

State of Arkansas

88<sup>th</sup> General Assembly

Regular Session 2011

**A BILL**

[HOUSE/SENATE] BILL \_\_\_\_\_

By: Senators \_\_\_\_\_

By: Representatives \_\_\_\_\_

**For An Act To Be Entitled**

THE PUBLIC ADJUSTER LICENSING ACT

**Subtitle**

TO PROVIDE CONSUMERS THE RIGHT TO EMPLOY THEIR  
OWN PUBLIC INSURANCE ADJUSTER; TO AUTHORIZE AND  
REGULATE PUBLIC ADJUSTING; AND FOR OTHER PURPOSES

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 23, Chapter 64 is amended to add an additional subchapter to read as follows:

Subchapter – Public Adjusters

23-64-601. Title

This subchapter may be cited as the “Public Adjuster Licensing Act”.

23-64-602 Definitions.

For purposes of this Act:

- (a) “Business Entity” is defined in § 23-64-502
- (b) “Commissioner” means the Arkansas Insurance Commissioner.
- (c) “Fingerprints” means an impression of the lines on the finger taken for purpose of identification. The impression may be electronic or in ink converted to electronic format.
- (d) “Home state” means the District of Columbia or any state or territory of the United States in which the public adjuster’s principal place of residence or principal place of business is located. If neither the state in which the public adjuster maintains the principal place of residence nor the state in which the public adjuster maintains the principal place of business has a

substantially similar law governing public adjusters, the public adjuster may declare another state in which the public adjuster becomes licensed and acts as a public adjuster to be the home state.

- (e) “Individual” means a natural person.
- (f) “Insurance producer” is defined in § 23-64-502.
- (g) “Local emergency” is defined in § 4-88-302.
- (h) “Person” is defined in § 23-64-502.
- (i) “Public adjuster” means any person who, for compensation or any other thing of

value:

(1) Acts or aids, solely in relation to first party claims arising under insurance contracts that insure the real or personal property of the insured, on behalf of an insured in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an insurance contract;

(2) Advertises for employment as a public adjuster of insurance claims or solicits business or represents itself, himself or herself to the public as a public adjuster of first party insurance claims on behalf of the insured for losses or damages arising out of policies of insurance that insure real or personal property; or

(3) Directly or indirectly, for another person engaged in the business of adjusting losses or damages covered by an insurance policy for the insured, solicits business, investigates or adjusts losses or advises an insured about first party claims for losses or damages arising out of policies of insurance that insure real or personal property.

- (j) “State of emergency” is defined in § 4-88-303.
- (k) “Uniform Application” is defined in § 23-64-502.
- (l) “Uniform Business Entity Application” is defined in § 23-64-502.

23-4-603 License Required.

(a) A person shall not act or hold itself, himself or herself out as a public adjuster in this state unless the person is licensed as a public adjuster in accordance with this Act.

(b) A person licensed as a public adjuster shall not misrepresent to a claimant that it, he or she is an adjuster representing an insurer in any capacity, including acting as an employee of the insurer or acting as an independent adjuster, unless so appointed by an insurer in writing to act on the insurer’s behalf for that specific claim or purpose. A licensed public adjuster is prohibited

from charging that specific claimant a fee when appointed by the insurer and the appointment is accepted by the public adjuster.

(c) A business entity acting as a public adjuster is required to obtain a public adjuster license. Before approving the application, the commissioner shall find that:

(1) The business entity has paid the required fees; and

(2) The business entity has designated an individual licensed public adjuster responsible for the business entity's compliance with the insurance laws, rules and regulations of this state.

(d) Any other provision of this Act to the contrary notwithstanding, a license as a public adjuster shall not be required of the following:

(1) An attorney-at-law admitted to practice in this state, when acting in his or her professional capacity as an attorney;

(2) A person who negotiates or settles claims arising under a life or health insurance policy or an annuity contract;

(3) A person employed only for the purpose of obtaining facts surrounding a loss or furnishing technical assistance to a licensed public adjuster, including photographers, estimators, private investigators, engineers and handwriting experts;

(4) A licensed health care provider, or employee of a licensed health care provider, who prepares or files a health claim form on behalf of a patient;

(5) A person who settles subrogation claims between insurers; or

(6) An insurance producer licensed in this state who acts only on behalf of its, his or her own insured and does not hold itself, himself or herself out to the public as a public adjuster.

23-64-604. Application for License

(a) A person applying for a public adjuster license shall apply to the commissioner on the uniform application or uniform business entity application, as appropriate.

(b) The applicant shall declare under penalty of perjury and under penalty of refusal, suspension or revocation of the license that the statements made in the application are true, correct and complete to the best of the applicant's knowledge and belief.

(c) The commissioner shall require a criminal history record check on each applicant in accordance with this Act. The commissioner may require fingerprints of applicants and submit

the fingerprints and the fee required to perform the criminal history record checks to the Arkansas State Police and the Federal Bureau of Investigation for state and national criminal history record checks. The commissioner may require each applicant to submit a full set of fingerprints in order for the commissioner to obtain and receive National Criminal History Records from the Federal Bureau of Investigation Criminal Justice Information Services Division.

(1) The commissioner may contract for the collection, transmission and resubmission of fingerprints required under this section. If the commissioner does so, the fee for collecting, transmitting and retaining fingerprints shall be payable directly to the contractor by the applicant. The commissioner may agree to a reasonable fingerprinting fee to be charged by the contractor.

(2) The commissioner may waive submission of fingerprints by any person that has previously furnished fingerprints that are on file with the central repository of the National Association of Insurance Commissioners, its affiliates or subsidiaries.

(3) Should the Arkansas State Police submit an applicant's fingerprints to the Federal Bureau of Information, the commissioner is authorized to receive the applicant's criminal history record information in lieu of the Federal Bureau of Investigation returning that information to the Arkansas State Police.

(4) The commissioner may submit electronic fingerprint records and necessary identifying information to the National Association of Insurance Commissioners, its affiliates or subsidiaries for permanent retention in a centralized repository. The purpose of such a centralized repository is to provide insurance commissioners with access to fingerprint records in order to perform criminal history record checks.

23-64-605. Resident License.

(a) Before issuing a public adjuster license to an applicant under this section, the commissioner shall find that the applicant:

(1) Is eligible to designate this state as its, his or her home state or is a nonresident who is not eligible for a license under § 23-64-608;

(2) Has not committed any act that is a ground for denial, suspension or revocation of a license as set forth in § 23-64-611;

(3) Is trustworthy, reliable and of good reputation, evidence of which may be determined by the commissioner;

(4) Is financially responsible to exercise the license and has provided proof of financial responsibility as required in § 23-64-612;

(5) Has paid the required fees; and

(6) Maintains an office in the home state of residence with public access by reasonable appointment or regular business hours. This includes a designated office within a home state of residence.

(b) In addition to satisfying the requirements of Subsection A, an individual shall

(1) Be at least eighteen years of age; and

(2) Have successfully passed the public adjuster examination.

(c) The commissioner may require the applicant to produce any documents reasonably necessary to verify the information contained in the application.

23-64-606 Examination.

(a) An individual applying for a public adjuster license under this act shall pass a written examination unless exempt pursuant to § 23-64-607. The examination shall test the knowledge of the individual concerning the duties and responsibilities of a public adjuster and the insurance laws and regulations of this state. Examinations required by this section shall be developed and conducted under rules and regulations prescribed by the commissioner.

(b) The commissioner may make arrangements, including contracting with an outside testing service, for administering examinations and collecting the testing fees.

(c) Each individual applying for an examination shall remit a non-refundable fee as prescribed by the commissioner.

(d) An individual who fails to appear for the examination as scheduled or fails to pass the examination, shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

23-64-607 Exemptions from Examination

(a) An individual who applies for a public adjuster license in this state who was previously licensed as a public adjuster in another state based on a public adjuster examination shall not be required to complete any prelicensing examination. This exemption is only available if the person is currently licensed in that state or if the application is received within twelve months of the cancellation of the applicant's previous license and if the prior state issues a certification

that, at the time of cancellation, the applicant was in good standing in that state or the state's producer database records or records maintained by the National Association of Insurance Commissioners, its affiliates or subsidiaries, indicate that the public adjuster is or was licensed in good standing.

(b) A person licensed as a public adjuster in another state based on a public adjuster examination who moves to this state shall make application within ninety days of establishing legal residence to become a resident licensee pursuant to § 23-64-605. No prelicensing examination shall be required of that person to obtain a public adjuster license.

(c) An individual who applies for a public adjuster license in this state who was previously licensed as a public adjuster in this state shall not be required to complete any prelicensing examination. This exemption is only available if the application is received within twelve months of the cancellation of the applicant's previous license in this state and if, at the time of cancellation, the applicant was in good standing in this state.

23-64-608 Nonresident License Reciprocity.

(a) Unless denied licensure pursuant to § 23-64-611, a nonresident person shall receive a nonresident public adjuster license if;

(1) The person is currently licensed as a resident public adjuster and in good standing in its, his or her home state;

(2) The person has submitted the proper request for licensure, has paid the required fees, and has provided proof of financial responsibility as required in § 23-64-612; and

(3) The person's home state awards non-resident public adjuster licenses to residents of this state on the same basis.

(b) The commissioner may verify the public adjuster's licensing status through the database maintained by the National Association of Insurance Commissioners, its affiliates or subsidiaries.

(c) As a condition to continuation of a public adjuster license issued under this section, the licensee shall maintain a resident public adjuster license in its, his or her home state. The non-resident public adjuster license issued under this section shall terminate and be surrendered immediately to the commissioner if the home state public adjuster license terminates for any reason, unless the public adjuster has been issued a license as a resident public adjuster in its, his or her new home state. Notification to the state or states where a non-resident license is

issued must be made as soon as possible, yet no later than thirty days of change in home state. The licensee shall include new and old address. A new home state resident license is required for non-resident licenses to remain valid. The licensee's new home state must have reciprocity with the licensing non-resident state(s) for the non-resident license not to terminate.

23-64-609 License.

(a) Unless denied licensure under this Act, persons who have met the requirements of this Act shall be issued a public adjuster license.

(b) A public adjuster license must be renewed annually by submitting a request for renewal and payment of a renewal fee. A public adjuster license shall remain in effect unless revoked, terminated or suspended as long as the request for renewal and renewal fee are received by the due date.

(c) The licensee shall inform the commissioner of a change of address, change of legal name or change of information submitted on the application within thirty days of the change.

(d) A licensed public adjuster shall be subject to § 23-66-201, et seq.

(e) Any public adjuster licensee that fails to apply for renewal of a license before expiration of the current license shall pay a lapsed license fee of twice the license fee before the license will be renewed. If the commissioner receives the request for reinstatement and the required lapsed license fee within sixty days of the date the license lapsed, the commissioner shall reinstate the license retroactively to the date the license lapsed. If the commissioner receives the request for reinstatement and the required lapsed license fee after sixty days but within one year of the date the license lapsed, the commissioner shall reinstate the license prospectively from the date the license is reinstated. If the person applies for reinstatement more than one year from date of lapse, the person shall reapply for a license under this Act.

(f) A licensed public adjuster that is unable to comply with license renewal procedures due to military service, a long-term medical disability or some other extenuating circumstance may request a waiver of those procedures. The public adjuster may also request a waiver of any examination requirement, fine or other sanction imposed for failure to comply with renewal procedures.

(g) The license shall contain the licensee's name, city and state of business address, personal identification number, the date of issuance, the expiration date and any other information the commissioner deems necessary.

(h) The commissioner may contract with non-governmental entities, including the National Association of Insurance Commissioners, its affiliates or subsidiaries, to perform any ministerial functions related to licensing, including the collection of fees and data.

23-64-610 License Denial, Non-renewal or Revocation.

(a) The commissioner may place on probation, suspend, revoke or refuse to issue or renew a public adjuster's license or may levy a civil penalty in accordance with § 23-64-619 for any one or more of the following causes:

- (1) Providing incorrect, misleading, incomplete or materially untrue information in the license application;
- (2) Violating any insurance laws, or violating any regulation, subpoena or order of the commissioner or of another state's insurance commissioner;
- (3) Obtaining or attempting to obtain a license through misrepresentation or fraud;
- (4) Improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business.
- (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
- (6) Having been convicted of a felony;
- (7) Having admitted or been found to have committed any insurance unfair trade practice or insurance fraud;
- (8) Using fraudulent, coercive or dishonest practices; or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;
- (9) Having an insurance license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory;
- (10) Forging another's name to an application for insurance or to any document related to an insurance transaction;
- (11) Cheating, including improperly using notes or any other reference material, to complete an examination for an insurance license;
- (12) Knowingly accepting insurance business from an individual who is not licensed but who is required to be licensed by the commissioner;

(13) Failing to comply with an administrative or court order imposing a child support obligation; or

(14) Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax.

(b) The license of a business entity may be suspended, revoked or refused if the commissioner finds, after hearing, that an individual licensee's violation was known or should have been known by one or more of the partners, officers or managers acting on behalf of the business entity and the violation was neither reported to the commissioner nor corrective action taken.

(c) The commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by this Act against any person who is under investigation for or charged with a violation of this Act even if the person's license has been surrendered or has lapsed by operation of law.

23-64-611 Bond or Letter of Credit

Prior to issuance of a license as a public adjuster and for the duration of the license, the applicant shall secure evidence of financial responsibility in a format prescribed by the commissioner through a security bond or irrevocable letter of credit:

(a) A surety bond executed and issued by an insurer authorized to issue surety bonds in this state, which bond:

(1) Shall be in the minimum amount of \$20,000;

(2) Shall be in favor of this state and shall specifically authorize recovery by the commissioner on behalf of any person in this state who sustained damages as the result of erroneous acts, failure to act, conviction of fraud or conviction of unfair practices in its, his or her capacity as a public adjuster; and

(3) Shall not be terminated unless at least thirty days' prior written notice will have been filed with the commissioner and given to the licensee.

(b) An irrevocable letter of credit issued by a qualified financial institution, which letter of credit:

(1) Shall be in the minimum amount of \$20,000;

(2) Shall be to an account to the commissioner and subject to lawful levy of execution on behalf of any person to whom the public adjuster has been found to be legally liable

as the result of erroneous acts, failure to act, fraudulent acts or unfair practices in its, his or her capacity as a public adjuster; and

(3) Shall not be terminated unless at least thirty days' prior written notice will have been filed with the commissioner and given to the licensee.

(c) The commissioner may ask for the evidence of financial responsibility at any time.

(d) The authority to act as a public adjuster shall automatically terminate if the evidence of financial responsibility terminates or becomes impaired.

23-64-612 Continuing Education.

(a) An individual public adjuster licensee, who holds a public adjuster license and who is not exempt under subsection (b) of this section, shall satisfactorily complete a minimum of twenty-four hours of continuing education courses approved in advance by the commissioner, including ethics, reported on a biennial basis in conjunction with the license renewal cycle.

(b) This section shall not apply to:

(1) Licensees not licensed for one full year prior to the end of the applicable continuing education biennium; or

(2) Licensees holding nonresident public adjuster licenses who have met the continuing education requirements of their home state and whose home state gives credit to residents of this state on the same basis.

23-64-613 Public Adjuster Fees.

(a) A public adjuster shall not pay a commission, service fee or other valuable consideration to a person for investigating or settling claims in this state if that person is required to be licensed under this Act and is not so licensed.

(b) A person shall not accept a commission, service fee or other valuable consideration for investigation or settling claims in this state if that person is required to be licensed under this Act and is not so licensed.

(c) During the 180 day period following the declaration of a local emergency or state of emergency, as to claims related to property within the geographic area to which such declaration applies;

(1) Public adjuster fees that are based upon a percentage of any insurance settlement or proceeds shall not exceed ten percent of such insurance settlement or proceeds and no

public adjuster shall require, demand or accept any portion of such percentage-based fee, retainer, compensation, deposit or other thing of value, prior to settlement of a claim.

(2) Public adjuster fees that are based upon a flat fee or time spent basis shall not exceed the fees charged by that person for those services immediately prior to the declaration.

23-64-614 Contract Between Public Adjuster and Insured.

(a) Public adjusters shall ensure that all contracts for their services are in writing and contain the following terms:

- (1) Legible full name of the adjuster signing the contract, as specified in the commissioner's records;
- (2) Permanent home state business address and phone number;
- (3) Public adjuster license number;
- (4) Title of "Public Adjuster Contract";
- (5) the insured's full name, street address, insurance company name and policy number, if known or upon notification;
- (6) A description of the loss and its location, if applicable;
- (7) Description of services to be provided to the insured;
- (8) Signatures of the public adjuster and the insured;
- (9) Date contract was signed by the public adjuster and date the contract was signed by the insured;
- (10) Attestation stating that the public adjuster is fully bonded pursuant to state law; and
- (11) Full salary, fee, commission, compensation or other considerations the public adjuster is to receive for services.

(b) The contract may specify that the public adjuster shall be named as a co-payee on an insurer's payment of a claim.

- (1) If the compensation is based on a share of the insurance settlement, the exact percentage shall be specified.
- (2) Initial expenses to be reimbursed to the public adjuster from the proceeds of the claim payment shall be specified by type, with dollar estimates set forth in the contract and a provision that any additional expenses must be first approved by the insured.

(3) Compensation provisions in a public adjusting contract shall not be redacted in any copy of the contract provided to the commissioner. Such a redaction shall constitute an omission of material fact in violation of § 23-64-610.

(c) If the insurer, not later than seventy-two hours after the date on which the loss is reported to the insurer, either pays or commits in writing to pay to the insured the policy limit of the insurance policy, the public adjuster shall:

(1) Not receive a commission consisting of a percentage of the total amount paid by an insurer to resolve a claim;

(2) Inform the insured that loss recovery amount might not be increased by insurer; and

(3) Be entitled only to reasonable compensation from the insured for services provided by the public adjuster on behalf of the insured, based on the time spent on a claim and expenses incurred by the public adjuster, until the claim is paid or the insured receives a written commitment to pay from the insurer.

(d) A public adjuster contract may not contain any contract term that:

(1) Allows the public adjuster's percentage fee to be collected when money is due from an insurance company, but not paid, or that allows a public adjuster to collect the entire fee from the first check issued by an insurance company, rather than as percentage of each check issued by an insurance company;

(2) Requires the insured to authorize an insurance company to issue a check only in the name of the public adjuster;

(3) Imposes collection costs or late fees; or

(4) Precludes a public adjuster or insured from pursuing civil remedies.

(e) Prior to the signing of the contract the public adjuster shall provide the insured with a separate disclosure document regarding the claim process that states:

(1) Property insurance policies obligate the insured to present a claim to his or her insurance company for consideration. There are three types of adjusters that could be involved in that process. The definitions of the three types are as follows:

(A) "Company adjuster" means the insurance adjusters who are employees of an insurance company. They represent the interest of the insurance company and are paid by the insurance company. They will not charge a fee.

(B) “Independent adjuster” means the insurance adjusters who are hired on a contract basis by an insurance company to represent the insurance company’s interest in the settlement of the claim. They are paid by your insurance company. They will not charge you a fee.

(C) “Public adjuster” means the insurance adjusters who do not work for any insurance company. They work for the insured to assist in the preparation, presentation and settlement of the claim. The insured hires them by signing a contract agreeing to pay them a fee or commission based on a percentage of the settlement or other method of compensation.

(2) The insured is not required to hire a public adjuster to help the insured meet his or her obligations under the policy, but has the right to do so.

(3) The insured has the right to initiate direct communications with the insured’s attorney, the insurer, the insurer’s adjuster, the insurer’s attorney or any other person regarding the settlement of the insured’s claim.

(4) The public adjuster is not a representative or employee of the insurer.

(5) The salary, fee, commission or other consideration is the obligation of the insured, not the insurer.

(6) The insured has the right to rescind the contract within three business days after the date the contract was signed. The rescission shall be in writing and mailed or delivered to the public adjuster at the address in the contract within the three business day period. If the insured exercises the right to rescind the contract, anything of value given by the insured will be returned to the insured within fifteen business days following receipt by the public adjuster of the cancellation notice.

(f) The contract shall be executed in duplicate to provide an original contract to the public adjuster, and an original contract to the insured. The public adjuster’s original contract shall be available at all times for inspection without notice by the commissioner.

(g) The public adjuster shall provide the insurer a notification letter, which has been signed by the insured, authorizing the public adjuster to represent the insured’s interest.

23-64-615 Escrow or Trust Accounts.

A public adjuster who receives, accepts or holds any funds on behalf of an insured towards the settlement of a claim for loss or damage, shall deposit the funds in a non-interest bearing

escrow or trust account in a financial institution that is insured by an agency of the federal government in the public adjuster's home state or where the loss occurred.

23-64-616 Record Retention.

(a) A public adjuster shall maintain a complete record of each transaction as a public adjuster. The records required by this section shall include the following:

- (1) Name of the insured;
- (2) Date, location and amount of the loss;
- (3) Copy of the contract between the public adjuster and insured;
- (4) Name of the insurer, amount, expiration date and number of each policy carried with respect to the loss;
- (5) Itemized statement of the insured's recoveries;
- (6) Itemized statement of all compensation received by the public adjuster, from any source whatsoever, in connection with the loss;
- (7) A register of all monies received, deposited, disbursed or withdrawn in connection with a transaction with an insured, including fees, transfers and disbursements from a trust account and all transactions concerning all interest bearing accounts;
- (8) Name of public adjuster who executed the contract;
- (9) Name of the attorney representing the insured, if applicable, and the name of the claims representatives of the insurance company; and

(b) Records shall be maintained for at least five years after the termination of the transaction with an insured and shall be open to examination by the commissioner at all times.

23-64-617 Standards of Conduct of Public Adjusters.

(a) A public adjuster is obligated to serve with objectivity and complete loyalty the interest of his client alone; and to render to the insured such information, counsel and service, as within the knowledge, understanding and opinion in good faith of the licensee, as will best serve the insured's insurance claim needs and interest.

(b) A public adjuster shall not solicit, or attempt to solicit, an insured between the hours of 9:00 p.m. and 8:00 a.m.

(c) A public adjuster shall not solicit, or attempt to solicit, an insured during the progress of, or during the twenty-four hours immediately after, a loss-producing occurrence, as defined in the insured's insurance contract.

(d) A public adjuster shall not permit an unlicensed employee or representative of the public adjuster to conduct business for which a license is required under this Act.

(e) A public adjuster shall not have a direct or indirect financial interest in any aspect of the claim, other than the salary, fee, commission or other consideration established in the written contract with the insured.

(f) A public adjuster shall not acquire any interest in salvage of property subject to the contract with the insured.

(g) A public adjuster shall not refer or direct the insured to get needed repairs or services in connection with a loss from any person:

- (1) With whom the public adjuster has a financial interest; or
- (2) From whom the public adjuster may receive direct or indirect

compensation for the referral.

(h) Public adjusters shall adhere to the following general ethical requirements:

(1) A public adjuster shall not undertake the adjustment of any claim if the public adjuster is not competent and knowledgeable as to the terms and conditions of the insurance coverage, or which otherwise exceeds the public adjuster's current expertise;

(2) A public adjuster shall not knowingly make any oral or written material misrepresentations or statements which are false or maliciously critical and intended to injure any person engaged in the business of insurance to any insured client or potential insured client;

(3) No public adjuster may represent or act as a company adjuster, or independent adjuster on the same claim;

(4) A public adjuster shall not enter into a contract or accept a power of attorney that vests in the public adjuster the effective authority to choose the persons who shall perform repair work; and

(5) A public adjuster shall ensure that all contracts for the public adjuster's services are in writing and set forth all terms and conditions of the engagement.

(i) A public adjuster may not agree to any loss settlement without the insured's knowledge and consent.

(j) A public adjuster may not engage in activities that constitute the unauthorized practice of law, and nothing in this Act is intended to authorize the unauthorized practice of law.

23-64-618 Reporting of Actions.

(a) The public adjuster shall report to the commissioner any administrative action taken against the public adjuster in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to order or other relevant legal documents.

(b) Within thirty days of the initial pretrial hearing date, the public adjuster shall report to the commissioner any criminal prosecution of the public adjuster taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents.

23-64-619 Violations.

(a) The commissioner shall conduct all hearings held pursuant to alleged violations of this Act pursuant to § 23-61-301, et seq.

(b) The commissioner may suspend for up to twelve months, or may revoke or refuse to continue, any license which is the subject of an administrative hearing held pursuant to a violation of this Act.

(c) The commissioner may additionally impose upon the licensee an administrative penalty in the amount of not more than one thousand dollars for each and every act or violation, but not to exceed an aggregate penalty of ten thousand dollars, unless the person knew or reasonably should have known the person was in violation of this Act, in which case, the penalty shall not be not more than five thousand dollars for each and every act or violation, but in an amount not to exceed an aggregate penalty of one hundred thousand dollars in any six month period.

23-64-620 Regulations.

The commissioner may, in accordance with § 25-15-201, et seq., promulgate reasonable regulations necessary to carry out the purposes of this Act.

SECTION 2. Section 23-61-708(a)(1) is amended to add a new subparagraph (G) and existing subparagraphs (G) through (J) are re-designated as follows:

(G) Initial and renewal public adjuster licenses;

(~~G~~H) A filing and processing fee for filing legal process with the department wherein the Insurance Commissioner is serving as official agent for service of process;

(~~H~~I) Filing and processing fees for filing specimen insurance policy and contract forms of all types with the department;

(~~I~~J) A filing fee for obtaining department lists of various kinds of licensees or registrants; and

(~~J~~K) Similar department services and products.

SECTION 3. Arkansas Code § 16-22-501(e), stating that insurance claims adjusting is not within the scope of certain practices defined as the unauthorized practice of law, is amended to read as follows:

(e) This section shall not apply to a person who is licensed as an adjuster or employed as an adjuster by an insurer as authorized by § 23-64-102 or to a person who is licensed as a public adjuster pursuant to § 23-64-603 while performing the functions of a public adjuster as authorized by Ark. Code Ann. §§ 23-64-601, et seq.

SECTION 4. If any provisions of this Act, or the application of a provision of this Act to any person or circumstances, shall be held invalid, the remainder of the Act, and the application of the provision to persons or circumstances other than those to which it is held invalid, shall not be affected.