

*Approved by the NCOIL Property-Casualty Insurance and Executive Committees on July 12, 2009.
Sponsored by Sen. James Seward (NY) and Rep. Charles Curtiss (TN)*

[Date]

[This letter goes to state insurance committee chairs in Arizona, Delaware, Georgia, Hawaii, Maine, Mississippi, Nevada, New York, North Carolina, Oregon, Texas, Vermont, Washington, and West Virginia.]

Dear *[insert Committee Chair]*:

As leaders of the National Conference of Insurance Legislators (NCOIL), we write to encourage your introduction of legislative reforms that would forestall federal Risk Management Agency (RMA) preemption of *[insert state]* standards for crop loss adjusters. We learned recently from the RMA that your state must revise its licensing policies effective July 1, 2011.

The RMA has amended its Standard Reinsurance Agreement (SRA) with multi-peril crop insurers to now require that loss adjusters for these companies pass a licensing test dedicated primarily to the crop insurance program. *Your state is one of 14 in the nation in which legislative action is critical and which either has no licensing requirement or requires multi-peril crop adjusters to pass a general property-casualty exam.*

Revising the *[insert state]* system will increase adjuster proficiency. General p-c exams include few questions related to the complex crop insurance program but many questions regarding auto insurance, for instance, about which a crop adjuster would have little need. Unfortunately, this more general approach—not to mention a complete absence of any crop licensing requirement—can lead to confusion, fraud, and inadequate reimbursement to growers.

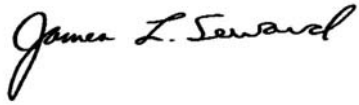
Adjuster licensing is one area of the vast, federally regulated crop insurance program around which states do have control. A state has several options when amending its law to maintain authority and modernize the licensing system, including:

- accept the results of a third-party proficiency exam approved by the RMA
- accept the results of such a third-party exam but add questions that are tailored to the state's unique circumstances

It is particularly critical in today's sophisticated agricultural markets that loss adjusters demonstrate strong understanding of the crop insurance program. We encourage you to contact your state insurance department to discuss how *[insert state]* can move forward on this important issue.

Should you have any questions, please contact staff in the NCOIL National Office at 518-687-0178.

Sincerely,



Sen. James Seward (NY)
NCOIL President



Rep. Charles Curtiss (TN)
NCOIL Property-Casualty Insurance Committee Chair

cc: *[insert appropriate state insurance regulator]*