

Equipment Consulting Services, Inc.

32009 162nd Ave. SE Auburn, WA. 98092

Phone: (253) 350-0692

E-mail jcraughan@comcast.net

January 8, 2018

Insurance Commissioner's Office
Rules Coordinator
5000 Capitol Blvd. SE
Tumwater, WA

Subject: Comment, Adjuster Licensing Requirements Second Stakeholder Draft

The definition of an "Adjuster" stated in the proposed rule of WAC 284-17-001(1) would include anyone who has anything to do with an insurance claim. It apparently would now cover insurance company employees and even attorneys acting on behalf of their clients. This would be in direct conflict with RCW 48.17.010(1) which states "An attorney-at-law who adjusts insurance losses from time to time incidental to the practice of his or her profession or an adjuster of marine losses is not deemed to be an "adjuster" for the purpose of this chapter. A salaried employee of an insurer or of a managing general agent is not deemed to be an "adjuster" for the purpose of this chapter, except when acting as a crop adjuster." It would mean all entities identifying facts to be used to provide a fair and equitable settlement of a claim would be excluded unless they carry the state insurance adjuster license. This would seem to mean any experts such as appraisers of property, private investigators, fire investigators, engineering and other experts would be required to complete six months of internship under a licensed adjuster in order to take the state test and fulfill the rest of the requirements to obtain a license. As was testified to in the first stakeholder meeting, adjusters may know little to nothing about the subject property they are negotiating settlement on and subsequently seek out experts to provide factual information to be interpreted against the terms in the insurance policy in order to affect a claim settlement. This practice is and has been for many years a normal part of business in the insurance industry. RCW 48.17.010 appears to provide for experts with the sentence "on behalf solely of either the insurer or the insured." This would indicate that investigation and reporting available to both parties of a claim would not require a license under the state law. RCW 48.17.010(1)(a) further defines "Independent adjuster" means an adjuster representing the interests of the insurer. RCW 48.17.010(1)(b) "Public adjuster" means an adjuster employed by and

representing solely the financial interest of the insured named in the policy.” Neither of those imply a license requirement for persons or entities identifying facts or providing opinions to be available to both parties. In essence, the experts are not advocating for or against either party, they are only providing evidence. Indeed, appraisers belonging to professional societies and adhering to the ethics codes as part of membership in those organizations cannot advocate for any party.

Finally, all insurance property and casualty insurance contracts provide provision for an appraisal process to resolve disputes on claims. Under the interpretation I take from the proposed rule, all the language in all those contracts would have to be changed to include only appraisers who carry a state adjuster license. The issue with that is obvious. It would preclude for the most part a consumer’s right to a fair and equitable settlement of a claim simply by limiting the pool of experts available to fulfill the appraisal process. I am positive that was not the legislature’s intention when the original law was put in place.

In summary, the language in RCW 48.17.010 only requires licensing of those entities retained to act as agents for insurance companies or claimants to negotiate the settlement of claims. It has no provision requiring that every entity who provides factual or opinion evidence available to both entities have an adjuster license. The effect of these changes would reduce the ability of insurance companies and claimants to identify pertinent information necessary for fair and equitable settlement of claims. Furthermore, it would change existing language to the appraisal process required in current policies by requiring wholesale changes to languages and limiting access to appraisers that only have the state adjuster license.

Thank you for your time, effort and consideration.

Regards,

A handwritten signature in black ink that reads "John C. Craughan, CSA". The signature is written in a cursive style.

John C. Craughan, CSA
Equipment Consulting Services, Inc.
32009 162nd Ave. SE
Auburn, WA. 98092
Cell Phone 253 350-0692