

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Bulletin 2010-05-INS

In the matter of

Insurance Crop Adjuster Licensing

**Issued and entered
this 12th day of February 2010
By Ken Ross
Commissioner**

The Commissioner has received questions from the crop adjusting industry regarding the applicability of the current licensing examination content for applicants involved solely in crop adjusting activities. An earlier bulletin issued by the Commissioner (Bulletin 2008-01-INS) allows adjuster applicants to receive a limited qualification for Multi Peril Crop Insurance by successfully completing the training and testing requirements established by the Federal Crop Insurance Corporation (FCIC). The present bulletin allows adjuster applicants to also receive a limited qualification for Crop Loss by successfully completing the training and testing requirements established by the FCIC.

The FCIC is a government corporation within the United States Department of Agriculture (USDA) authorized to carry out programs of the Federal Crop Insurance Act. The Risk Management Agency (RMA) operates and manages the FCIC. Each year, the FCIC publishes a Standard Reinsurance Agreement (SRA). The SRA establishes terms and conditions under which the FCIC provides subsidies and reinsurance on eligible crop insurance contracts sold or reinsured by the insurance company named on the agreement. Amendment 2 of the 2010 SRA indicates that all loss adjusters adjusting eligible crop insurance contracts must be certified by FCIC before they can conduct any loss adjustment.

Appendix IV of the SRA for 2010 and subsequent years requires that before a company may permit persons to adjust or sign any claim for any eligible crop insurance contract, the individual must participate in a structured training program. New loss adjusters require at least 60 hours experience pertaining to all items listed in paragraph C (1) of Appendix IV (including at least 24 hours of classroom training). Experienced loss adjusters must annually complete at least 18 hours of structured training (including at least 6 hours of classroom training) on relevant specified topics. Further, all loss adjusters must pass a basic competency test as outlined and approved by the FCIC to obtain certification, and every three years thereafter to maintain certification.

Section 1222 of the Michigan Insurance Code of 1956 (Code), MCL 500.1222, requires any person who adjusts loss or damage under a policy of insurance in Michigan to be licensed with the Commissioner as an adjuster. The only exceptions to this requirement are for lawyers admitted to the practice of law in this state, licensed agents adjusting loss or damage under a policy within their control, employees of an insurer or a manager of an insurer authorized to transact insurance in this state adjusting loss or damage under a policy written by the insurer, or marine average adjusters.


The Commissioner may require each applicant for an insurance adjuster license to successfully complete a written examination (MCL 500.1224). Currently, the Commissioner requires all applicants for an insurance adjuster's license to take a state-administrated licensing examination that tests their general insurance knowledge with the exception of adjusters exempted in Bulletin 2008-01-INS, and Section 1222 of the Code.

Because the RMA, by the 2012 reinsurance year, is requiring certification of crop loss adjusters by the FCIC, and certification is obtained by completing a proficiency education and testing program developed, approved, and implemented under procedures issued by the FCIC, effective as of the date of this bulletin the Commissioner will begin issuing a limited adjuster license which covers both Crop and Multi Peril qualifications. Given the requirements for training and testing the FCIC imposes for crop adjuster certification, the Commissioner will not require any adjuster applicant for a crop qualification license, who already has a current FCIC certification, to take the state-administered licensing examination.

An applicant for an adjuster license with only a Crop – Multi Peril qualification will be required to provide the name and NAIC number of the Company for which the applicant will adjust Crop losses.

Any questions regarding this bulletin should be directed to:

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Ken Ross
Commissioner