

SSB 6306 - S AMD
By Senator Schoesler

ADOPTED 02/10/2010

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 48.14.010 and 2009 c 162 s 2 and 2009 c 119 s 10 are
4 each reenacted and amended to read as follows:

5 (1) The commissioner shall collect in advance the following fees:

6 (a) **For filing charter documents:**

- 7 (i) Original charter documents,
8 bylaws or record of organization of
9 insurers, or certified copies
10 thereof, required to be filed \$250.00
- 11 (ii) Amended charter documents, or
12 certified copy thereof, other than
13 amendments of bylaws \$ 10.00
- 14 (iii) No additional charge or fee shall
15 be required for filing any of such
16 documents in the office of the
17 secretary of state.

18 (b) **Certificate of authority:**

- 19 (i) Issuance \$ 25.00
- 20 (ii) Renewal \$ 25.00

21 (c) **Annual statement of insurer, filing \$ 20.00**

22 (d) **Organization or financing of domestic insurers and
23 affiliated corporations:**

- 24 (i) Application for solicitation permit,
25 filing \$100.00
- 26 (ii) Issuance of solicitation permit . . . \$ 25.00

27 (e) **Insurance producer licenses:**

- 28 (i) License application \$ 55.00

1	(ii)	License renewal, every two years	
2		\$ 55.00
3	(iii)	Initial appointment and renewal of	
4		appointment of each insurance	
5		producer, every two years	\$ 20.00
6	(iv)	Limited line insurance producer	
7		license application and renewal,	
8		every two years	\$ 20.00
9	(f)	Title insurance agent licenses:	
10	(i)	License application	\$ 50.00
11	(ii)	License renewal, every two	
12		years	\$ 50.00
13	(g)	Reinsurance intermediary licenses:	
14	(i)	Reinsurance intermediary-broker,	
15		each year	\$ 50.00
16	(ii)	Reinsurance intermediary-	
17		manager, each year	\$100.00
18	(h)	Surplus line broker license application	
19		and renewal, every two years	\$200.00
20	(i)	Adjusters' licenses:	
21	(i)	Independent adjuster((:)): <u>(A)</u>	
22		<u>License application</u>	<u>\$ 50.00</u>
23		<u>(B) License renewal, every two</u>	
24		<u>years</u>	<u>\$ 50.00</u>
25	(ii)	Public adjuster((:)): <u>(A) License</u>	
26		<u>application</u>	<u>\$ 50.00</u>
27		<u>(B) License renewal, every two</u>	
28		<u>years</u>	<u>\$ 50.00</u>
29	(iii)	<u>Crop adjuster: (A) License</u>	
30		<u>application</u>	<u>\$ 50.00</u>
31		<u>(B) License renewal, every two</u>	
32		<u>years</u>	<u>\$50.00</u>
33	(j)	Managing general agent appointment,	
34		every two years	\$200.00
35	(k)	Examination for license, each examination:	

1 All examinations, except examinations
 2 administered by an independent testing
 3 service, the fees for which are to be
 4 approved by the commissioner and
 5 collected directly by and retained by
 6 such independent testing service
 7 \$ 20.00

8 **(l) Miscellaneous services:**

- 9 (i) Filing other documents \$ 5.00
- 10 (ii) Commissioner's certificate under
 11 seal \$ 5.00
- 12 (iii) Copy of documents filed in the
 13 commissioner's office, reasonable
 14 charge therefor as determined by
 15 the commissioner.

16 **(m) Self-service storage specialty insurance producer
 17 license application and renewal:**

18 Every two years, \$130.00 for an owner with
 19 under fifty employees or \$375.00 for an
 20 owner with fifty or more employees;
 21 plus a location fee of \$35.00 for each
 22 additional location of an owner.

23 (2) All fees so collected shall be remitted by the commissioner to
 24 the state treasurer not later than the first business day following,
 25 and shall be placed to the credit of the general fund.

26 (a) Fees for examinations administered by an independent testing
 27 service that are approved by the commissioner under subsection (1)(k)
 28 of this section shall be collected directly by the independent testing
 29 service and retained by it.

30 (b) Fees for copies of documents filed in the commissioner's office
 31 shall be remitted by the commissioner to the state treasurer not later
 32 than the first business day following, and shall be placed to the
 33 credit of the insurance commissioner's regulatory account.

34 **Sec. 2.** RCW 48.17.010 and 2009 c 162 s 13 are each amended to read
 35 as follows:

1 The definitions in this section apply throughout this title unless
2 the context clearly requires otherwise.

3 (1) "Adjuster" means any person who, for compensation as an
4 independent contractor or as an employee of an independent contractor,
5 or for fee or commission, investigates or reports to the adjuster's
6 principal relative to claims arising under insurance contracts, on
7 behalf solely of either the insurer or the insured. An attorney-at-law
8 who adjusts insurance losses from time to time incidental to the
9 practice of his or her profession(~~(7)~~) or an adjuster of marine
10 losses(~~(7 or a salaried employee of an insurer or of a managing general~~
11 ~~agent,7)~~) is not deemed to be an "adjuster" for the purpose of this
12 chapter. A salaried employee of an insurer or of a managing general
13 agent is not deemed to be an "adjuster" for the purpose of this
14 chapter, except when acting as a crop adjuster.

15 (a) "Independent adjuster" means an adjuster representing the
16 interests of the insurer.

17 (b) "Public adjuster" means an adjuster employed by and
18 representing solely the financial interests of the insured named in the
19 policy.

20 (c) "Crop adjuster" means an adjuster, including (i) an independent
21 adjuster, (ii) a public adjuster, and (iii) an employee of an insurer
22 or managing general agent, who acts as an adjuster for claims arising
23 under crop insurance. A salaried employee of an insurer or of a
24 managing general agent who is certified by a crop adjuster program
25 approved by the risk management agency of the United States department
26 of agriculture is not a "crop adjuster" for the purposes of this
27 chapter. Proof of certification must be provided to the commissioner
28 upon request.

29 (2) "Business entity" means a corporation, association,
30 partnership, limited liability company, limited liability partnership,
31 or other legal entity.

32 (3) "Crop insurance" means insurance coverage for damage to crops
33 from unfavorable weather conditions, fire or lightning, flood, hail,
34 insect infestation, disease, or other yield-reducing conditions or
35 perils provided by the private insurance market, or multiple peril crop
36 insurance reinsured by the federal crop insurance corporation,
37 including but not limited to revenue insurance.

1 (4) "Home state" means the District of Columbia and any state or
2 territory of the United States or province of Canada in which an
3 insurance producer maintains the insurance producer's principal place
4 of residence or principal place of business, and is licensed to act as
5 an insurance producer.

6 ~~((+4))~~ (5) "Insurance education provider" means any insurer,
7 health care service contractor, health maintenance organization,
8 professional association, educational institution created by Washington
9 statutes, or vocational school licensed under Title 28C RCW, or
10 independent contractor to which the commissioner has granted authority
11 to conduct and certify completion of a course satisfying the insurance
12 education requirements of RCW 48.17.150.

13 ~~((+5))~~ (6) "Insurance producer" means a person required to be
14 licensed under the laws of this state to sell, solicit, or negotiate
15 insurance. "Insurance producer" does not include title insurance agents
16 as defined in subsection ~~((+15))~~ (16) of this section or surplus line
17 brokers licensed under chapter 48.15 RCW.

18 ~~((+6))~~ (7) "Insurer" has the same meaning as in RCW 48.01.050, and
19 includes a health care service contractor as defined in RCW 48.44.010
20 and a health maintenance organization as defined in RCW 48.46.020.

21 ~~((+7))~~ (8) "License" means a document issued by the commissioner
22 authorizing a person to act as an insurance producer or title insurance
23 agent for the lines of authority specified in the document. The
24 license itself does not create any authority, actual, apparent, or
25 inherent, in the holder to represent or commit to an insurer.

26 ~~((+8))~~ (9) "Limited line credit insurance" includes credit life,
27 credit disability, credit property, credit unemployment, involuntary
28 unemployment, mortgage life, mortgage guaranty, mortgage disability,
29 automobile dealer gap insurance, and any other form of insurance
30 offered in connection with an extension of credit that is limited to
31 partially or wholly extinguishing the credit obligation that the
32 commissioner determines should be designated a form of limited line
33 credit insurance.

34 ~~((+9))~~ (10) "NAIC" means national association of insurance
35 commissioners.

36 ~~((+10))~~ (11) "Negotiate" means the act of conferring directly
37 with, or offering advice directly to, a purchaser or prospective
38 purchaser of a particular contract of insurance concerning any of the

1 substantive benefits, terms, or conditions of the contract, provided
2 that the person engaged in that act either sells insurance or obtains
3 insurance from insurers for purchasers.

4 ~~((+11+))~~ (12) "Person" means an individual or a business entity.

5 ~~((+12+))~~ (13) "Sell" means to exchange a contract of insurance by
6 any means, for money or its equivalent, on behalf of an insurer.

7 ~~((+13+))~~ (14) "Solicit" means attempting to sell insurance or
8 asking or urging a person to apply for a particular kind of insurance
9 from a particular insurer.

10 ~~((+14+))~~ (15) "Terminate" means the cancellation of the
11 relationship between an insurance producer and the insurer or the
12 termination of an insurance producer's authority to transact insurance.

13 ~~((+15+))~~ (16) "Title insurance agent" means a business entity
14 licensed under the laws of this state and appointed by an authorized
15 title insurance company to sell, solicit, or negotiate insurance on
16 behalf of the title insurance company.

17 ~~((+16+))~~ (17) "Uniform application" means the current version of
18 the NAIC uniform application for individual insurance producers for
19 resident and nonresident insurance producer licensing.

20 ~~((+17+))~~ (18) "Uniform business entity application" means the
21 current version of the NAIC uniform application for business entity
22 insurance license or registration for resident and nonresident business
23 entities.

24 **Sec. 3.** RCW 48.17.060 and 2009 c 162 s 14 are each amended to read
25 as follows:

26 (1) A person shall not sell, solicit, or negotiate insurance in
27 this state for any line or lines of insurance unless the person is
28 licensed for that line of authority in accordance with this chapter.

29 (2) A person may not act as or hold himself or herself out to be an
30 adjuster in this state unless licensed by the commissioner or otherwise
31 authorized to act as an adjuster under this chapter.

32 (3) A person may not act as or hold himself or herself out to be a
33 crop adjuster in this state unless licensed by the commissioner or
34 otherwise authorized to act as a crop adjuster under this chapter.

35 **Sec. 4.** RCW 48.17.110 and 2009 c 162 s 16 are each amended to read
36 as follows:

1 (1) A resident individual applying for an insurance producer
2 license or an individual applying for an adjuster, including crop
3 adjuster, license shall pass a written examination unless exempt under
4 this section or RCW 48.17.175. The examination shall test the
5 knowledge of the individual concerning the lines of authority for which
6 application is made, the duties and responsibilities of an insurance
7 producer or adjuster, and the insurance laws and rules of this state.
8 Examinations required by this section shall be developed and conducted
9 under the rules prescribed by the commissioner. (~~The commissioner~~
10 ~~shall prepare, or approve, and make available a manual specifying in~~
11 ~~general terms the subjects which may be covered in any examination for~~
12 ~~a particular license.~~)

13 (2) The following are exempt from the examination requirement:

14 (a) Applicants for licenses under RCW 48.17.170(1) (g), (h), and
15 (i), at the discretion of the commissioner;

16 (b) With the exception of crop adjusters, applicants for an
17 adjuster's license who for a period of one year, a portion of which was
18 in the year next preceding the date of application, have been a full-
19 time salaried employee of an insurer or of a managing general agent to
20 adjust, investigate, or report claims arising under insurance
21 contracts;

22 (c) With the exception of crop adjusters, applicants for a license
23 as a nonresident adjuster who are duly licensed in another state and
24 who are deemed by the commissioner to be fully qualified and competent
25 for a similar license in this state; and

26 (d) Applicants for a license as a nonresident crop adjuster, who
27 must:

28 (i) Be duly licensed as a crop adjuster, or hold a valid
29 substantially similar license in another state; and

30 (ii) Have completed prelicensing education and passed an
31 examination substantially similar to the prelicensing education and
32 examination required for licensure as a resident crop adjuster in this
33 state; or

34 (iii) If their state of residence does not license crop adjusters,
35 complete prelicensing education and pass an examination that are
36 substantially similar to the prelicensing education and examination
37 required to be licensed as a resident crop adjuster in this state.

1 (3) The commissioner may make arrangements, including contracting
2 with an outside testing service, for administering examinations.

3 (4) The commissioner may, at any time, require any licensed
4 insurance producer, adjuster or crop adjuster to take and successfully
5 pass an examination testing the licensee's competence and
6 qualifications as a condition to the continuance or renewal of a
7 license, if the licensee has been guilty of violating this title, or
8 has so conducted affairs under an insurance license as to cause the
9 commissioner to reasonably desire further evidence of the licensee's
10 qualifications.

11 (5) The commissioner may by rule establish requirements for crop
12 adjusters to:

13 (a) Successfully complete prelicensing education;

14 (b) Pass a written examination to obtain a license; and

15 (c) Renew their license.

16 **Sec. 5.** RCW 48.17.150 and 2009 c 162 s 17 are each amended to read
17 as follows:

18 (1) The commissioner shall by rule establish minimum continuing
19 education requirements for the renewal or reissuance of a license to an
20 insurance producer.

21 (2) The commissioner may by rule establish minimum continuing
22 education requirements for the renewal or reissuance of a license to a
23 crop adjuster.

24 (3) The commissioner shall require that continuing education
25 courses will be made available on a statewide basis in order to ensure
26 that persons residing in all geographical areas of this state will have
27 a reasonable opportunity to attend such courses.

28 ~~((+3))~~ (4) The continuing education requirements must be
29 appropriate to the license for the lines of authority specified in RCW
30 48.17.170 or by rule.

31 **Sec. 6.** RCW 48.17.390 and 2007 c 117 s 19 are each amended to read
32 as follows:

33 (1)(a) The commissioner may license:

34 (i) An individual or business entity as an independent adjuster or
35 as a public adjuster(~~(, and)~~);

36 (ii) An individual as a crop adjuster; and

1 (b) Separate licenses shall be required for each type of adjuster.

2 (2) An individual or business entity may be concurrently licensed
3 under separate licenses as an independent adjuster and as a public
4 adjuster.

5 (3) An individual may be concurrently licensed under separate
6 licenses as an independent adjuster, a public adjuster, or a crop
7 adjuster.

8 (4) The full license fee shall be paid for each such license.

9 **Sec. 7.** RCW 48.17.420 and 2007 c 117 s 21 are each amended to read
10 as follows:

11 ~~((On behalf of and as authorized by an insurer for which an~~
12 ~~insurance producer or title insurance agent has been appointed as an~~
13 ~~agent,)) An insurance producer or title insurance agent may from time
14 to time act as an adjuster on behalf of and as authorized by an insurer
15 for which an insurance producer or title insurance agent has been
16 appointed as an agent and investigate and report upon claims without
17 being required to be licensed as an adjuster. An insurance producer or
18 title insurance agent must not act as a crop adjuster or investigate or
19 report upon claims arising under crop insurance without first obtaining
20 a crop adjuster license or, if a salaried employee of an insurer or of
21 a managing general agent, without first being certified by a crop
22 adjuster proficiency program approved by the risk management agency of
23 the United States department of agriculture.~~

24 ~~((No))~~ Except for losses arising under crop insurance, a
25 license by this state ((shall be)) is not required of a nonresident
26 independent adjuster, for the adjustment in this state of a single
27 loss, or of losses arising out of a catastrophe common to all such
28 losses.

29 (3) For losses arising under crop insurance, a license by this
30 state is not required of a nonresident crop adjuster, for the
31 adjustment in this state of a single loss, or of losses arising out of
32 a catastrophe common to all such losses, if the nonresident crop
33 adjuster is:

34 (a) Licensed as a crop adjuster in another state;

35 (b) Certified by the risk management agency of the United States
36 department of agriculture; or

1 (c) A salaried employee of an insurer or of a managing general
2 agent who is certified by a crop adjuster proficiency program approved
3 by the risk management agency of the United States department of
4 agriculture.

5 NEW SECTION. **Sec. 8.** This act takes effect June 27, 2011."

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By Senator Schoesler

ADOPTED 02/10/2010

6 On page 1, line 1 of the title, after "adjusters;" strike the
7 remainder of the title and insert "amending RCW 48.17.010, 48.17.060,
8 48.17.110, 48.17.150, 48.17.390, and 48.17.420; reenacting and amending
9 RCW 48.14.010; and providing an effective date."

EFFECT: Exempts from the licensing requirement, employees of
companies or general agencies that are certified by a federal crop
adjuster program.

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