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SENATE JOINT RESOLUTION NO. 50

Offered January 9, 2002

Prefiled January 8, 2002

Establishing a joint subcommittee to study the licensing of public adjusters.

Patron—Byrne

Referred to Committee on Rules

WHEREAS, a major responsibility of the insurance business is the fair, reasonable and equitable adjustment of claims for losses covered by policies of fire insurance or allied lines of insurance; and

WHEREAS, a public adjuster is a person engaged in the business of adjusting losses in fire and allied lines on behalf of the insured; and

WHEREAS, the business of public adjusting encompasses investigating, negotiating, and providing advice to an insured in relation to first-party claims arising under insurance contracts that insure real or personal property; and

WHEREAS, persons engaged in this activity are referred to "public" adjusters to distinguish them from persons engaged in adjusting losses for insurance companies; and

WHEREAS, several other states, including Maryland, regulate the practice of public adjusting and require the licensing of public adjusters; and

WHEREAS, the licensing of public adjusters is intended to protect the public by ensuring that practitioners are competent and trustworthy; and

WHEREAS, public adjuster licensing statutes generally require applicants to pass an examination, have experience adjusting claims of the type for which a license is applied for, and post a surety bond; and

WHEREAS, agents and employees of insurers, independent contractors who adjust losses or damages on behalf of insurers, and licensed attorneys are often exempted from public adjuster licensing requirements; and

WHEREAS, Unauthorized Practice Rule 2 of the Rules of the Supreme Court of Virginia proscribes certain activities by lay adjusters relating to the negotiation or settlement of claims, the preparation of documents, and the giving of legal advice; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study the licensing of public adjusters. The joint subcommittee shall consist of eight members as follows: Three members of the Senate, to be appointed by the Senate Committee on Privileges and Elections; and five members of the House of Delegates, to be appointed by the Speaker of the House in accordance with the principles of proportional representation contained in the Rules of the House of Delegates.

The direct costs of this study shall not exceed \$8,000.

The Division of Legislative Services shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its written findings and recommendations to the Governor and the 2003 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

INTRODUCED

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