

**United States Senate Committee on Banking, Housing and Urban Affairs
Chairman Mike Crapo (R-Idaho) and Ranking Member Sherrod Brown (D-Ohio)
Legislative Proposal to Increase Economic Growth – The CLAIM Act**

The Association of Claims Professionals (ACP), <http://claimsprofession.org/>, thanks the Chairman and Ranking Member for their leadership in advancing legislation to increase economic growth in our country. In response to their March 20, 2017 request, ACP is pleased to propose that the United States Senate Committee on Banking, Housing and Urban Affairs consider the CLAIM Act for the uniform and reciprocal licensure of claims adjusters across the United States, leveraging both state laws and the “NARAB process” advanced and enacted by this Committee in 2015. Enacting the CLAIM Act will promote economic growth and enable both consumers and market participants (including financial companies) to better participate in the economy.

Brief Description of the Proposal: Claims adjusters deliver on the promise of insurance by facilitating payment to consumers for harm and damages covered by their insurance policies. Unfortunately, and not unlike insurance agents and brokers years ago, independent claims adjusters currently face a patchwork of inconsistent state laws and regulations that frustrate prompt and efficient payments to disaster victims and other claimants. Approximately 34 states have different, and often duplicative, licensing requirements, which unnecessarily complicate the adjusting process, and needlessly delay adjusters’ ability to address consumer claims. Most of these laws are not uniform or reciprocal to each other.

The CLAIM Act is designed to address that inefficiency, redundancy and lack of uniformity by calling upon states to adopt uniform and reciprocal licensure in those states that license adjusters, and allowing independent adjusters to secure an adjusting license from the NARAB to work in those states who decline to do so. The CLAIM Act preserves the states’ ability to set licensing requirements (or not to license, as is the practice in 16 states), as well as state oversight and substantive adjusting laws to ensure consumers have timely, efficient, and cost-effective claims service. More specifically, through the CLAIM Act:

- The Congress urges the states to adopt uniform and reciprocal adjuster licensing requirements, using language already adopted by the Congress in the 1999 Gramm-Leach-Bliley law (referred to as NARAB I) when Congress addressed this issue for agents and brokers;
- States that license adjusters have four years within which to enact laws and regulations and become uniform and reciprocal to other states. States that do not license adjusters are not required to do so. Adjusters in a state without licensing can designate another state as their “home state” for licensing purposes.
- If a state that regulates adjusters does not establish the required laws and regulations within four years, independent adjusters can apply to the National Association of Registered Agents and Brokers (NARAB), established by Congress in 2015 as national clearinghouse for nonresident state licensing, for a license to adjust claims across state lines. Any such adjuster will need to be properly licensed in their home state.

Impact on Economic Growth: Independent adjusters handle 3.5 million insurance claims annually, paying out \$45 billion in claims to consumers.¹ As such, adoption of the CLAIM Act will improve economic growth and the operation of today's economy in multiple ways. First and most obvious, in times of need such as natural disasters, claims adjusters will be able to serve consumers faster and more efficiently by not being held up at state borders due to local licensing requirements. Superstorm Sandy and the 2013 Oklahoma tornadoes are only two well-known examples when adjusters could not get to consumers because of the state licensing laws.² But in reality, this is a hidden problem for consumers across the country every day.

Second, it will substantially improve conditions for the 30,000 independent adjusters themselves, who on average hold 9-10 duplicative state licenses, resulting in millions of dollars of wasted cost, effort, and delays.³ All Americans pay for these unnecessary and duplicative costs in the form of higher insurance premiums. Eliminating this pointless inefficiency by incentivizing the states to be reciprocal with each other (as is the case with many other professions, and with insurance agents and brokers) will have a positive impact on economic growth.

Third, it will benefit American industry generally. Large national companies (retailers, airlines, manufacturing operations) who often self-insure the first several million dollars of risk want to be able to hire a centralized team of adjusters with dedicated in-depth knowledge of their business and understand the risks to operate seamlessly across the country. The dedicated units can provide an industry specific quality service to the employees and consumers served by these large national companies. The consumer ultimately benefits. While the independent adjusting industry is eager to do so, the state licensing requirements present a logistical nightmare to serving industry. Adoption of the CLAIM Act would solve this problem.

Impact on the Ability of Consumers, Market Participants and Financial Companies to Participate in the Economy: The CLAIM Act would significantly improve the ability of consumers, market participants and financial companies (including insurers, retailers, employers and the independent claims adjusting companies that serve them) to participate in the economy. More specifically, enactment of the CLAIM Act would enable independent claims adjusters to handle claims more efficiently and effectively across state lines in an increasingly nationwide marketplace by spurring state licensing reciprocity, allowing them to better serve (and continue to protect) consumers by encouraging those states that license adjusters to adopt reciprocal licensing criteria. Consumers and small (and all other) businesses would have their claims payments processed sooner, allowing them to recover from loss and get back to work more quickly. Independent adjusters and the companies they serve would be able to more efficiently and effectively navigate the claims process across state lines, bringing down costs, and improving service to consumers and all involved.

¹ See <http://www.propertycasualty360.com/2017/02/15/independent-adjusters-handle-billions-in-claims-an> ; see also http://claimsprofession.org/wp-content/uploads/AAICP_ClaimsProfessionalsSurvey.pdf ("Bickmore study") at 10.

² The impacts of state licensing laws were so severe in the case of the Oklahoma tornado disaster that the National Association of Insurance Commissioners had to intercede to help process license applications at the time.

http://www.naic.org/Releases/2013_docs/naic_assisting_following_ok_tornadoes.htm This is neither an appropriate role for the NAIC, and could have been avoided if reciprocal licensing had been in place.

³ Bickmore Study at 6.

Legislative Language: The legislative text is attached as Exhibit 1. We note that the text was introduced last Congress in the House of Representatives, and has broad bi-partisan support. We expect the legislation will be re-introduced in the House shortly.

Other Background Material as Appropriate: We attach as Exhibit 2 a series of fact sheets describing the CLAIM Act, some of the problems experienced by claims adjusters across state lines, and how reciprocity exists for other professions but not for claims adjusters.

For further information about this proposal, please contact J.C. Boggs or David Farber, counsel to ACP, at jboggs@kslaw.com and dfarber@kslaw.com or 202.626.2383.

114TH CONGRESS
1ST SESSION

H. R. 2998

To reform uniformity and reciprocity among States that license insurance claims adjusters and to facilitate prompt and efficient adjusting of insurance claims, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2015

Mr. FINCHER (for himself, Mr. STIVERS, Mr. TIBERI, Mr. ROE of Tennessee, Mr. FOSTER, Mr. ISRAEL, Mr. ROYCE, and Mrs. BLACKBURN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To reform uniformity and reciprocity among States that license insurance claims adjusters and to facilitate prompt and efficient adjusting of insurance claims, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Claims Licensing Ad-
5 vancement for Interstate Matters Act” or the “CLAIM
6 Act”.

1 **SEC. 2. STATE FLEXIBILITY IN MULTISTATE ADJUSTER LI-**
2 **CENSING REFORMS.**

3 (a) **IN GENERAL.**—Section 4 shall take effect upon
4 the expiration of the 4-year period beginning on the date
5 of the enactment of this Act unless, before the expiration
6 of such period, those States that license independent
7 claims adjusters have enacted—

8 (1) uniform laws and regulations governing the
9 licensure of individuals and entities authorized to
10 adjust insurance claims within the State; and

11 (2) reciprocity laws and regulations governing
12 the licensure of nonresident individuals and entities
13 authorized to adjust insurance claims within those
14 States.

15 (b) **UNIFORMITY REQUIRED.**—States shall be deemed
16 to have established the uniformity necessary to comply
17 with subsection (a)(1) if the States—

18 (1) establish uniform criteria regarding the in-
19 tegrity, personal qualifications, education, training,
20 and experience of licensed independent claims ad-
21 justers for—

22 (A) property and casualty insurance;

23 (B) workers compensation insurance; and

24 (C) such other lines as a State may choose
25 to regulate.

1 (2) establish uniform continuing education re-
2 quirements for licensed independent claims adjusters
3 for each line of insurance under paragraph (1) that
4 a State chooses to regulate;

5 (3) establish uniform ethics course require-
6 ments for licensed independent claims adjusters in
7 conjunction with the continuing education require-
8 ments under paragraph (2);

9 (4) do not impose any requirement upon any
10 independent claims adjuster to be licensed or other-
11 wise qualified to do business as a nonresident that
12 has the effect of limiting or conditioning that inde-
13 pendent claims adjuster's activities because of its
14 residence or place of operations; and

15 (5) utilize a uniform license application.

16 (c) RECIPROCITY REQUIRED.—States shall be
17 deemed to have established the reciprocity required to
18 comply with subsection (a)(2) if the following conditions
19 are met:

20 (1) ADMINISTRATIVE LICENSING PROCE-
21 DURES.—Each State that licenses independent
22 claims adjusters permits an independent claims ad-
23 juster that has a license for adjusting insurance
24 claims in their home State to receive a license to ad-
25 just insurance claims in those other States as a non-

1 resident to the same extent that such independent
2 claims adjuster is permitted to adjust insurance
3 claims in their home State without satisfying any
4 additional requirements other than submitting—

5 (A) a request for licensure utilizing the
6 uniform license application;

7 (B) a copy of, or evidence of, a valid li-
8 cense held by the adjuster in their home State
9 (unless such information is available in the Na-
10 tional Insurance Producer Registry Producer
11 Database); and

12 (C) the payment of any requisite fee to the
13 appropriate authority.

14 (2) CONTINUING EDUCATION REQUIRE-
15 MENTS.—Each State that licenses an independent
16 claims adjuster accepts an insurance claims adjust-
17 er's satisfaction of their home State's continuing
18 education requirements for licensed insurance claims
19 adjusters to satisfy the State's own continuing edu-
20 cation requirements.

21 (3) NO LIMITING NONRESIDENT REQUIRE-
22 MENTS.—A State does not impose any requirement
23 upon any independent claims adjuster to be licensed
24 or otherwise qualified to do business as a non-
25 resident that has the effect of limiting or condi-

1 tioning that independent claims adjuster's activities
2 because of its residence or place of operations.

3 (4) RECIPROCAL RECIPROCITY.—Each of the
4 States that satisfies paragraphs (1), (2), and (3)
5 grants reciprocity to residents of all of the other
6 States that satisfy such paragraphs.

7 (d) DETERMINATION.—

8 (1) DETERMINATION.—A State shall be consid-
9 ered to be in compliance with subsection (a) for pur-
10 poses of this Act if the Department of the Treasury,
11 Office of General Counsel determines that, before
12 the expiration of the 4-year period beginning on the
13 date of the enactment of this Act, the State is in
14 compliance with the requirements under such sub-
15 section.

16 (2) CONTINUED REVIEW.—With respect to any
17 State that the Department of the Treasury, Office
18 of General Counsel has determined to be in compli-
19 ance with the requirements of subsection (a), the
20 Department of the Treasury, Office of General
21 Counsel shall continue to review and determine such
22 State's compliance with the requirements of sub-
23 section (a) on an annual basis. If the Department of
24 the Treasury, Office of General Counsel determines
25 at any time that a State no longer is in compliance

1 with the requirements of subsection (a), section 4
2 shall apply with respect to such State.

3 (3) JUDICIAL REVIEW.—The appropriate
4 United States District Court shall have exclusive ju-
5 risdiction over any challenge arising under this sec-
6 tion. The court shall apply the standards set forth
7 in section 706 of title 5, United States Code, in re-
8 viewing any such challenge.

9 **SEC. 3. STATE AUTHORITIES.**

10 Nothing in this Act shall be construed to—

11 (1) require a State that does not have licensing
12 requirements for independent claims adjusters to
13 adopt any such requirements;

14 (2) subject to section 2, limit the right of a
15 State to establish licensing fees or enforce its laws
16 regarding the adjusting of insurance claims, pro-
17 vided that such State fee is uniform regardless of
18 the State of residence of the licensee in that State;
19 or

20 (3) affect the jurisdiction and authority of a
21 State insurance regulator to prescribe and enforce
22 its insurance laws, rules, and regulations regulating
23 independent claims adjuster activity in its jurisdic-
24 tion.

1 **SEC. 4. AUTHORITY FOR INTERSTATE CLAIMS ADJUSTING.**

2 In the case of any State that requires and issues li-
3 censes for independent claims adjusters but is not in com-
4 pliance with section 2, after the expiration of the 4-year
5 period beginning on the date of the enactment of this Act,
6 an independent claims adjuster may apply to the National
7 Association of Agents and Brokers for Membership for the
8 purpose of licensure in each such State not in compliance
9 with section 2, provided that such independent claims ad-
10 juster pays the requisite fees, including licensing fees. For
11 purposes of this provision, upon such date an independent
12 claims adjuster shall be determined to be a person that
13 negotiates policies of insurance and offers advice, counsel,
14 opinions or services related to insurance, as such terms
15 are used in section 334(5) of Public Law 106-102, as
16 amended by section 202(a) of Public Law 114-1 (15
17 U.S.C. 6764(5); 129 Stat. 27).

18 **SEC. 5. DEFINITIONS.**

19 For purposes of this Act, the following definitions
20 shall apply:

21 (1) HOME STATE.—

22 (A) ACTUAL.—The term “home State”
23 means, with respect to an independent claims
24 adjuster, the State in which the adjuster main-
25 tains his, her, or its principal place of residence

1 or business and is licensed upon having passed
2 an exam as an independent claims adjuster.

3 (B) DESIGNATED.—If the State in which
4 an independent claims adjuster maintains his or
5 her principal place of residence or business does
6 not issue an independent claims adjuster license
7 or require an examination as a condition for
8 such licensure for the line or lines of authority
9 sought, such term means any other State in
10 which the independent claims adjuster is so li-
11 censed upon having passed an exam and that is
12 designated by such adjuster as his or her home
13 State.

14 (2) INDEPENDENT CLAIMS ADJUSTER.—The
15 term “independent claims adjuster” means an indi-
16 vidual, other than a public adjuster, who undertakes
17 on behalf of insurers or self-insurers to investigate,
18 evaluate, and negotiate the resolution of the amount
19 of a property, casualty, liability, disability, or work-
20 ers’ compensation claim, loss, or damage on behalf
21 of an insurance policy or insurer or as a third-party
22 on behalf of a self-insurer. Such term includes com-
23 pany or staff adjusters, who are individuals, other
24 than a public adjuster, employed by property cas-
25 ualty insurers and undertake to investigate, evalu-

1 ate, and negotiate the resolution of a property, cas-
2 ualty, liability, disability, or workers' compensation
3 claim, loss, or damage on behalf of an insurance pol-
4 icy or insurer.

5 (3) PUBLIC ADJUSTER.—The term “public ad-
6 juster” means any person who, for compensation or
7 any other thing of value, on behalf of the insured
8 acts, aids, advertises, or solicits business to ascer-
9 tain, determine, negotiate, or settle the amount of a
10 claim, loss, or damage, solely in relation to first
11 party claims arising under contracts that insure the
12 real or personal property of the insured.

13 (4) STATE.—The term “State” means the
14 States of the United States, the District of Colum-
15 bia, the Commonwealth of Puerto Rico, the Com-
16 monwealth of the Northern Mariana Islands, Guam,
17 the Virgin Islands, American Samoa, and any other
18 territory or possession of the United States.

19 (5) STATE LAW.—The term “State law” in-
20 cludes all laws, decisions, rules, regulations, or other
21 State action of any State having the effect of law;
22 and a law of the United States applicable only to the
23 District of Columbia shall be treated as a State law
24 rather than as a law of the United States.

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THE CLAIM ACT IS NEEDED

The Claims Licensing Advancement for Interstate Matters (CLAIM) Act

Independent claims adjusters currently face a patchwork of inconsistent state laws and regulations that frustrate prompt and efficient payments to disaster victims and other claimants. Approximately 34 states have different, and often duplicative, licensing requirements, which unnecessarily complicate the adjusting process, and needlessly delay adjusters' ability to address consumer claims. Most of these laws are not uniform or reciprocal to each other.

The CLAIM Act is designed to address that inefficiency, redundancy and lack of uniformity by calling on the states to adopt uniform and reciprocal licensure in those states that license adjusters. The Act preserves the States' oversight and regulation to ensure consumers have timely, efficient, and cost-effective claims service.

In December 2013, the Treasury Department noted that “[t]o address the inefficiencies and lack of uniformity in the state regulatory system, federal involvement will be necessary. The status quo, or a state-only solution, will not resolve the problems of inefficiency, redundancy, or lack of uniformity, or adequately address issues of national interest.”^[1] The CLAIM Act responds to Treasury's call, and advances uniformity, reciprocity, and consumer protections for claims adjusting across state lines. States that do not currently license adjusters will not need to do so. Fully recognizing and respecting state oversight of insurance matters, the CLAIM Act:

- (1) Enables independent claims adjusters to handle claims more efficiently and effectively across state lines in an increasingly nationwide marketplace by spurring state licensing reciprocity; and
- (2) Protects consumers by encouraging those states that license adjusters to adopt uniform licensing criteria.

HOW THE CLAIM ACT WORKS:

- The Congress urges the states to adopt uniform and reciprocal adjuster licensing requirements, using language already adopted by the Congress in the 1999 Gramm-Leach-Bliley law (referred to as NARAB I) when Congress addressed this issue for agents and brokers;
- States that license adjusters have four years within which to enact laws and regulations and become uniform and reciprocal to other states. States that do not license adjusters are not required to do so. Adjusters in a state without licensing can designate another state as their “home state” for licensing purposes.
- If a state that regulates adjusters does not establish the required laws and regulations within four years, independent adjusters can apply to the National Association of Registered Agents and Brokers (NARAB), established by Congress in 2015 as national clearinghouse for nonresident state licensing, for a license to adjust claims across state lines. Any such adjuster will need to be properly licensed in their home state.

For further information, please contact David Farber at dfarber@kslaw.com, 202.626.2941.

^[1] U.S. Department of the Treasury, *How to Modernize and Improve the System of Insurance Regulation in the United States* at 65 (Dec. 2013).



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FREQUENTLY ASKED QUESTIONS

The Claims Licensing Advancement for Interstate Matters (CLAIM) Act

WHY IS THE CLAIM ACT NEEDED?

Independent claims adjusters today face a patchwork of inconsistent state regulations that can delay the prompt adjustment of disaster victim and other consumers' claims. The CLAIM Act is designed to provide independent claims adjusters with the regulatory consistency needed to provide timely, efficient, and cost-effective service to claimants, and to facilitate prompt adjusting in the case of natural and other disasters.

The CLAIM Act will ensure that claims adjusters are treated consistently with other specialized state-licensed professionals who enjoy uniformity and reciprocity among the states, including insurance producers, physicians, nurses, attorneys, and emergency responders.

HOW WILL THE CLAIM ACT ACHIEVE THESE POLICY GOALS?

The CLAIM Act advances uniformity, reciprocity, and consumer protections for claims adjusting across state lines. While respecting state oversight of insurance, the CLAIM Act:

- Encourages states to adopt uniform and reciprocal independent adjuster licensing laws;
- Enables independent claims adjusters to handle claims more efficiently and effectively across state lines in a national marketplace by spurring reciprocal state licensing;
- Protects consumers by incentivizing states to adopt uniform licensing criteria; and
- Facilitates accelerated adjusting of claims arising from natural or other disasters.

WHAT WILL THE CLAIM ACT ACTUALLY DO?

The CLAIM Act requires states that license adjusters to adopt uniform and reciprocal requirements, consistent with federal law previously enacted for agents and brokers. If a state does not establish the required laws and regulations within four years, independent adjusters who are properly licensed in their home state may apply to the National Association of Registered Agents and Brokers for a license to adjust claims in such state.

HOW WILL THE CLAIM ACT PROTECT STATES' RIGHTS TO REGULATE THE INSURANCE INDUSTRY?

The CLAIM Act respects states' rights to regulate insurance. Yet, building on legislative precedent, the CLAIM Act urges the states timely to complete adoption of uniform and reciprocal adjuster licensing laws. In doing so, the CLAIM Act recognizes that state regulators are uniquely positioned and qualified to address licensing standards issues.

Each state retains its independence to adopt licensing rules, as it deems appropriate, within a four-year period, as well as to determine if it does not wish to license adjusters at all. State discretion is explicitly retained in the legislation, and states are permitted to charge appropriate licensing fees and adopt other requirements provided they do not discriminate against out-of-state adjusters.

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STORIES FROM THE FRONT LINES

The Claims Licensing Advancement for Interstate Matters (CLAIM) Act

Independent claims adjusters currently face a patchwork system of inconsistent state regulations that can delay the prompt and professional adjustment of disaster victim and other consumer and employee insurance claims.

The CLAIM Act is designed to facilitate prompt adjusting in the case of natural and other disasters and provide independent claims adjusters with the regulatory clarity needed to provide timely, efficient, and cost-effective service to claimants.

WITH THE CLAIM ACT, CLAIMS ADJUSTERS WOULD NOT FACE THESE LICENSING OBSTACLES:

- Connecticut will not provide reciprocity to a licensed adjuster whose “designated home state” is New York or, if the licensed adjuster is a resident of New York licensed in New York, until that adjuster has a valid license from a state other than New York.
- Oklahoma will not offer reciprocity for claims adjusters licensed in Arizona, California, Hawaii, or New York; nor will Oklahoma allow an adjuster to rely on these states as his designated home state.
- Minnesota will not offer reciprocity with North Carolina-licensed adjusters. North Carolina residents must travel to Minnesota to take the Minnesota licensing examination.
- Rhode Island requires its applicants to be licensed in one of 11 other states to receive a license. If an applicant is licensed in any other state, reciprocity will be denied and the applicant must take the Rhode Island licensing examination.
- Vermont requires workers’ compensation adjusters to attend the state’s workers’ compensation conference—which is held once every two years in Vermont.
- Wyoming requires applicants that reside in Arizona to take the Wyoming licensing examination.
- California requires a bond for resident applicants but will not license non-resident applicants. California also requires two years’ adjusting experience before allowing an independent adjuster to take the licensing examination.

THE FOLLOWING (TRUE) STORY EXEMPLIFIES THE OBSTACLES THAT CLAIM ADJUSTERS CURRENTLY ENCOUNTER:

A New York resident has held a non-resident adjuster license in Arkansas for five years. He contacted the Arkansas Department of Insurance (DOI) to inquire about continuing education requirements.

During the course of the conversation with the Arkansas DOI employee, the adjuster mentioned his residence in New York. The Arkansas DOI employee responded that Arkansas does not have reciprocity with New York. As a result, the Arkansas DOI revoked the adjuster’s non-resident license and required him to take the Arkansas licensing examination, which is only offered in Arkansas and Tennessee.

When the adjuster challenged the decision due to the lack of information about reciprocity requirements on the Arkansas DOI website, the employee stated that the Arkansas DOI planned to revise the website and was bound by a statutory requirement to revoke the improperly-issued non-resident license from five years prior without any other consideration.

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STATE RECIPROCITY FOR LICENSED PROFESSIONALS

The Claims Licensing Advancement for Interstate Matters (CLAIM) Act

WHY THE CLAIM ACT IS NEEDED

Many other professions requiring a state license benefit from licensure reciprocity and waiver. These practices vary by state and profession, but reflect a broad recognition of the need for a uniform and coherent approach to licensure requirements regarding reciprocity and waiver. Claims adjusters are one of the few categories of professionals which lack uniform and reciprocal laws, enabling them to become licensed in other states following licensure in their home state. For this reason, we urge you to support state license reciprocity for professional claim adjusters.

LICENSED INSURANCE AGENT AND BROKERS

- To become licensed, Insurance Producers must take pre-licensing courses and pass an exam in their resident (home) state.
- The National Association of Insurance Commissioners (NAIC) encourages states to use the NAIC Uniform Producer Application. Some states request variations of this form to meet their state specific requirements.
- Insurance Producers licensed in their resident states are not required to take other pre-licensing course or exams. Most states allow license reciprocity for licensed Insurance Producers. Producers seeking to be licensed in states that are not reciprocal may obtain a license from the National Association of Registered Agents and Brokers (NARAB).
- The same regulators that license Insurance Claims Adjusters provide for uniform and reciprocal licensing of Insurance Producers across state borders. However, these regulators have failed to take the same approach to Claims Adjuster licensing.

LICENSED PHYSICIANS

- Physicians licensed in one state seeking to treat patients as licensed physicians in a second state may receive a license from the second state by completing one in-state and one out-of-state application for licensure, with all of the accompanying documentation and registration fees.^[1]
- A “consulting” exception grants a physician, unlicensed in a particular state, the ability to practice medicine in that state at the behest and in consultation with a referring physician. Consulting has been adopted by some states, and the scope of the consulting exception varies by state.

^[1] Many states also require physicians to pass the licensing exam of the second state if it has been more than 7 to 10 years since the applicant passed the exam. Further, a number of states have enacted legislation specifically addressing the issue of physician licensure and the practice of medicine across state borders. For a brief description of these states' legislation, please visit <http://www.ama-assn.org/ama/pub/about-ama/our-people/member-groups-sections/young-physicians-section/advocacy-resources/physician-licensure-an-update-trends.page>.



REGISTERED NURSES

- Registered nurses (RN) and licensed practical/vocational nurses (LPN/VN) may practice across state borders if they are registered in a “Nurse Licensure Compact (NLC)” state. A NLC state allows an RN and LPN/VN to have one multistate license in a primary state of residency and to practice in other compact states while subject to each state’s practice laws and discipline.^[2]
- Further, since the RN examination (NCLEX) became standardized nationally, all states practice reciprocity. As such, RNs or LPN/VNs who have a valid license and no disciplinary record in their state need only apply and pay a fee to be granted another license in a different state. This is the same approach provided for in the CLAIM Act.

EMERGENCY MEDICAL RESPONDERS AND EMERGENCY MEDICAL TECHNICIANS

- All states accept the certification of the state in which an emergency medical technician (EMT) is currently certified.
- To allow reciprocity, most states require a valid certification and course completion from the issuing state and training that meets or exceeds the training requirements for the state for which the EMT is seeking reciprocity.
- Most states will require a written exam if the EMT is not nationally registered (NREMT). Some states will also require a “skills” verification for more advanced levels.

LICENSED ATTORNEYS

- Most states allow a licensed attorney to apply for a license in another state without the state’s bar examination. The conditions applicable to license reciprocity requirements vary by state.
- An attorney with an out-of-state license may apply to participate in a consultative or advisory role in another state’s court through a pro hac vice admission. A state will generally require an application, a fee, and an in-state counsel to co-sponsor the out-of-state attorney in pending litigation.^[3]

For further information, please contact David Farber at dfarber@kslaw.com, 202.626.2941.

^[2] Currently, 24 states are NLC states, and six states have pending legislation to become NLC states (GA, NY, IL, NJ, MN, and MA). The NLC allows a nurse to practice both physically and electronically across state lines unless the nurse is under discipline or restriction.

^[3] For a state-by-state list of rules on pro hac vice admission, please visit http://www.americanbar.org/content/dam/aba/migrated/cpr/mjp/prohac_admin_rules.pdf.

