

SENATE BILL 6306

State of Washington                      61st Legislature                      2010 Regular Session

By Senator Schoesler; by request of Insurance Commissioner

Read first time 01/12/10. Referred to Committee on Financial Institutions, Housing & Insurance.

1            AN ACT Relating to crop adjusters; amending RCW 48.17.010,  
2 48.17.060, 48.17.110, 48.17.150, 48.17.390, and 48.17.420; reenacting  
3 and amending RCW 48.14.010; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 48.14.010 and 2009 c 162 s 2 and 2009 c 119 s 10 are  
6 each reenacted and amended to read as follows:

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

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

9                                      (i)            Original charter documents,  
10    bylaws or record of organization of  
11    insurers, or certified copies  
12    thereof, required to be filed . . . . . \$250.00

13                                      (ii)           Amended charter documents, or  
14    certified copy thereof, other than  
15    amendments of bylaws . . . . . \$ 10.00

1	(iii)	No additional charge or fee shall	
2		be required for filing any of such	
3		documents in the office of the	
4		secretary of state.	
5	<b>(b)</b>	<b>Certificate of authority:</b>	
6	(i)	Issuance .....	\$ 25.00
7	(ii)	Renewal .....	\$ 25.00
8	<b>(c)</b>	<b>Annual statement of insurer, filing .....</b>	<b>\$ 20.00</b>
9	<b>(d)</b>	<b>Organization or financing of domestic insurers and</b>	
10		<b>affiliated corporations:</b>	
11	(i)	Application for solicitation permit,	
12		filing .....	\$100.00
13	(ii)	Issuance of solicitation permit ...	\$ 25.00
14	<b>(e)</b>	<b>Insurance producer licenses:</b>	
15	(i)	License application .....	\$ 55.00
16	(ii)	License renewal, every two years	
17		.....	\$ 55.00
18	(iii)	Initial appointment and renewal of	
19		appointment of each insurance	
20		producer, every two years .....	\$ 20.00
21	(iv)	Limited line insurance producer	
22		license application and renewal,	
23		every two years .....	\$ 20.00
24	<b>(f)</b>	<b>Title insurance agent licenses:</b>	
25	(i)	License application .....	\$ 50.00
26	(ii)	License renewal, every two	
27		years .....	\$ 50.00
28	<b>(g)</b>	<b>Reinsurance intermediary licenses:</b>	
29	(i)	Reinsurance intermediary-broker,	
30		each year .....	\$ 50.00
31	(ii)	Reinsurance intermediary-	
32		manager, each year .....	\$100.00
33	<b>(h)</b>	<b>Surplus line broker license application</b>	
34		<b>and renewal, every two years .....</b>	<b>\$200.00</b>
35	<b>(i)</b>	<b>Adjusters' licenses:</b>	

1	(i)	Independent adjuster((:)): (A)	
2		<u>License application . . . . .</u>	<u>\$ 50.00</u>
3		(B) <u>License renewal, every two</u>	
4		<u>years . . . . .</u>	<u>\$ 50.00</u>
5	(ii)	Public adjuster((:)): (A) <u>License</u>	
6		<u>application . . . . .</u>	<u>\$ 50.00</u>
7		(B) <u>License renewal, every two</u>	
8		<u>years . . . . .</u>	<u>\$ 50.00</u>
9	(iii)	<u>Crop adjuster: (A) License</u>	
10		<u>application . . . . .</u>	<u>\$ 50.00</u>
11		(B) <u>License renewal, every two</u>	
12		<u>years . . . . .</u>	<u>\$50.00</u>
13	<b>(j)</b>	<b>Managing general agent appointment,</b>	
14		<b>every two years . . . . .</b>	<b>\$200.00</b>
15	<b>(k)</b>	<b>Examination for license, each examination:</b>	
16		All examinations, except examinations	
17		administered by an independent testing	
18		service, the fees for which are to be	
19		approved by the commissioner and	
20		collected directly by and retained by	
21		such independent testing service	
22		. . . . .	<u>\$ 20.00</u>
23	<b>(l)</b>	<b>Miscellaneous services:</b>	
24	(i)	Filing other documents . . . . .	\$ 5.00
25	(ii)	Commissioner's certificate under	
26		seal . . . . .	\$ 5.00
27	(iii)	Copy of documents filed in the	
28		commissioner's office, reasonable	
29		charge therefor as determined by	
30		the commissioner.	
31	<b>(m)</b>	<b>Self-service storage specialty insurance producer</b>	
32		<b>license application and renewal:</b>	
33		Every two years, \$130.00 for an owner with	
34		under fifty employees or \$375.00 for an	
35		owner with fifty or more employees;	
36		plus a location fee of \$35.00 for each	
37		additional location of an owner.	

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

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

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

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

14 The definitions in this section apply throughout this title unless  
15 the context clearly requires otherwise.

16 (1) "Adjuster" means any person who, for compensation as an  
17 independent contractor or as an employee of an independent contractor,  
18 or for fee or commission, investigates or reports to the adjuster's  
19 principal relative to claims arising under insurance contracts, on  
20 behalf solely of either the insurer or the insured. An attorney-at-law  
21 who adjusts insurance losses from time to time incidental to the  
22 practice of his or her profession(~~(7)~~) or an adjuster of marine  
23 losses(~~(7 or a salaried employee of an insurer or of a managing general~~  
24 ~~agent,7)~~) is not deemed to be an "adjuster" for the purpose of this  
25 chapter. A salaried employee of an insurer or of a managing general  
26 agent is not deemed to be an "adjuster" for the purpose of this  
27 chapter, except when acting as a crop adjuster.

28 (a) "Independent adjuster" means an adjuster representing the  
29 interests of the insurer.

30 (b) "Public adjuster" means an adjuster employed by and  
31 representing solely the financial interests of the insured named in the  
32 policy.

33 (c) "Crop adjuster" means an adjuster, including (i) an independent  
34 adjuster, (ii) a public adjuster, and (iii) an employee of an insurer  
35 or managing general agent, who acts as an adjuster for claims arising  
36 under crop insurance.

1 (2) "Business entity" means a corporation, association,  
2 partnership, limited liability company, limited liability partnership,  
3 or other legal entity.

4 (3) "Crop insurance" means insurance coverage for damage to crops  
5 from unfavorable weather conditions, fire or lightning, flood, hail,  
6 insect infestation, disease, or other yield-reducing conditions or  
7 perils provided by the private insurance market, or that is subsidized  
8 by the federal crop insurance corporation, including multiperil crop  
9 insurance.

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

15 ~~((4))~~ (5) "Insurance education provider" means any insurer,  
16 health care service contractor, health maintenance organization,  
17 professional association, educational institution created by Washington  
18 statutes, or vocational school licensed under Title 28C RCW, or  
19 independent contractor to which the commissioner has granted authority  
20 to conduct and certify completion of a course satisfying the insurance  
21 education requirements of RCW 48.17.150.

22 ~~((5))~~ (6) "Insurance producer" means a person required to be  
23 licensed under the laws of this state to sell, solicit, or negotiate  
24 insurance. "Insurance producer" does not include title insurance agents  
25 as defined in subsection ~~((15))~~ (16) of this section or surplus line  
26 brokers licensed under chapter 48.15 RCW.

27 ~~((6))~~ (7) "Insurer" has the same meaning as in RCW 48.01.050, and  
28 includes a health care service contractor as defined in RCW 48.44.010  
29 and a health maintenance organization as defined in RCW 48.46.020.

30 ~~((7))~~ (8) "License" means a document issued by the commissioner  
31 authorizing a person to act as an insurance producer or title insurance  
32 agent for the lines of authority specified in the document. The  
33 license itself does not create any authority, actual, apparent, or  
34 inherent, in the holder to represent or commit to an insurer.

35 ~~((8))~~ (9) "Limited line credit insurance" includes credit life,  
36 credit disability, credit property, credit unemployment, involuntary  
37 unemployment, mortgage life, mortgage guaranty, mortgage disability,  
38 automobile dealer gap insurance, and any other form of insurance

1 offered in connection with an extension of credit that is limited to  
2 partially or wholly extinguishing the credit obligation that the  
3 commissioner determines should be designated a form of limited line  
4 credit insurance.

5 ~~((+9))~~ (10) "NAIC" means national association of insurance  
6 commissioners.

7 ~~((+10))~~ (11) "Negotiate" means the act of conferring directly  
8 with, or offering advice directly to, a purchaser or prospective  
9 purchaser of a particular contract of insurance concerning any of the  
10 substantive benefits, terms, or conditions of the contract, provided  
11 that the person engaged in that act either sells insurance or obtains  
12 insurance from insurers for purchasers.

13 ~~((+11))~~ (12) "Person" means an individual or a business entity.

14 ~~((+12))~~ (13) "Sell" means to exchange a contract of insurance by  
15 any means, for money or its equivalent, on behalf of an insurer.

16 ~~((+13))~~ (14) "Solicit" means attempting to sell insurance or  
17 asking or urging a person to apply for a particular kind of insurance  
18 from a particular insurer.

19 ~~((+14))~~ (15) "Terminate" means the cancellation of the  
20 relationship between an insurance producer and the insurer or the  
21 termination of an insurance producer's authority to transact insurance.

22 ~~((+15))~~ (16) "Title insurance agent" means a business entity  
23 licensed under the laws of this state and appointed by an authorized  
24 title insurance company to sell, solicit, or negotiate insurance on  
25 behalf of the title insurance company.

26 ~~((+16))~~ (17) "Uniform application" means the current version of  
27 the NAIC uniform application for individual insurance producers for  
28 resident and nonresident insurance producer licensing.

29 ~~((+17))~~ (18) "Uniform business entity application" means the  
30 current version of the NAIC uniform application for business entity  
31 insurance license or registration for resident and nonresident business  
32 entities.

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

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

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

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

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

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

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

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

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

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

34       (d) Applicants for a license as a nonresident crop adjuster, who  
35 must:

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

1        (ii) Have completed prelicensing education and passed an  
2 examination substantially similar to the prelicensing education and  
3 examination required for licensure as a resident crop adjuster in this  
4 state; or

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

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

11        (4) The commissioner may, at any time, require any licensed  
12 insurance producer, adjuster or crop adjuster to take and successfully  
13 pass an examination testing the licensee's competence and  
14 qualifications as a condition to the continuance or renewal of a  
15 license, if the licensee has been guilty of violating this title, or  
16 has so conducted affairs under an insurance license as to cause the  
17 commissioner to reasonably desire further evidence of the licensee's  
18 qualifications.

19        (5) The commissioner may by rule establish requirements for crop  
20 adjusters to:

21        (a) Successfully complete prelicensing education;

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

23        (c) Renew their license.

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

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

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

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

36        ~~((+3))~~ (4) The continuing education requirements must be



1 appropriate to the license for the lines of authority specified in RCW  
2 48.17.170 or by rule.

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

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

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

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

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

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

13 (3) An individual may be concurrently licensed under separate  
14 licenses as an independent adjuster, a public adjuster, or a crop  
15 adjuster.

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

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

19 (1) (~~On behalf of and as authorized by an insurer for which an~~  
20 insurance producer or title insurance agent has been appointed as an  
21 agent,) An insurance producer or title insurance agent may from time  
22 to time act as an adjuster on behalf of and as authorized by an insurer  
23 for which an insurance producer or title insurance agent has been  
24 appointed as an agent and investigate and report upon claims without  
25 being required to be licensed as an adjuster. An insurance producer or  
26 title insurance agent must not act as a crop adjuster or investigate or  
27 report upon claims arising under crop insurance without first obtaining  
28 a crop adjuster license.

29 (2) (~~No~~) Except for losses arising under crop insurance, a  
30 license by this state (~~shall be~~) is not required of a nonresident  
31 independent adjuster, for the adjustment in this state of a single  
32 loss, or of losses arising out of a catastrophe common to all such  
33 losses.

34 (3) For losses arising under crop insurance, a license by this  
35 state is not required of a nonresident crop adjuster, for the

1 adjustment in this state of a single loss, or of losses arising out of  
2 a catastrophe common to all such losses, if the nonresident crop  
3 adjuster is duly licensed:

4 (a) As a crop adjuster in another state; or

5 (b) By the risk management agency of the United States department  
6 of agriculture.

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

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