section
38 99) of the Financial Code or the Comptroller of the Currency of
39 the United States.

1 ~~(10) A person employed solely to obtain facts surrounding a~~
2 ~~claim or to furnish technical assistance to a licensed independent~~
3 ~~insurance adjuster.~~

4 ~~(11) Any building contractor, engineer, technical expert, or~~
5 ~~other person who is engaged by an insurer or licensed independent~~
6 ~~insurance adjuster to provide an expert or professional evaluation~~
7 ~~of the extent, cause, or origin of damage to the insured property;~~
8 ~~but who does not otherwise participate in the process of adjusting~~
9 ~~claims.~~

10 ~~(12) An individual who is employed to investigate suspected~~
11 ~~fraudulent insurance claims but who does not adjust losses or~~
12 ~~determine claims payments.~~

13 ~~(13) A person who solely performs administrative or clerical~~
14 ~~duties, or any combination thereof, and who does not investigate,~~
15 ~~negotiate, or settle claims with policyholders, claimants, or their~~
16 ~~legal representative.~~

17 ~~(14) A licensed health care provider or its employees who~~
18 ~~provides managed care if the services do not include the~~
19 ~~determination of compensability.~~

20 ~~(15) A managed care organization or any of its employees who~~
21 ~~provide managed care services if the services do not include the~~
22 ~~determination of compensability.~~

23 ~~(16) A person who settles only reinsurance or subrogation~~
24 ~~claims.~~

25 ~~(17) A United States manager of the United States branch of an~~
26 ~~alien insurer.~~

27 ~~(18) An individual employee, under a self-insured arrangement,~~
28 ~~who adjusts claims on behalf of his or her employer.~~

29 ~~(19) An individual or business entity that investigates,~~
30 ~~negotiates, or settles workers' compensation claims.~~

31 ~~(b) This section shall become operative on January 1, 2018.~~

32 ~~SEC. 17. Section 14022.5 of the Insurance Code is amended~~
33 ~~to read:~~

34 ~~14022.5. (a) In the event of an emergency situation as declared~~
35 ~~by the commissioner, claims arising out of the emergency,~~
36 ~~catastrophe, disaster, or other similar occurrence may be adjusted~~
37 ~~by a nonlicensed adjuster upon registration with the commissioner~~
38 ~~if all of the following requirements are met:~~

1 ~~(1) The work performed by the nonlicensed adjuster is under~~
2 ~~the active direction, control, charge, or management of a licensed~~
3 ~~adjuster or an insurer authorized to do business in this state.~~

4 ~~(2) Registration with the commissioner is accomplished within~~
5 ~~15 working days from the date on which the nonlicensed adjuster~~
6 ~~commences the claims adjusting activity in connection with the~~
7 ~~emergency situation.~~

8 ~~(b) “Registration,” within the meaning of this section, means a~~
9 ~~written letter to the commissioner, submitted by the supervising~~
10 ~~licensed adjuster or admitted insurer, naming the nonlicensed~~
11 ~~adjusters, identifying their adjuster licenses held in other~~
12 ~~jurisdictions, and stating when their claims adjusting activity~~
13 ~~commenced.~~

14 ~~(c) Registration under this section is valid for a period of 180~~
15 ~~days from the date of the registration letter. Before the lapse of~~
16 ~~that period, the commissioner may grant further 180-day extensions~~
17 ~~as he or she deems appropriate upon written request from the~~
18 ~~supervising licensed adjuster or the admitted insurer.~~

19 ~~(d) This section shall remain in effect only until January 1, 2018,~~
20 ~~and as of that date is repealed, unless a later enacted statute, that~~
21 ~~is enacted before January 1, 2018, deletes or extends that date.~~

22 ~~SEC. 18. Section 14022.5 is added to the Insurance Code, to~~
23 ~~read:~~

24 ~~14022.5. (a) In the event of an emergency situation as declared~~
25 ~~by the commissioner, claims arising out of the emergency,~~
26 ~~catastrophe, disaster, or other similar occurrence may be adjusted~~
27 ~~by a nonlicensed independent insurance adjuster upon registration~~
28 ~~with the commissioner if all of the following requirements are met:~~

29 ~~(1) The work performed by the nonlicensed independent~~
30 ~~insurance adjuster is under the active direction, control, charge,~~
31 ~~or management of a licensed independent insurance adjuster or an~~
32 ~~insurer authorized to do business in this state.~~

33 ~~(2) Registration with the commissioner is accomplished within~~
34 ~~five working days from the date on which the nonlicensed~~
35 ~~independent insurance adjuster commences the claims adjusting~~
36 ~~activity in connection with the emergency situation.~~

37 ~~(b) “Registration,” within the meaning of this section, means a~~
38 ~~written letter to the commissioner, submitted by the supervising~~
39 ~~licensed independent insurance adjuster or admitted insurer, naming~~
40 ~~the nonlicensed independent insurance adjusters, identifying their~~

1 independent insurance adjuster licenses held in other jurisdictions,
2 and stating when their claims adjusting activity commenced.

3 (e) ~~Registration under this section is valid for a period of 180~~
4 ~~days from the date of the registration letter. Before the lapse of~~
5 ~~that period, the commissioner may grant further 180-day extensions~~
6 ~~as he or she deems appropriate upon written request from the~~
7 ~~supervising licensed independent insurance adjuster or the admitted~~
8 ~~insurer.~~

9 (d) ~~This section shall become operative on January 1, 2018.~~

10 SEC. 19. ~~Section 14024 of the Insurance Code is amended to~~
11 ~~read:~~

12 ~~14024. (a) An application shall be verified and shall include~~
13 ~~all of the following:~~

14 ~~(1) The full name and business address of the applicant.~~

15 ~~(2) The name under which the applicant intends to do business.~~

16 ~~(3) A statement as to the general nature of the business in which~~
17 ~~the applicant intends to engage.~~

18 ~~(4) A statement as to the classifications under which the~~
19 ~~applicant desires to be qualified.~~

20 ~~(5) If the applicant is a person other than an individual, the full~~
21 ~~name and residence address of each of its partners, officers, and~~
22 ~~directors, and its manager.~~

23 ~~(6) Two recent photographs of the applicant, of a type prescribed~~
24 ~~by the commissioner, and two classifiable sets of his or her~~
25 ~~fingerprints.~~

26 ~~(7) A verified statement of his or her experience qualifications.~~

27 ~~(8) Other information, evidence, statements, or documents as~~
28 ~~may be required by the commissioner.~~

29 (b) ~~This section shall remain in effect only until January 1, 2018,~~
30 ~~and as of that date is repealed, unless a later enacted statute, that~~
31 ~~is enacted before January 1, 2018, deletes or extends that date.~~

32 SEC. 20. ~~Section 14024 is added to the Insurance Code, to~~
33 ~~read:~~

34 ~~14024. (a) An individual application shall be verified and shall~~
35 ~~include all of the following:~~

36 ~~(1) The full legal name and business, residence, and mailing~~
37 ~~addresses of the applicant.~~

38 ~~(2) The name under which the applicant intends to do business.~~

39 ~~(3) The applicant's birth date and social security number.~~

40 ~~(4) The application fees set forth in Section 14097.~~

1 ~~(5) A statement as to the general nature of the business in which~~
2 ~~the applicant intends to engage.~~

3 ~~(6) A statement as to the classifications under which the~~
4 ~~applicant desires to be qualified.~~

5 ~~(7) Two photographs, no more than six months old, of the~~
6 ~~applicant, of a type prescribed by the commissioner, and one~~
7 ~~classifiable set of his or her fingerprints, to be sent to a live scan~~
8 ~~fingerprint provider as directed by the department, if fingerprints~~
9 ~~are not submitted in person with a live scan fingerprinting service~~
10 ~~provider certified by the Department of Justice.~~

11 ~~(8) A verified statement of his or her experience qualifications,~~
12 ~~unless applying for an apprentice independent insurance adjuster~~
13 ~~license.~~

14 ~~(9) Other information, evidence, statements, or documents as~~
15 ~~may be required by the commissioner.~~

16 ~~(b) A business entity application shall be verified and shall~~
17 ~~include all of the following:~~

18 ~~(1) The full legal name and residence address of each of its~~
19 ~~partners, officers, and directors, and its manager.~~

20 ~~(2) The name under which the applicant intends to do business.~~

21 ~~(3) That the applicant paid the fees set forth in Section 14097.~~

22 ~~(4) A statement as to the general nature of the business in which~~
23 ~~the applicant intends to engage.~~

24 ~~(5) A statement as to the classifications under which the~~
25 ~~applicant desires to be qualified.~~

26 ~~(6) Other information, evidence, statements, or documents as~~
27 ~~may be required by the commissioner.~~

28 ~~(c) This section shall become operative on January 1, 2018.~~

29 ~~SEC. 21. Section 14025 of the Insurance Code is amended to~~
30 ~~read:~~

31 ~~14025. (a) Before an application for a license is granted, the~~
32 ~~applicant, or his or her manager, shall meet all of the following:~~

33 ~~(1) Be at least 18 years of age.~~

34 ~~(2) Not have committed acts or crimes constituting grounds for~~
35 ~~denial of licensure under Section 480 of the Business and~~
36 ~~Professions Code.~~

37 ~~(3) Shall have had at least two years of experience in adjusting~~
38 ~~insurance claims or the equivalent thereof as determined by the~~
39 ~~commissioner.~~

1 ~~(4) Comply with those other qualifications as the commissioner~~
2 ~~may fix by regulation.~~

3 ~~(b) This section shall remain in effect only until January 1, 2018,~~
4 ~~and as of that date is repealed, unless a later enacted statute, that~~
5 ~~is enacted before January 1, 2018, deletes or extends that date.~~

6 ~~SEC. 22. Section 14025 is added to the Insurance Code, to~~
7 ~~read:~~

8 ~~14025. (a) Before a license is granted, the applicant shall meet~~
9 ~~all of the following requirements:~~

10 ~~(1) Be at least 18 years of age.~~

11 ~~(2) Not have committed acts or crimes constituting grounds for~~
12 ~~denial of licensure under Sections 1668 and 1669.~~

13 ~~(3) Have had either of the following:~~

14 ~~(A) At least two years of experience in adjusting insurance~~
15 ~~claims or the equivalent thereof as determined by the~~
16 ~~commissioner, unless applying for an apprentice independent~~
17 ~~insurance adjuster license.~~

18 ~~(B) One year as a licensed apprentice independent insurance~~
19 ~~adjuster, which is considered the equivalent of two years of~~
20 ~~experience in adjusting claims.~~

21 ~~(4) If the applicant resides in a state that does not license~~
22 ~~independent insurance adjusters, he or she is required to be licensed~~
23 ~~in good standing to designate California as his or her home state.~~

24 ~~(5) (A) Completed a 20-hour prelicensing education course of~~
25 ~~study.~~

26 ~~(B) A nonresident applicant currently licensed as a home state~~
27 ~~independent insurance adjuster in another state who has met that~~
28 ~~state's prelicensing education requirements is exempt from~~
29 ~~completing the prelicensing education requirement.~~

30 ~~(C) A resident applicant currently listed under a licensed~~
31 ~~independent insurance adjuster's license as an unlicensed employee~~
32 ~~is exempt from completing the prelicensing education requirement.~~
33 ~~This exemption shall be in effect only until January 1, 2019.~~

34 ~~(6) Successfully passed the examination for the independent~~
35 ~~insurance adjuster license, unless he or she qualifies for an~~
36 ~~exemption in Section 14026.~~

37 ~~(7) Comply with those other qualifications that the commissioner~~
38 ~~may require by regulation.~~

39 ~~(b) This section shall become operative on January 1, 2018.~~

1 ~~SEC. 23.~~ Section 14025.1 is added to the Insurance Code, to
2 read:

3 ~~14025.1. (a) The apprentice independent insurance adjuster~~
4 ~~license is a license to facilitate the experience, education, and~~
5 ~~training necessary to ensure reasonable competency in the~~
6 ~~responsibilities and duties of an independent insurance adjuster.~~

7 ~~(b) An individual applying for an apprentice independent~~
8 ~~insurance adjuster license shall submit an application in a format~~
9 ~~prescribed by the commissioner and shall declare under penalty~~
10 ~~of suspension, revocation, or refusal of the license that the~~
11 ~~statements made in the application are true, correct, and complete~~
12 ~~to the best of the individual's knowledge and belief. Before~~
13 ~~approving the application, the commissioner shall determine that~~
14 ~~the individual meets all of the following:~~

15 ~~(1) Is at least 18 years of age.~~

16 ~~(2) Is a resident of California or is a resident of another state~~
17 ~~and has designated California as his or her home state.~~

18 ~~(3) Has a business or mailing address in California for the~~
19 ~~acceptance of service of process.~~

20 ~~(4) Has not committed any act that is a ground for suspension,~~
21 ~~revocation, or denial of licensure as set forth in Sections 1668,~~
22 ~~1668.1, and 1669.~~

23 ~~(5) Has paid the fees set forth in paragraph (8) of subdivision~~
24 ~~(a) of Section 14097.~~

25 ~~(e) The apprentice independent insurance adjuster license shall~~
26 ~~be subject to the following terms and conditions:~~

27 ~~(1) The applicant shall submit, with the apprentice independent~~
28 ~~insurance adjuster application, an attestation from a licensed~~
29 ~~independent insurance adjuster certifying that the apprentice will~~
30 ~~be subject to training, direction, and control by the licensed~~
31 ~~independent insurance adjuster and further certifying that the~~
32 ~~licensed independent insurance adjuster assumes responsibility~~
33 ~~for the actions of the apprentice in the apprentice's capacity as an~~
34 ~~apprentice independent insurance adjuster.~~

35 ~~(2) The apprentice independent insurance adjuster is only~~
36 ~~authorized to adjust claims in California.~~

37 ~~(3) The apprentice independent insurance adjuster is restricted~~
38 ~~to participation in the investigation, settlement, and negotiation of~~
39 ~~claims subject to the review and final determination of the claim~~
40 ~~by a supervising licensed independent insurance adjuster.~~

1 ~~(4) The apprentice independent insurance adjuster shall not be~~
2 ~~required to take and successfully complete the independent~~
3 ~~insurance adjuster examination to adjust claims as an apprentice~~
4 ~~independent insurance adjuster. At any time during the~~
5 ~~apprenticeship, the apprentice independent insurance adjuster may~~
6 ~~choose to take the examination. If the individual takes and~~
7 ~~successfully completes the independent insurance adjuster exam,~~
8 ~~the apprentice independent insurance adjuster license shall~~
9 ~~automatically terminate and an independent insurance adjuster~~
10 ~~license shall be issued to that individual in its place.~~

11 ~~(5) The apprentice independent insurance adjuster license is~~
12 ~~valid for a period not to exceed 12 months and is nonrenewable.~~

13 ~~(6) The licensee shall be subject to suspension, revocation, or~~
14 ~~denial pursuant to Sections 1668, 1668.1, and 1669.~~

15 ~~(7) The applicant shall submit two photographs, no more than~~
16 ~~six months old, of the applicant, of a type prescribed by the~~
17 ~~commissioner, and one classifiable set of his or her fingerprints,~~
18 ~~to be sent to a live scan fingerprint provider as directed by the~~
19 ~~department, if fingerprints are not submitted in person with a live~~
20 ~~scan fingerprinting service provider certified by the Department~~
21 ~~of Justice.~~

22 ~~(d) This section shall become operative on January 1, 2018.~~

23 ~~SEC. 24. Section 14026 of the Insurance Code is amended to~~
24 ~~read:~~

25 ~~14026. (a) The commissioner may require an applicant, or his~~
26 ~~or her manager, to demonstrate his or her qualifications by a written~~
27 ~~or oral examination, or a combination of both.~~

28 ~~(b) This section shall remain in effect only until January 1, 2018,~~
29 ~~and as of that date is repealed, unless a later enacted statute, that~~
30 ~~is enacted before January 1, 2018, deletes or extends that date.~~

31 ~~SEC. 25. Section 14026 is added to the Insurance Code, to~~
32 ~~read:~~

33 ~~14026. (a) An applicant for an independent insurance adjuster~~
34 ~~license, unless applying for an apprentice independent insurance~~
35 ~~adjuster license or crop insurance adjuster license, shall pass a~~
36 ~~written examination.~~

37 ~~(1) The examination shall test the knowledge of the applicant~~
38 ~~concerning the duties and responsibilities of an independent~~
39 ~~insurance adjuster and this code.~~

1 ~~(2) An applicant applying for an examination shall remit a~~
 2 ~~nonrefundable fee as prescribed by the commissioner in Section~~
 3 ~~14097.~~

4 ~~(b) An individual who applies for an independent insurance~~
 5 ~~adjuster license in California who holds a home state license in~~
 6 ~~another state as an independent insurance adjuster shall not be~~
 7 ~~required to complete the examination if he or she successfully~~
 8 ~~passed an examination as a condition of receiving an independent~~
 9 ~~insurance adjuster license in his or her home state. This exemption~~
 10 ~~applies to individuals who are currently licensed in their home~~
 11 ~~state or if the home state license expired and the application is~~
 12 ~~received by the commissioner within 90 days of expiration.~~

13 ~~(c) An individual who applies for an apprentice independent~~
 14 ~~insurance adjuster license pursuant to Section 14025.1, and who~~
 15 ~~adjusts claims in that capacity, shall not be required to take and~~
 16 ~~successfully complete the independent insurance adjuster~~
 17 ~~examination.~~

18 ~~(d) This section shall become operative on January 1, 2018.~~

19 ~~SEC. 26. Section 14027 of the Insurance Code is amended to~~
 20 ~~read:~~

21 ~~14027. (a) Payment of the application fee prescribed by this~~
 22 ~~chapter entitles an applicant, or his or her manager, to one~~
 23 ~~examination without further charge. If the person fails to pass the~~
 24 ~~examination, he or she shall not be eligible for any subsequent~~
 25 ~~examination except upon payment of the reexamination fee~~
 26 ~~prescribed by this chapter for each subsequent examination.~~

27 ~~(b) This section shall remain in effect only until January 1, 2018,~~
 28 ~~and as of that date is repealed, unless a later enacted statute, that~~
 29 ~~is enacted before January 1, 2018, deletes or extends that date.~~

30 ~~SEC. 27. Section 14028 of the Insurance Code is amended to~~
 31 ~~read:~~

32 ~~14028. (a) After a hearing, the commissioner may deny a~~
 33 ~~license unless the application makes a showing satisfactory to the~~
 34 ~~commissioner that the applicant, if an individual, has not, or if the~~
 35 ~~applicant is a person other than an individual, that its manager and~~
 36 ~~each of its officers and partners have not done any of the following:~~

37 ~~(1) Committed any acts or crimes constituting grounds for denial~~
 38 ~~of licensure under Section 480 of the Business and Professions~~
 39 ~~Code.~~

1 ~~(2) Been refused a license under this chapter or had a license~~
2 ~~revoked.~~

3 ~~(3) Been an officer, partner, or manager of any person who has~~
4 ~~been refused a license under this chapter or whose license has been~~
5 ~~revoked.~~

6 ~~(4) While unlicensed committed, or aided and abetted the~~
7 ~~commission of, any act for which a license is required by this~~
8 ~~chapter.~~

9 ~~(5) Committed any act or crime constituting grounds for denial~~
10 ~~of licensure under Section 1668.~~

11 ~~(b) This section shall remain in effect only until January 1, 2018,~~
12 ~~and as of that date is repealed, unless a later enacted statute, that~~
13 ~~is enacted before January 1, 2018, deletes or extends that date.~~

14 ~~SEC. 28. Section 14028 is added to the Insurance Code, to~~
15 ~~read:~~

16 ~~14028. (a) After a hearing, the commissioner may deny a~~
17 ~~license unless the application makes a showing satisfactory to the~~
18 ~~commissioner that the applicant, if an individual, has not, or if the~~
19 ~~applicant is a person other than an individual, that its manager and~~
20 ~~each of its officers and partners have not done any of the following:~~

21 ~~(1) Been refused a license under this chapter or had a license~~
22 ~~revoked.~~

23 ~~(2) Been an officer, partner, or manager of any person who has~~
24 ~~been refused a license under this chapter or whose license has been~~
25 ~~revoked.~~

26 ~~(3) While unlicensed committed, or aided and abetted the~~
27 ~~commission of, any act for which a license is required by this~~
28 ~~chapter.~~

29 ~~(4) Committed any act or crime constituting grounds for denial~~
30 ~~of licensure under Section 1668.~~

31 ~~(b) This section shall become operative on January 1, 2018.~~

32 ~~SEC. 29. Section 14029 of the Insurance Code is amended to~~
33 ~~read:~~

34 ~~14029. (a) The business of each licensee shall be operated~~
35 ~~under the active direction, control, charge, or management of the~~
36 ~~licensee, if the licensee is qualified, or the person who has qualified~~
37 ~~to act as the licensee's manager, if the licensee is not qualified.~~

38 ~~(b) No person shall act as a manager of a licensee until he or~~
39 ~~she has complied with each of the following:~~

1 ~~(1) Demonstrated his or her qualifications by a written or oral~~
2 ~~examination, or a combination of both, if required by the~~
3 ~~commissioner.~~

4 ~~(2) Made a satisfactory showing to the commissioner that he or~~
5 ~~she has the qualifications prescribed by Section 14025 and that~~
6 ~~none of the facts stated in Section 14028 or 14028.5 exist as to~~
7 ~~him or her.~~

8 ~~(e) If the manager, who has qualified as provided in this section,~~
9 ~~ceases for any reason whatsoever to be connected with the licensee~~
10 ~~to whom the license is issued, the licensee shall notify the~~
11 ~~commissioner in writing 30 days from the cessation. If notice is~~
12 ~~given, the license shall remain in force for a reasonable length of~~
13 ~~time to be determined by the rules of the commissioner pending~~
14 ~~the qualifications, as provided in this chapter, of another manager.~~
15 ~~If the licensee fails to notify the commissioner within the 30-day~~
16 ~~period, his or her license shall be subject to suspension or~~
17 ~~revocation and may be reinstated only upon the filing of an~~
18 ~~application for reinstatement, payment of the reinstatement fee, if~~
19 ~~any is due, and the qualification of a manager as provided herein.~~

20 ~~(d) Every manager shall renew his or her authority by satisfying~~
21 ~~the requirements of Article 8 (commencing with Section 14090).~~

22 ~~(e) This section shall remain in effect only until January 1, 2018,~~
23 ~~and as of that date is repealed, unless a later enacted statute, that~~
24 ~~is enacted before January 1, 2018, deletes or extends that date.~~

25 ~~SEC. 30. Section 14029 is added to the Insurance Code, to~~
26 ~~read:~~

27 ~~14029. (a) Each organization licensed under this chapter shall~~
28 ~~designate an individual also licensed as an independent insurance~~
29 ~~adjuster to be responsible for the organization's compliance with~~
30 ~~state law.~~

31 ~~(b) This section shall become operative on January 1, 2018.~~

32 ~~SEC. 31. Section 14030 of the Insurance Code is amended to~~
33 ~~read:~~

34 ~~14030. (a) Whenever the individual on the basis of whose~~
35 ~~qualifications a license under this chapter has been obtained ceases~~
36 ~~to be connected with the licensee for any reason whatever, the~~
37 ~~business may be carried on for a temporary period and under the~~
38 ~~terms and conditions as the commissioner shall provide by~~
39 ~~regulation.~~

1 ~~(b) This section shall remain in effect only until January 1, 2018,~~
2 ~~and as of that date is repealed, unless a later enacted statute, that~~
3 ~~is enacted before January 1, 2018, deletes or extends that date.~~

4 SEC. 32. Section 14031 of the Insurance Code is amended to
5 read:

6 14031. ~~(a) Whenever a hearing is held under this chapter to~~
7 ~~determine whether an application for a license should be granted~~
8 ~~or to determine the qualifications of a licensee's manager, the~~
9 ~~proceedings shall be conducted in accordance with Chapter 5~~
10 ~~(commencing with Section 11501) of Part 1 of Division 3 of Title~~
11 ~~2 of the Government Code, and the commissioner shall have all~~
12 ~~of the powers granted therein.~~

13 ~~(b) This section shall remain in effect only until January 1, 2018,~~
14 ~~and as of that date is repealed, unless a later enacted statute, that~~
15 ~~is enacted before January 1, 2018, deletes or extends that date.~~

16 SEC. 33. Section 14031 is added to the Insurance Code, to
17 read:

18 14031. ~~(a) A hearing held under this chapter to determine~~
19 ~~whether an application for a license should be granted shall be~~
20 ~~conducted in accordance with Chapter 5 (commencing with Section~~
21 ~~11501) of Part 1 of Division 3 of Title 2 of the Government Code,~~
22 ~~and the commissioner shall have all of the powers granted therein.~~

23 ~~(b) This section shall be operative on January 1, 2018.~~

24 SEC. 34. Section 14032 of the Insurance Code is amended to
25 read:

26 14032. ~~(a) The form and content of the license shall be~~
27 ~~determined by the commissioner in accordance with Section 164~~
28 ~~of the Business and Professions Code.~~

29 ~~(b) This section shall remain in effect only until January 1, 2018,~~
30 ~~and as of that date is repealed, unless a later enacted statute, that~~
31 ~~is enacted before January 1, 2018, deletes or extends that date.~~

32 SEC. 35. Section 14032 is added to the Insurance Code, to
33 read:

34 14032. ~~(a) The form and content of the license shall be~~
35 ~~determined by the commissioner.~~

36 ~~(b) This section shall become operative on January 1, 2018.~~

37 SEC. 36. Section 14037 of the Insurance Code is amended to
38 read:

1 ~~14037. (a) A licensee shall at all times be legally responsible~~
2 ~~for the good conduct in the business of each of his or her employees~~
3 ~~or agents, including his or her manager.~~

4 ~~(b) This section shall remain in effect only until January 1, 2018,~~
5 ~~and as of that date is repealed, unless a later enacted statute, that~~
6 ~~is enacted before January 1, 2018, deletes or extends that date.~~

7 ~~SEC. 37. Section 14038 of the Insurance Code is amended to~~
8 ~~read:~~

9 ~~14038. (a) Any licensee or officer, director, partner, or manager~~
10 ~~of a licensee may divulge to any law enforcement officer or district~~
11 ~~attorney, or to his or her representative, any information he or she~~
12 ~~may acquire as to any criminal offense, but he or she shall not~~
13 ~~divulge to any other person, except as he or she may be required~~
14 ~~by law to do so, any information acquired by him or her except at~~
15 ~~the direction of the employer or client for whom the information~~
16 ~~was obtained.~~

17 ~~(b) A licensee or officer, director, partner, manager, or employee~~
18 ~~of a licensee shall not knowingly make any false report to his or~~
19 ~~her employer or client for whom information was being obtained.~~

20 ~~(c) A written report shall not be submitted to a client except by~~
21 ~~the licensee, qualifying manager, or a person authorized by one~~
22 ~~or either of them, and the person submitting the report shall~~
23 ~~exercise diligence in ascertaining whether or not the facts and~~
24 ~~information in that report are true and correct.~~

25 ~~(d) A licensee or officer, director, partner, manager, or employee~~
26 ~~of a licensee shall not use a badge in connection with the official~~
27 ~~activities of the licensee's business.~~

28 ~~(e) A licensee or officer, director, partner, manager, or employee~~
29 ~~of a licensee, shall not use a title, wear a uniform, use an insignia,~~
30 ~~or use an identification card, or make any statement with the intent~~
31 ~~to give an impression that he or she is connected in any way with~~
32 ~~the federal government, a state government, or any political~~
33 ~~subdivision of a state government.~~

34 ~~(f) A licensee or officer, director, partner, manager, or employee~~
35 ~~of a licensee, shall not enter any private building or portion thereof~~
36 ~~without the consent of the owner or of the person in legal~~
37 ~~possession thereof.~~

38 ~~(g) A licensee shall not appear as an assignee party in any~~
39 ~~proceeding involving claim and delivery, replevin, or other~~

1 possessory action, action to foreclose a chattel mortgage,
2 mechanic's lien, materialman's lien, or any other lien.

3 (h) A licensee shall not permit an employee or agent in his or
4 her own name to advertise, engage clients, furnish reports, or
5 present bills to clients, or in any manner whatever to conduct
6 business for which a license is required under this chapter. All
7 business of the licensee shall be conducted in the name of and
8 under the control of the licensee.

9 (i) A licensee acting as an independent automobile damage
10 appraiser or adjuster or as an automobile insurance claims adjuster,
11 appraiser, or representative shall not receive any financial benefit
12 from an automobile repair facility. "Financial benefit" means the
13 receiving of any commission or gratuity, discount on repair costs,
14 free repairs, employment by a repair facility, or possession of more
15 than 3 percent direct ownership in an automobile repair facility
16 located in this state.

17 (j) This section shall remain in effect only until January 1, 2018,
18 and as of that date is repealed, unless a later enacted statute, that
19 is enacted before January 1, 2018, deletes or extends that date.

20 SEC. 38. Section 14038 is added to the Insurance Code, to
21 read:

22 14038. (a) Any licensee or officer, director, or partner of a
23 licensee may divulge to any law enforcement officer or district
24 attorney, or to his or her representative, any information he or she
25 may acquire as to any criminal offense, but he or she shall not
26 divulge to any other person, except as he or she may be required
27 by law to do so, any information acquired by him or her except at
28 the direction of the employer or client for whom the information
29 was obtained.

30 (b) A licensee or officer, director, or partner of a licensee shall
31 not knowingly make any false report to his or her employer or
32 client for whom information was being obtained.

33 (c) A written report shall not be submitted to a client except by
34 the licensee who shall exercise diligence in ascertaining whether
35 or not the facts and information in that report are true and correct.

36 (d) A licensee or officer, director, or partner of a licensee shall
37 not use a badge in connection with the official activities of the
38 licensee's business.

39 (e) A licensee or officer, director, or partner of a licensee shall
40 not use a title, wear a uniform, use an insignia, use an identification

1 card, or make any statement with the intent to give an impression
 2 that he or she is connected in any way with the federal government,
 3 a state government, or any political subdivision of a state
 4 government.

5 (f) A licensee or officer, director, or partner of a licensee, shall
 6 not enter any private building or portion thereof without the consent
 7 of the owner or of the person in legal possession thereof.

8 (g) A licensee shall not appear as an assignee party in any
 9 proceeding involving claim and delivery, replevin, or other
 10 possessory action, action to foreclose a chattel mortgage,
 11 mechanic's lien, materialman's lien, or any other lien.

12 (h) A licensee shall not permit an agent in his or her own name
 13 to advertise, engage clients, furnish reports, or present bills to
 14 clients, or in any manner whatever to conduct business for which
 15 a license is required under this chapter. All business of the licensee
 16 shall be conducted in the name of and under the control of the
 17 licensee.

18 (i) A licensee acting as an independent automobile damage
 19 appraiser or adjuster or as an automobile insurance claims adjuster,
 20 appraiser, or representative shall not receive any financial benefit
 21 from an automobile repair facility. "Financial benefit" means the
 22 receiving of any commission or gratuity, discount on repair costs,
 23 free repairs, employment by a repair facility, or possession of more
 24 than 3 percent direct ownership in an automobile repair facility
 25 located in this state.

26 (j) This section shall become operative on January 1, 2018.

27 SEC. 39. Section 14039 of the Insurance Code is amended to
 28 read:

29 14039. (a) A person licensed as an insurance adjuster shall
 30 not do any of the following:

31 (1) Fail to disclose his or her full financial interest in a contract
 32 or agreement executed by him or her for the adjustment of a claim
 33 prior to the execution thereof.

34 (2) Use any misrepresentation to solicit a contract or agreement
 35 to adjust a claim.

36 (3) Solicit or accept remuneration from, or have a financial
 37 interest exceeding 3 percent in, any salvage, repair, or other firm
 38 that obtains business in connection with any claim that he or she
 39 has a contract or agreement to adjust.

1 ~~(b) This section shall remain in effect only until January 1, 2018,~~
2 ~~and as of that date is repealed, unless a later enacted statute, that~~
3 ~~is enacted before January 1, 2018, deletes or extends that date.~~

4 ~~SEC. 40. Section 14039 is added to the Insurance Code, to~~
5 ~~read:~~

6 ~~14039. (a) A person licensed as an independent insurance~~
7 ~~adjuster shall not do any of the following:~~

8 ~~(1) Fail to disclose his or her full financial interest in a contract~~
9 ~~or agreement executed by him or her for the adjustment of a claim~~
10 ~~prior to the execution thereof.~~

11 ~~(2) Use any misrepresentation to solicit a contract or agreement~~
12 ~~to adjust a claim.~~

13 ~~(3) Solicit or accept remuneration from, or have a financial~~
14 ~~interest exceeding 3 percent in, any salvage, repair, or other firm~~
15 ~~that obtains business in connection with any claim that he or she~~
16 ~~has a contract or agreement to adjust.~~

17 ~~(b) This section shall become operative on January 1, 2018.~~

18 ~~SEC. 41. Section 14040 of the Insurance Code is amended to~~
19 ~~read:~~

20 ~~14040. (a) Any badge or cap insignia worn by a person who~~
21 ~~is a licensee, officer, director, partner, manager, or employee of a~~
22 ~~licensee shall be of a design approved by the commissioner, and~~
23 ~~shall bear on its face a distinctive word indicating the name of the~~
24 ~~licensee and an employee number by which the person may be~~
25 ~~identified by the licensee.~~

26 ~~(b) This section shall remain in effect only until January 1, 2018,~~
27 ~~and as of that date is repealed, unless a later enacted statute, that~~
28 ~~is enacted before January 1, 2018, deletes or extends that date.~~

29 ~~SEC. 42. Section 14040 is added to the Insurance Code, to~~
30 ~~read:~~

31 ~~14040. (a) Any badge or cap insignia worn by a person who~~
32 ~~is a licensee, officer, director, or partner of a licensee shall be of~~
33 ~~a design approved by the commissioner, and shall bear on its face~~
34 ~~a distinctive word indicating the name of the licensee.~~

35 ~~(b) This section shall become operative on January 1, 2018.~~

36 ~~SEC. 43. Section 14042 of the Insurance Code is amended to~~
37 ~~read:~~

38 ~~14042. (a) A licensee shall not conduct a business under a~~
39 ~~fictitious or other business name unless and until he or she has~~
40 ~~obtained the written authorization of the commissioner to do so.~~

1 ~~(b) The commissioner shall not authorize the use of a fictitious~~
2 ~~or other business name that is so similar to that of a public officer~~
3 ~~or agency or of that used by another licensee that the public may~~
4 ~~be confused or misled thereby.~~

5 ~~(e) The authorization shall require, as a condition precedent to~~
6 ~~the use of any fictitious name, that the licensee comply with Section~~
7 ~~1724.5 of this code and Chapter 5 (commencing with Section~~
8 ~~17900) of Part 3 of Division 7 of the Business and Professions~~
9 ~~Code.~~

10 ~~(d) A licensee desiring to conduct his or her business under~~
11 ~~more than one fictitious business name shall obtain the~~
12 ~~authorization of the commissioner in the manner prescribed in this~~
13 ~~section for the use of that name.~~

14 ~~(e) The licensee shall pay a fee of ten dollars (\$10) for each~~
15 ~~authorization to use an additional fictitious business name and for~~
16 ~~each change in the use of a fictitious business name. If the original~~
17 ~~license is issued in a nonfictitious name and authorization is~~
18 ~~requested to have the license reissued in a fictitious business name,~~
19 ~~the licensee shall pay a fee of twelve dollars (\$12) for that~~
20 ~~authorization.~~

21 ~~(f) This section shall remain in effect only until January 1, 2018,~~
22 ~~and as of that date is repealed, unless a later enacted statute, that~~
23 ~~is enacted before January 1, 2018, deletes or extends that date.~~

24 ~~SEC. 44. Section 14042 is added to the Insurance Code, to~~
25 ~~read:~~

26 ~~14042. (a) A licensee shall not conduct a business under a~~
27 ~~fictitious or other business name unless and until he or she has~~
28 ~~obtained the written authorization of the commissioner to do so.~~

29 ~~(b) The commissioner shall not authorize the use of a fictitious~~
30 ~~or other business name that is so similar to that of a public officer~~
31 ~~or agency or of that used by another licensee that the public may~~
32 ~~be confused or misled thereby.~~

33 ~~(e) The authorization shall require, as a condition precedent to~~
34 ~~the use of any fictitious name, that the licensee comply with Section~~
35 ~~1724.5.~~

36 ~~(d) A licensee desiring to conduct his or her business under~~
37 ~~more than one fictitious business name shall obtain the~~
38 ~~authorization of the commissioner in the manner prescribed in this~~
39 ~~section for the use of that name.~~

1 ~~(e) The licensee shall pay a fee of ten dollars (\$10) for each~~
2 ~~authorization to use an additional fictitious business name and for~~
3 ~~each change in the use of a fictitious business name. If the original~~
4 ~~license is issued in a nonfictitious name and authorization is~~
5 ~~requested to have the license reissued in a fictitious business name,~~
6 ~~the licensee shall pay a fee of twelve dollars (\$12) for that~~
7 ~~authorization.~~

8 ~~(f) This section shall become operative on January 1, 2018.~~

9 ~~SEC. 45. Section 14061 of the Insurance Code is amended to~~
10 ~~read:~~

11 ~~14061. (a) The commissioner may suspend or revoke a license~~
12 ~~issued under this chapter or may issue a restricted license in~~
13 ~~accordance with Section 14026.5 if he or she determines that the~~
14 ~~licensee, or his or her manager, if an individual, or if the licensee~~
15 ~~is a person other than an individual, that any of its officers,~~
16 ~~directors, partners, or its manager has done any of the following:~~

17 ~~(1) Made any false statement or given any false information in~~
18 ~~connection with an application for a license or a renewal or~~
19 ~~reinstatement of a license.~~

20 ~~(2) Violated any provisions of this chapter.~~

21 ~~(3) Violated any rule of the commissioner adopted pursuant to~~
22 ~~the authority contained in this chapter.~~

23 ~~(4) Been convicted of any crime substantially related to the~~
24 ~~qualifications, functions, and duties of the holder of the registration~~
25 ~~or license in question.~~

26 ~~(5) Impersonated, or permitted or aided and abetted an employee~~
27 ~~to impersonate, a law enforcement officer or employee of the~~
28 ~~United States of America, or of any state or political subdivision~~
29 ~~thereof.~~

30 ~~(6) Committed or permitted any employee to commit any act,~~
31 ~~while the license was expired that would be cause for the~~
32 ~~suspension or revocation of a license, or grounds for the denial of~~
33 ~~an application for a license.~~

34 ~~(7) Willfully failed or refused to render to a client services or~~
35 ~~a report as agreed between the parties and for which compensation~~
36 ~~has been paid or tendered in accordance with the agreement of the~~
37 ~~parties.~~

38 ~~(8) Committed assault, battery, or kidnapping, or used force or~~
39 ~~violence on any person, without proper justification.~~

1 ~~(9) Knowingly violated or advised, encouraged, or assisted the~~
2 ~~violation of any court order or injunction in the course of business~~
3 ~~as a licensee.~~

4 ~~(10) Acted as a runner or capper for any attorney.~~

5 ~~(11) Committed any act that is a ground for denial of an~~
6 ~~application for license under this chapter.~~

7 ~~(12) Purchased, possessed, or transported any tear gas weapon~~
8 ~~except as authorized by law. A violation of this paragraph may be~~
9 ~~punished by the suspension of a license for a period to be~~
10 ~~determined by the commissioner.~~

11 ~~(b) This section shall remain in effect only until January 1, 2018,~~
12 ~~and as of that date is repealed, unless a later enacted statute, that~~
13 ~~is enacted before January 1, 2018, deletes or extends that date.~~

14 ~~SEC. 46. Section 14061 is added to the Insurance Code, to~~
15 ~~read:~~

16 ~~14061. (a) The commissioner may suspend or revoke a license~~
17 ~~issued under this chapter or may issue a restricted license in~~
18 ~~accordance with Section 14026.5 if he or she determines that the~~
19 ~~licensee or if the licensee is a person other than an individual, that~~
20 ~~any of its officers, directors, partners, or its designated responsible~~
21 ~~person has done any of the following:~~

22 ~~(1) Made any false statement or given any false information in~~
23 ~~connection with an application for a license or a renewal or~~
24 ~~reinstatement of a license.~~

25 ~~(2) Violated any provisions of this chapter.~~

26 ~~(3) Violated any rule of the commissioner adopted pursuant to~~
27 ~~the authority contained in this chapter.~~

28 ~~(4) Been convicted of any crime substantially related to the~~
29 ~~qualifications, functions, and duties of the holder of the registration~~
30 ~~or license in question.~~

31 ~~(5) Impersonated, or permitted or aided and abetted an employee~~
32 ~~to impersonate, a law enforcement officer or employee of the~~
33 ~~United States of America, or of any state or political subdivision~~
34 ~~thereof.~~

35 ~~(6) Committed or permitted any employee to commit any act,~~
36 ~~while the license was expired that would be cause for the~~
37 ~~suspension or revocation of a license, or grounds for the denial of~~
38 ~~an application for a license.~~

39 ~~(7) Willfully failed or refused to render to a client services or~~
40 ~~a report as agreed between the parties and for which compensation~~

1 has been paid or tendered in accordance with the agreement of the
2 parties:

3 ~~(8) Committed assault, battery, or kidnapping, or used force or~~
4 ~~violence on any person, without proper justification.~~

5 ~~(9) Knowingly violated or advised, encouraged, or assisted the~~
6 ~~violation of any court order or injunction in the course of business~~
7 ~~as a licensee.~~

8 ~~(10) Acted as a runner or capper for any attorney.~~

9 ~~(11) Committed any act that is a ground for denial of an~~
10 ~~application for license under this chapter.~~

11 ~~(12) Purchased, possessed, or transported any tear gas weapon~~
12 ~~except as authorized by law. A violation of this paragraph may be~~
13 ~~punished by the suspension of a license for a period to be~~
14 ~~determined by the commissioner.~~

15 ~~(b) This section shall become operative on January 1, 2018.~~

16 ~~SEC. 47. Section 14063 of the Insurance Code is amended to~~
17 ~~read:~~

18 ~~14063. (a) The commissioner may suspend or revoke a license~~
19 ~~issued under this chapter or may issue a restricted license in~~
20 ~~accordance with Section 14026.5 if the commissioner determines~~
21 ~~that the licensee, or his or her manager, if an individual, or if the~~
22 ~~licensee is a person other than an individual, that any of its officers,~~
23 ~~directors, partners, or its manager has done any of the following:~~

24 ~~(1) Used any letterhead, advertisement, or other printed matter,~~
25 ~~or in any matter whatever represented that he or she is an~~
26 ~~instrumentality of the federal government, or of a state or any~~
27 ~~political subdivision thereof.~~

28 ~~(2) Used a name different from that under which he or she is~~
29 ~~currently licensed in any advertisement, solicitation, or contract~~
30 ~~for business.~~

31 ~~(b) This section shall remain in effect only until January 1, 2018,~~
32 ~~and as of that date is repealed, unless a later enacted statute, that~~
33 ~~is enacted before January 1, 2018, deletes or extends that date.~~

34 ~~SEC. 48. Section 14063 is added to the Insurance Code, to~~
35 ~~read:~~

36 ~~14063. (a) The commissioner may suspend or revoke a license~~
37 ~~issued under this chapter or may issue a restricted license in~~
38 ~~accordance with Section 14026.5 if the commissioner determines~~
39 ~~that the licensee, if an individual, or if the licensee is a person other~~

1 than an individual, that any of its officers, directors, or partners
2 has done any of the following:

3 (1) ~~Used any letterhead, advertisement, or other printed matter,~~
4 ~~or in any matter whatever represented that he or she is an~~
5 ~~instrumentality of the federal government, or of a state or any~~
6 ~~political subdivision thereof.~~

7 (2) ~~Used a name different from that under which he or she is~~
8 ~~currently licensed in any advertisement, solicitation, or contract~~
9 ~~for business.~~

10 (b) ~~The section shall become operative on January 1, 2018.~~

11 SEC. 49. ~~Section 14064 of the Insurance Code is amended to~~
12 ~~read:~~

13 ~~14064. (a) The commissioner may suspend or revoke a license~~
14 ~~issued under this chapter or may issue a restricted license in~~
15 ~~accordance with Section 14026.5 if the commissioner determines~~
16 ~~that the licensee, or his or her manager, if an individual, or if the~~
17 ~~licensee is a person other than an individual, that any of its officers,~~
18 ~~directors, partners, or its manager, has committed any act in the~~
19 ~~course of the licensee’s business constituting dishonesty or fraud.~~

20 (b) ~~“Dishonesty or fraud” as used in this section includes, in~~
21 ~~addition to other acts not specifically enumerated herein, all of the~~
22 ~~following:~~

23 (1) ~~Knowingly making a false statement relating to evidence or~~
24 ~~information obtained in the course of employment, or knowingly~~
25 ~~publishing a slander or a libel in the course of business.~~

26 (2) ~~Using illegal means in the collection or attempted collection~~
27 ~~of a debt or obligation.~~

28 (3) ~~Manufacture of evidence.~~

29 (4) ~~Acceptance of employment adverse to a client or former~~
30 ~~client relating to a matter with respect to which the licensee has~~
31 ~~obtained confidential information by reason of or in the course of~~
32 ~~his or her employment by that client or former client.~~

33 (5) ~~Impersonating, or permitting or aiding and abetting an~~
34 ~~employee to impersonate, a law enforcement officer or employee~~
35 ~~of the United States of America, or of any state or political~~
36 ~~subdivision thereof.~~

37 (c) ~~This section shall remain in effect only until January 1, 2018,~~
38 ~~and as of that date is repealed, unless a later enacted statute, that~~
39 ~~is enacted before January 1, 2018, deletes or extends that date.~~

1 ~~SEC. 50. Section 14064 is added to the Insurance Code, to~~
2 ~~read:~~

3 ~~14064. (a) The commissioner may suspend or revoke a license~~
4 ~~issued under this chapter or may issue a restricted license in~~
5 ~~accordance with Section 14026.5 if the commissioner determines~~
6 ~~that the licensee, if an individual, or if the licensee is a person other~~
7 ~~than an individual, that any of its officers, directors, partners, or~~
8 ~~its designated responsible person has committed any act in the~~
9 ~~course of the licensee's business constituting dishonesty or fraud.~~

10 ~~(b) "Dishonesty or fraud" as used in this section includes, in~~
11 ~~addition to other acts not specifically enumerated herein, all of the~~
12 ~~following:~~

13 ~~(1) Knowingly making a false statement relating to evidence or~~
14 ~~information obtained in the course of employment, or knowingly~~
15 ~~publishing a slander or a libel in the course of business.~~

16 ~~(2) Using illegal means in the collection or attempted collection~~
17 ~~of a debt or obligation.~~

18 ~~(3) Manufacture of evidence.~~

19 ~~(4) Acceptance of employment adverse to a client or former~~
20 ~~client relating to a matter with respect to which the licensee has~~
21 ~~obtained confidential information by reason of or in the course of~~
22 ~~his or her employment by that client or former client.~~

23 ~~(5) Impersonating, or permitting or aiding and abetting an~~
24 ~~employee to impersonate, a law enforcement officer or employee~~
25 ~~of the United States of America, or of any state or political~~
26 ~~subdivision thereof.~~

27 ~~(c) This section shall become operative on January 1, 2018.~~

28 ~~SEC. 51. Section 14078 of the Insurance Code is amended to~~
29 ~~read:~~

30 ~~14078. (a) As used in this article, "nonresident" means a person~~
31 ~~who is not a resident of this state at the time of the performance~~
32 ~~of the act referred to in Section 14071.~~

33 ~~(b) This section shall remain in effect only until January 1, 2018,~~
34 ~~and as of that date is repealed, unless a later enacted statute, that~~
35 ~~is enacted before January 1, 2018, deletes or extends that date.~~

36 ~~SEC. 52. Section 14078 is added to the Insurance Code, to~~
37 ~~read:~~

38 ~~14078. (a) Unless refused licensure pursuant to Sections 14060~~
39 ~~to 14065, inclusive, a nonresident person shall receive a~~

1 nonresident independent insurance adjuster license if all of the
2 following apply:

3 (1) ~~The applicant is currently licensed in good standing as an~~
4 ~~independent insurance adjuster in his, her, or its resident or home~~
5 ~~state.~~

6 (2) ~~The applicant paid the fees required by Section 14097.~~

7 (3) ~~The applicant submitted to the commissioner the completed~~
8 ~~application for licensure.~~

9 (4) ~~The applicant's home state issues nonresident independent~~
10 ~~insurance adjuster licenses to residents of California on the same~~
11 ~~basis.~~

12 (b) ~~The commissioner may verify the independent insurance~~
13 ~~adjuster's licensing status through any appropriate database,~~
14 ~~including the Producer Database maintained by the National~~
15 ~~Association of Insurance Commissioners, its affiliates or~~
16 ~~subsidiaries, or may request certification of good standing.~~

17 (e) ~~As a condition to the continuation of a nonresident~~
18 ~~independent insurance adjuster license, the licensee shall maintain~~
19 ~~a resident independent insurance adjuster license in his, her, or its~~
20 ~~home state.~~

21 (1) ~~The nonresident independent insurance adjuster license~~
22 ~~issued under this chapter shall terminate and be surrendered~~
23 ~~immediately to the commissioner if the resident independent~~
24 ~~insurance adjuster license terminates for any reason, unless the~~
25 ~~termination is due to the independent insurance adjuster being~~
26 ~~issued a new resident independent insurance adjuster license in~~
27 ~~his, her, or its new home state.~~

28 (2) ~~The nonresident independent insurance adjuster license shall~~
29 ~~terminate if the person's home state does not issue nonresident~~
30 ~~independent insurance adjuster licenses to residents of California~~
31 ~~on the same basis.~~

32 (3) (A) ~~The licensee is required to give notice of resident~~
33 ~~independent insurance adjuster license termination to any state~~
34 ~~that issued a nonresident independent insurance adjuster license.~~

35 (B) ~~The notice is required to be given within 30 days of the~~
36 ~~termination date. If the resident independent insurance adjuster~~
37 ~~license was terminated for change in resident home state, then the~~
38 ~~notice is required to include both the previous and current address.~~

1 ~~(4) Maintaining a resident independent insurance adjuster license~~
2 ~~is required for the nonresident independent insurance adjuster~~
3 ~~license to remain valid.~~

4 ~~(d) This section shall become operative on January 1, 2018.~~

5 ~~SEC. 53. Section 14079 is added to the Insurance Code, to~~
6 ~~read:~~

7 ~~14079. (a) An independent insurance adjuster shall be honest~~
8 ~~and fair in all communications with the insured, the insurer, and~~
9 ~~the public.~~

10 ~~(b) An independent insurance adjuster shall provide~~
11 ~~policyholders and claimants with prompt and knowledgeable~~
12 ~~service and courteous, fair, and objective treatment at all times.~~

13 ~~(c) An independent insurance adjuster shall not give legal advice~~
14 ~~and shall not deal directly with any policyholder or claimant who~~
15 ~~is represented by legal counsel without the consent of the legal~~
16 ~~counsel involved.~~

17 ~~(d) An independent insurance adjuster shall comply with all~~
18 ~~local, state, and federal privacy and information security laws.~~

19 ~~(e) An independent insurance adjuster shall identify himself or~~
20 ~~herself as an independent insurance adjuster and, if applicable,~~
21 ~~shall identify his or her employer when dealing with any~~
22 ~~policyholder or claimant.~~

23 ~~(f) An independent insurance adjuster shall not have any~~
24 ~~financial interest in any adjustment or shall not acquire for himself,~~
25 ~~herself, or any person any interest or title in salvage, without first~~
26 ~~receiving written authority from the principal.~~

27 ~~(g) This section shall become operative on January 1, 2018.~~

28 ~~SEC. 54. Section 14080 of the Insurance Code is amended to~~
29 ~~read:~~

30 ~~14080. (a) Any person who knowingly falsifies the fingerprints~~
31 ~~or photographs submitted under paragraph (6) of subdivision (a)~~
32 ~~of Section 14024 is guilty of a felony. Any person who violates~~
33 ~~any of the other provisions of this chapter is guilty of a~~
34 ~~misdemeanor punishable by fine not to exceed five hundred dollars~~
35 ~~(\$500), or by imprisonment in the county jail not to exceed one~~
36 ~~year, or by both the fine and imprisonment.~~

37 ~~(b) This section shall remain in effect only until January 1, 2018,~~
38 ~~and as of that date is repealed, unless a later enacted statute, that~~
39 ~~is enacted before January 1, 2018, deletes or extends that date.~~

1 ~~SEC. 55. Section 14080 is added to the Insurance Code, to~~
2 ~~read:~~

3 ~~14080. (a) Any person who knowingly falsifies the fingerprints~~
4 ~~or photographs submitted under paragraph (7) of subdivision (a)~~
5 ~~of Section 14024 or paragraph (7) of subdivision (c) of Section~~
6 ~~14025.1 is guilty of a felony. Any person who violates any of the~~
7 ~~other provisions of this chapter is guilty of a misdemeanor~~
8 ~~punishable by fine not to exceed five hundred dollars (\$500), or~~
9 ~~by imprisonment in the county jail not to exceed one year, or by~~
10 ~~both the fine and imprisonment.~~

11 ~~(b) This section shall become operative on January 1, 2018.~~

12 ~~SEC. 56. Section 14090.1 of the Insurance Code is amended~~
13 ~~to read:~~

14 ~~14090.1. (a) An individual who holds an insurance adjuster~~
15 ~~license and who is not exempt under subdivision (b) shall~~
16 ~~satisfactorily complete a minimum of 24 hours, of which three~~
17 ~~hours are to be in ethics, of continuing education courses pertinent~~
18 ~~to the duties and responsibilities of an insurance adjuster license~~
19 ~~reported to the insurance commissioner on a biennial basis in~~
20 ~~conjunction with his or her license renewal cycle.~~

21 ~~(b) This section does not apply to any of the following:~~

22 ~~(1) A licensee not licensed for one full year prior to the end of~~
23 ~~the applicable continuing education biennium.~~

24 ~~(2) A licensee holding a nonresident insurance adjuster license~~
25 ~~who has met the continuing education requirements of his or her~~
26 ~~designated resident state.~~

27 ~~(3) An individual licensed as an insurance adjuster and as a~~
28 ~~property or casualty broker-agent, pursuant to Section 1625, who~~
29 ~~has met the continuing education requirements specified in Section~~
30 ~~1749.3.~~

31 ~~(c) This section shall remain in effect only until January 1, 2018,~~
32 ~~and as of that date is repealed, unless a later enacted statute, that~~
33 ~~is enacted before January 1, 2018, deletes or extends that date.~~

34 ~~SEC. 57. Section 14090.1 is added to the Insurance Code, to~~
35 ~~read:~~

36 ~~14090.1. (a) An individual who holds an independent insurance~~
37 ~~adjuster license and who is not exempt under subdivision (b) shall~~
38 ~~satisfactorily complete a minimum of 24 hours, of which three~~
39 ~~hours are to be in ethics, of continuing education courses pertinent~~
40 ~~to the duties and responsibilities of an independent insurance~~

1 adjuster license and shall report the completion of this coursework
2 to the insurance commissioner on a biennial basis in conjunction
3 with his or her license renewal cycle.

4 (b) ~~This section does not apply to any of the following:~~

5 (1) ~~A licensee not licensed for one full year prior to the end of
6 the applicable continuing education biennium.~~

7 (2) ~~A licensee holding a nonresident independent insurance
8 adjuster license who has met the continuing education requirements
9 of his or her designated home state.~~

10 (3) ~~An individual licensed as an independent insurance adjuster
11 and as a property or casualty broker-agent, pursuant to Section
12 1625, who has met the continuing education requirements specified
13 in Section 1749.3.~~

14 (4) ~~An individual licensed as an apprentice independent
15 insurance adjuster pursuant to Section 14025.1.~~

16 (e) ~~This section shall become operative on January 1, 2018.~~

17 ~~SEC. 58. Section 14097 of the Insurance Code is amended to
18 read:~~

19 ~~14097. (a) The amount of fees prescribed by this chapter,
20 unless otherwise fixed, is that fixed in the following schedule:~~

21 (1) ~~The application fee for an original license is twenty-nine
22 dollars (\$29):~~

23 (2) ~~The application fee for an original branch office certificate
24 is eighteen dollars (\$18):~~

25 (3) ~~The fee for an original license is an amount equal to the
26 renewal fee in effect on the last regular renewal date before the
27 date on which the license is issued, except that, if the license will
28 expire less than one year after its issuance, then the fee is an
29 amount equal to 50 percent of the renewal fee in effect on the last
30 regular renewal date before the date on which the license is issued.
31 The commissioner may, by appropriate regulation, provide for the
32 waiver or refund of the initial license fee where the license is issued
33 less than 45 days before the date on which it will expire.~~

34 (4) ~~The renewal fee shall be fixed by the commissioner as
35 follows:~~

36 (A) ~~For a license as an insurance adjuster, not more than one
37 hundred eighteen dollars (\$118):~~

38 (B) ~~For a branch office certificate, not more than twenty-four
39 dollars (\$24):~~

1 ~~(5) The application and license fee for classifications prescribed~~
 2 ~~by the commissioner, in addition to those provided for in this~~
 3 ~~chapter, and the application and license fees for a change in the~~
 4 ~~type of business organization of a licensee, shall be in the amount~~
 5 ~~prescribed by rule and regulation of the commissioner.~~

6 ~~(6) The delinquency fee shall be 50 percent of the renewal fee~~
 7 ~~in effect on the date of expiration, but not more than twenty-nine~~
 8 ~~dollars (\$29).~~

9 ~~(7) The fee for reexamination of an applicant or his manager is~~
 10 ~~twelve dollars (\$12).~~

11 ~~(b) This section shall remain in effect only until January 1, 2018,~~
 12 ~~and as of that date is repealed, unless a later enacted statute, that~~
 13 ~~is enacted before January 1, 2018, deletes or extends that date.~~

14 ~~SEC. 59. Section 14097 is added to the Insurance Code, to~~
 15 ~~read:~~

16 ~~14097. (a) The amount of fees prescribed by this chapter,~~
 17 ~~unless otherwise fixed, is that fixed in the following schedule:~~

18 ~~(1) The application fee for the qualifying examination for an~~
 19 ~~original license is seventy-two dollars (\$72).~~

20 ~~(2) The application fee for an original branch office certificate~~
 21 ~~is forty-seven dollars (\$47).~~

22 ~~(3) The fee for an original license application is up to one~~
 23 ~~hundred seventy dollars (\$170). If the license will expire less than~~
 24 ~~one year after its issuance, then the fee is an amount equal to 50~~
 25 ~~percent of the renewal fee in effect on the last regular renewal date~~
 26 ~~before the date on which the license is issued. The commissioner~~
 27 ~~may, by appropriate regulation, provide for the waiver or refund~~
 28 ~~of the initial license fee where the license is issued less than 45~~
 29 ~~days before the date on which it will expire.~~

30 ~~(4) The renewal fee shall be fixed by the commissioner as~~
 31 ~~follows:~~

32 ~~(A) For a license as an independent insurance adjuster, not more~~
 33 ~~than one hundred seventy dollars (\$170).~~

34 ~~(B) For a branch office certificate, not more than fifty-six dollars~~
 35 ~~(\$56).~~

36 ~~(5) The application and license fee for classifications prescribed~~
 37 ~~by the commissioner, in addition to those provided for in this~~
 38 ~~chapter, and the application and license fees for a change in the~~
 39 ~~type of business organization of a licensee, shall be in the amount~~
 40 ~~prescribed by rule and regulation of the commissioner.~~

1 ~~(6) The delinquency fee shall be 50 percent of the renewal fee~~
2 ~~in effect on the date of expiration.~~

3 ~~(7) The fee for reexamination of an applicant is twenty-nine~~
4 ~~dollars (\$29).~~

5 ~~(8) The application fee for an apprentice independent insurance~~
6 ~~adjuster license shall be fixed at up to one hundred seventy dollars~~
7 ~~(\$170).~~

8 ~~(b) This section shall become operative on January 1, 2018.~~

9 ~~SEC. 60. Section 14099 of the Insurance Code is amended to~~
10 ~~read:~~

11 ~~14099. (a) Application or license fees shall not be refunded~~
12 ~~except in accordance with Section 158 of the Business and~~
13 ~~Professions Code.~~

14 ~~(b) This section shall remain in effect only until January 1, 2018,~~
15 ~~and as of that date is repealed, unless a later enacted statute, that~~
16 ~~is enacted before January 1, 2018, deletes or extends that date.~~

17 ~~SEC. 61. Section 14099 is added to the Insurance Code, to~~
18 ~~read:~~

19 ~~14099. (a) Application or license fees shall not be refunded~~
20 ~~pursuant to Section 1751.5.~~

21 ~~(b) This section shall become operative on January 1, 2018.~~

22 ~~SEC. 62. No reimbursement is required by this act pursuant to~~
23 ~~Section 6 of Article XIII B of the California Constitution because~~
24 ~~the only costs that may be incurred by a local agency or school~~
25 ~~district will be incurred because this act creates a new crime or~~
26 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
27 ~~for a crime or infraction, within the meaning of Section 17556 of~~
28 ~~the Government Code, or changes the definition of a crime within~~
29 ~~the meaning of Section 6 of Article XIII B of the California~~
30 ~~Constitution.~~