

## DEPARTMENT OF INSURANCE

Statutory Authority: 18 Delaware Code, Sections 314 & 1111 (18 Del.C. §§313, 1111)

**FINAL**

**ORDER**

### **506 Crop Insurance Adjusters and Producers**

Proposed Regulation 506 relating to Crop Insurance Adjusters and Producers was published in the Delaware Register of Regulations on October 1, 2010. The comment period remained open until November 1, 2010. There was no public hearing on proposed Regulation 506. Public notice of the proposed Regulation 506 in the *Register of Regulations* was in conformity with Delaware law.

### **SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED**

Comment was received from Property Casualty Insurers Association of America (PCIAA). PCIAA believes the definition of Crop Adjuster is too vague and is additionally concerned that the requirements of this "new license" will negatively affect existing licensed adjusters. As noted below, the proposed regulation does not create a new adjuster license, but a new "line" within the casualty adjuster licensing realm.

### **FINDINGS OF FACT**

Based on Delaware law and the record in this docket, I make the following findings of fact:

The requirements of the proposed Regulation 506 best serve the interests of the public and of insurers and comply with Delaware law. The creation of a separate line of Crop Insurance Producers and of Crop Insurance Adjusters, within existing Property Insurance Producer and Adjuster licensing keeps the public better informed of who is licensed in the important Crop Insurance producing and adjusting fields.

### **DECISION AND EFFECTIVE DATE**

Based on the provisions of 18 Del.C. §§314, 1111 and 29 Del.C. §§10113-10118 and the record in this docket, I hereby adopt amended Regulation 506 as may more fully and at large appear in the version attached hereto to be effective on January 3, 2011.

### **TEXT AND CITATION**

The text of the proposed Regulation 506 last appeared in the *Register of Regulations* Vol. 14, Issue 4, pages 249-250.

**IT IS SO ORDERED** this 5th day of November, 2010.

Karen Weldin Stewart, CIR-ML

Insurance Commissioner

### **506 Crop Insurance Adjusters and Producers**

#### **1.0 Purpose**

- 1.1 The purpose of this Chapter is to provide rules to assist the Commissioner in administering the laws relating to the licensure and regulation of crop insurance producers and adjusters, as provided for in 18 Del.C. Chapter 17 et. seq.
- 1.2 This regulation should not be viewed as replacing any other or additional statutory requirements not explicitly included in this regulation.

## **2.0** **Scope**

This regulation applies to all persons acting as crop insurance adjusters or producers in this state. The crop insurance producer and adjuster licenses to be issued by the Commissioner.

## **3.0** **Definitions**

"Commissioner" means the Commissioner of the Delaware Insurance Department.

"Crop" means and includes any agricultural product, including livestock, nursery product, tree and product from a tree, as well as anything insured by the Federal Crop Insurance Corporation under a crop insurance program.

"Crop insurance adjuster" means any person, who, for compensation or any other thing of value, does any of the following:

- : Acts or aids in investigating, verifying, substantiating, estimating, appraising, determining, presenting, and discussing the value of the claim, and/or effectuating the resolution of a claim for loss or damage covered by an insurance contract that insures crops;
- : Advertises for employment as an adjuster of claims arising under insurance contracts that insure crops or solicits business or represents to the public to be a crop insurance adjuster of insurance claims, for losses or damages arising out of policies of insurance that insure crops; or
- : Directly or indirectly solicits business, investigates or adjusts losses, or advises an insured about claims for losses or damages arising out of policies of insurance that insure crops, when doing any of the foregoing for or on behalf of another person engaged in the business of adjusting losses or damages covered by an insurance policy that insures crops, for the insured.

"Department" means the Department of Insurance;

"NAIC" means the National Association of Insurance Commissioners;

"Person" means a natural person;

"Producer" means any person required to be licensed under the laws of this State to sell, solicit, or negotiate contracts of insurance authorized within the scope of said license.

"Risk Management Agency" means that agency of the United States Department of Agriculture acting on behalf of the Federal Crop Insurance Corporation to administer federal crop insurance programs.

## **4.0** **Qualification for the Issuance of a License**

A person shall apply for and receive from the Commissioner a multi-peril crop insurance adjuster and/or producer license to operate as a multi-peril crop insurance producer or adjuster in this State. All applications for licensure shall be in accordance with the requirements of 18 Del.C., §§1706 and 1707 (1).

## **5.0** **Examination Requirements**

5.1 All individuals applying for a multi-peril crop insurance adjuster license are required to pass the Risk Management Agency-approved Proficiency test for multi-peril crop insurance adjusters.

5.2 All individuals applying for a multi-crop insurance producer license shall be required pass a written examination as required by 18 Del.C., §1705.

5.3 The Commissioner may enter into a contract with a testing organization for the examination of applicants for a license as a multi-peril crop insurance producer or adjuster. Such contract may provide that the testing organization shall:

5.3.1 Assume responsibility for the administration and grading of the examination; and

5.3.2 Charge and collect from each applicant the fee for administering the examination.

## **6.0** **Continuing Education Requirement**

- 6.1 An individual, who holds a multi-peril crop insurance license shall satisfactorily complete a minimum of twenty-four (24) hours of continuing education credits. The education required by this section shall be in addition to any other continuing education requirements required for other professional licenses held by the individuals licensed under Chapter 17 of the **Delaware Code**.
- 6.2 Only continuing education courses approved by the Commissioner shall be used to satisfy the continuing education requirement of Paragraph 6.1.

**7.0 Effective Date**

This Regulation shall take effect 10 days after execution of an Order by the Commissioner and its publication in the *Register of Regulations* or January 1, 2011, whichever shall occur last.

**14 DE Reg. 573 (12/01/10) (Final)**