

FEBRUARY, 2005

WEST VIRGINIA INFORMATIONAL LETTER

NO. 151

**TO: ALL INSURERS LICENSED TO TRANSACT THE BUSINESS OF INSURANCE
IN THE STATE OF WEST VIRGINIA, AND OTHER INTERESTED PERSONS**

**RE: INTERPRETATION OF EXCEPTION TO LICENSURE REQUIREMENT FOR
ADJUSTERS UNDER 114-25-3.2 OF THE WEST VIRGINIA CODE OF STATE
RULES**

This Informational Letter relates to a provision in Series 25, Title 114 of the West Virginia Code of State Rules. This rule series establishes standards for licensing and regulation of adjusters. Section three of the rule states that no person may act as or hold himself or herself out to be an adjuster unless properly licensed by the Insurance Commissioner. Section three further sets forth a list of persons who, when performing the activities described therein, will not be considered to be acting as an adjuster so as to require licensure by the Commissioner. One of the exceptions to the licensure requirement is a person located in a central office of the insurer outside of West Virginia who adjusts claims by telephone only and does not enter the state in the course of adjusting such claims.

It is the interpretation of this office that the reference in this rule to “adjustment of claims by telephone only” is meant to also include claims adjusting activities that are undertaken by facsimile, e-mail, regular or overnight mail, or other form of communication in addition to telephone use. It is likely that some of these communication methods were not specifically mentioned when Series 25 was promulgated because of their more recent emergence as common forms of business communication. The rule should be interpreted to include new forms of communication that are equivalent to telephonic communication as they develop. In addition, the primary focus of this exception to the licensure requirement is that the adjuster works in a central office of the insurer outside the state and never enters the state in the course of adjusting the claim. The form of communication used by the adjuster is secondary.

The Insurance Commissioner’s office would not impose different licensure requirements on an adjuster who is located in a central office of an insurer outside the state who adjusts claims by telephone and e-mail or another form of communication than it would impose upon the same adjuster who adjusts claims by telephone only, as long as neither enters the state in the course of adjusting the claims.

Please direct any questions relating to this Informational Letter to Jane Strother, Director of Agents Licensing, at (304) 558-0610, ext. 112.

ss://Jane L. Cline _____
Jane L. Cline
Insurance Commissioner