

State Corporation Commission 2012 Fiscal Impact Statement

1. Bill Number: SB520

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Wagner

3. Committee: Commerce and Labor

4. Title: Property and casualty insurance; public adjusters.

5. Summary: Property and casualty insurance; public adjusters. Provides for State Corporation Commission licensing and regulation of public adjusters. Requires public adjusters to (i) maintain a bond in favor of the Commonwealth in the amount of \$50,000; (ii) renew the adjuster's license and complete 24 hours of continuing education hours on a biennial basis; (iii) maintain funds received on behalf of an insured in a fiduciary capacity; (iv) enter into a written contract with insureds as described in the Code; and (v) maintain records in accordance with the record retention schedule. The bill specifies certain standards of conduct and limits on public adjuster fees. The provisions of the bill would become effective January 1, 2013.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: Not known (see Line 8).

8. Fiscal implications: It is anticipated that assuming licensing and regulator responsibility for public adjusters will increase the workload of the State Corporation Commission Bureau of Insurance. The Bureau will attempt to regulate public adjusters with existing staff, but it may result in some increased resource needs for the Bureau. The Bureau has budgeted for two new positions in anticipation of assuming this responsibility. The Bureau also anticipates the need for its contracted systems vendor to make adjustments to the Bureau's computer systems to add the licensing of public adjusters, but there are no cost estimates for the systems work at this time.

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: Public adjusters are currently licensed in 44 states with legislation pending in three additional states. The Bureau of Insurance has received very few consumer complaints about public adjusters in Virginia. Senate Bill 520 has the support of the insurance industry as well as the two associations representing public adjusters.

Senate Bill 520
Page 2

House Bill 872 is identical to Senate Bill 520.

Date: 01/28/12/V. Tompkins
cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources