

COMMONWEALTH OF VIRGINIA

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October 1, 2012

Administrative Letter 2012-10

To: All Property and Casualty Insurers and Other Interested Parties

Re: Licensing of Public Adjusters in Virginia, effective January 1, 2013

During the 2012 General Assembly session, the Virginia General Assembly enacted legislation that established standards for the licensing of public adjusters in the Commonwealth of Virginia. House Bill No. 872 and Senate Bill No. 520, which currently appear in Article 4.1 of Chapter 18 (§§ 38.2-1845.1 through 38.2-1845.23) of Title 38.2 of the Code of Virginia, provide that beginning on January 1, 2013, any resident and nonresident individual or business entity that acts as a public adjuster in Virginia must obtain a license from the State Corporation Commission's Bureau of Insurance ("Bureau").

This licensing requirement applies to any individual or business entity that receives a salary, fee, commission, or other compensation, either directly or indirectly, for investigating, negotiating, adjusting, or providing advice to an insured in relation to first party claims arising under insurance contracts that insure real or personal property of an insured with the purpose of effecting the settlement of a claim on behalf of the insured.

All public adjuster applicants, including both individual and business entities, are required to meet certain pre-licensing and renewal requirements. All resident individual public adjuster applicants must: (i) pass the Virginia pre-licensing Public Adjuster examination, (ii) obtain a Virginia Criminal History Record Report from the Virginia State Police, (iii) pay a \$250.00 nonrefundable application processing fee, (iv) meet the delineated continuing education ("CE") requirements discussed below, and (v) certify via electronic attestation that they have, and will keep in force for as long as the license remains in effect, a \$50,000 bond in favor of the Commonwealth with corporate sureties licensed by the Commission.

All licensed public adjusters are required to renew their licenses every twenty-four (24) months from the original public adjuster license issue date. In conjunction with this renewal process, Virginia resident public adjusters must complete a minimum of twenty-four (24) hours of CE courses, including three (3) hours of ethics, and pay a nonrefundable \$15 CE processing fee. If a resident public adjuster fails to meet such renewal or CE requirements, the resident public adjuster's license will not be renewed.

Article 4.1 of Chapter 18 of Title 38.2 requires that nonresident public adjusters: (i) be in good standing and currently licensed or otherwise authorized as a resident public adjuster in their home state, and (ii) pay a \$250.00 nonrefundable application processing fee. While nonresident public adjusters must comply with the renewal requirements discussed above, the corresponding CE requirements do not apply to nonresident public adjuster licensees who have met the CE requirements of their home state.

Visit www.scc.virginia.gov/boi/pro/adj.aspx to review the Public Adjuster Guide and beginning December 17, 2012, to submit the electronic public adjuster application.

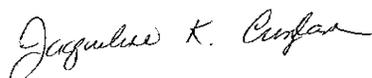
To register for the public adjuster pre-licensing examination, which will be available on November 1, 2012, visit Pearson VUE's website, www.asisvcs.com/indhome.asp?CPCAT=1253INS.

To obtain a Virginia Criminal History Record Report from the Virginia State Police, visit www.vsp.state.va.us.

Questions concerning this administrative letter may be addressed to:

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Sincerely,



Jacqueline K. Cunningham
Commissioner of Insurance