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## HOUSE BILL NO. 437

House Amendments in [ ] - February 3, 2026

**A BILL to amend and reenact §§ 38.2-1845.1, 38.2-1845.10, 38.2-1845.11, 38.2-1845.12, 38.2-1845.13, 38.2-1845.14, 38.2-1845.16, 38.2-1845.18, 38.2-1845.20, 38.2-1845.21, and 38.2-1845.23 of the Code of Virginia and to amend the Code of Virginia by adding in Article 4.1 of Chapter 18 of Title 38.2 a section numbered 38.2-1845.24, relating to insurance; standards of conduct for licensed public adjusters; unauthorized practice of public adjusting.**

Patron Prior to Engrossment—Delegate LeVere Bolling

Referred to Committee on Labor and Commerce

**Be it enacted by the General Assembly of Virginia:**

1. That §§ 38.2-1845.1, 38.2-1845.10, 38.2-1845.11, 38.2-1845.12, 38.2-1845.13, 38.2-1845.14, 38.2-1845.16, 38.2-1845.18, 38.2-1845.20, 38.2-1845.21, and 38.2-1845.23 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 4.1 of Chapter 18 of Title 38.2 a section numbered 38.2-1845.24 as follows:

## § 38.2-1845.1. Definitions.

As used in this article, unless the context requires a different meaning:

"Catastrophic disaster" means an event where the President of the United States or the Governor of the Commonwealth has declared a state of emergency.

"Home state" means the District of Columbia and any state or territory of the United States, except Virginia, or any province of Canada, in which a public adjuster maintains such person's principal place of residence or principal place of business and is licensed by that jurisdiction to act as a resident public adjuster.

"License" means a ~~document~~ an authorization issued by the Commission authorizing an individual or business entity by the Commission to act as a public adjuster. The license itself does not create any authority, actual, apparent, or inherent, in the licensee to represent, commit, or bind an insurer.

"Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract or public adjusting concerning any of the substantive benefits, terms, or conditions of the contract acting solely in relation to a first party claim arising under an insurance contract insuring real or personal property on behalf of a policyholder, including by investigating, evaluating, providing advice, preparing a claim, or advocating on behalf of or assisting the policyholder, in the settlement of a claim for loss or damage covered by an insurance contract.

*"Policyholder" means a person who has contracted with a property and casualty insurer for insurance coverage or is a named insured.*

"Proof of compliance" means all documents, forms, and fees specified by the Commission for filing proof of completion of Commission-approved continuing education courses for the appropriate number of hours and for the appropriate content.

"Public adjuster" means an individual or business entity who receives, either directly or indirectly, a salary, fee, commission, or other compensation for engaging in public adjusting services.

"Public adjusting" means soliciting, investigating, negotiating, adjusting, or providing advice to ~~an insured a policyholder~~ in relation to first party claims arising under insurance contracts that insure the real or personal property of ~~an insured a policyholder~~ for the purpose of effecting the settlement of a claim on behalf of the ~~insured policyholder~~. Public adjusting includes advertising or representing oneself as a public adjuster; however, public adjusting does not include acting in any manner in relation to liability claims for personal injury or property damage, other third-party claims, or uninsured or underinsured bodily injury liability *motor vehicle* claims. A licensed insurance agent who only provides advice to ~~an insured a policyholder~~ in relation to first party claims arising under insurance contracts sold, solicited, or negotiated by the agent that insure the real or personal property of ~~an insured a policyholder~~ shall not be deemed to be engaged in public adjusting.

*"Public adjusting services"* means performing any act of public adjusting.

"Received by the Commission" means delivered into the possession of the Commission or its administrator at the business address of the Commission's administrator.

"Soliciting" means attempting to persuade or asking or urging ~~an insured~~ a policyholder to enter into a public adjusting contract by describing the terms of the contract, including any fees or commissions, and offering to negotiate a claim of loss on behalf of the ~~insured~~ policyholder or initiating contact with any person, whether in person, by mail, by telephone, or otherwise, and seeking, causing, urging, advising, or attempting to have any person enter into any contract for public adjusting services. "Soliciting" does not include simply recommending a public adjuster to a person.

*"Unauthorized practice of public adjusting"* means providing public adjusting services without a license.

59 as required in §§ 38.2-1845.2 and 38.2-1845.5.

60 "Vulnerable adult" means any person 18 years of age or older who is impaired by reason of mental  
61 illness, intellectual or developmental disability, physical illness or disability, or other causes, including age,  
62 to the extent the adult lacks sufficient understanding or capacity to make, communicate, or carry out  
63 reasonable decisions concerning their well-being or has one or more limitations that substantially impair the  
64 adult's ability to independently provide for their daily needs or safeguard their person, property, or legal  
65 interests.

66 **§ 38.2-1845.10. Grounds for placing on probation, refusal to issue or renew, revocation, or  
67 suspension of license.**

68 The Commission may, in addition to or in lieu of a penalty imposed under § 38.2-218, place on probation,  
69 suspend, revoke, or refuse to issue or renew any person's license for any one or more of the following causes:

70 1. Providing materially incorrect, misleading, incomplete, or untrue information in the license application  
71 or any other document filed with the Commission;

72 2. Violating any insurance laws or violating any regulation, subpoena, or order of the Commission or of  
73 another state's an insurance regulatory authority of another state, district, or territory;

74 3. Aiding or abetting any person in violating any insurance law or violating any regulation, subpoena, or  
75 order of the Commission or of an insurance regulatory authority of another state, district, or territory;

76 4. Obtaining or attempting to obtain a license through misrepresentation or fraud;

77 4. 5. Improperly withholding, misappropriating, or converting any moneys or properties received in the  
78 course of doing business as a while providing public adjuster adjusting services;

79 6. Financially exploiting a vulnerable adult;

80 5. 7. Having been convicted of a felony, a crime of moral turpitude, or any criminal offense involving  
81 dishonesty or a breach of trust;

82 6. 8. Having admitted to or been found to have committed any insurance unfair trade practice, as set forth  
83 in Chapter 5 (§ 38.2-500 et seq.), or fraud, or having received anything of value as a result of an unfair or  
84 deceptive practice or fraud;

85 7. 9. Using fraudulent, coercive, or dishonest practices or demonstrating incompetence or  
86 untrustworthiness in the conduct of business in the Commonwealth or elsewhere, or demonstrating financial  
87 irresponsibility in the handling of policyholder, agency, or insurance company funds;

88 8. 10. Having public adjuster license, or its equivalent, denied, suspended, or revoked in any other state,  
89 province, district, or territory;

90 9. 11. Intentionally misrepresenting the terms of an insurance contract;

91 10. 12. Knowingly accepting public adjusting business services from an individual who unlawfully  
92 solicited business and who is not licensed but who is required to be licensed under this article;

93 13. Engaging in the unauthorized practice of public adjusting;

94 14. 14. Paying or sharing a commission, fee, or other valuable consideration to a person who is required to  
95 be licensed under this article and is not so licensed;

96 15. Forging another's name to any document related to an insurance transaction;

97 16. 16. Improperly using notes or any other reference material to complete an examination for a public  
98 adjuster license;

99 17. Failing to comply with an administrative or court order imposing a child support obligation;

100 18. Failing to pay Virginia income tax or comply with any administrative or court order directing  
101 payment of state income tax; or

102 19. Failing to report to the Commission as required by § 38.2-1845.17.

103 **§ 38.2-1845.11. Termination, suspension, or revocation of license.**

104 A. A license issued to an individual public adjuster shall authorize him to act as a public adjuster until his  
105 license is otherwise terminated, suspended, or revoked.

106 B. A license issued to a business entity shall authorize such business entity to act as a public adjuster until  
107 such license is otherwise terminated, suspended, or revoked. The dissolution or discontinuance of a  
108 partnership, whether by intent or by operation of law, shall automatically terminate the public adjuster license  
109 issued to such partnership. The Bureau shall automatically terminate all public adjuster licenses within 90  
110 calendar days of receiving notification from the Clerk of the Commission that the certificate of organization  
111 or charter of a domestic limited liability company or corporation respectively, whether by intent or by  
112 operation of law, has been terminated or that the certificate of registration or certificate of authority of a  
113 foreign limited liability company or corporation, respectively, has been revoked.

114 C. Except as provided in subsection B of § 38.2-1845.5, the license authority of any licensed resident  
115 public adjuster shall terminate immediately when such public adjuster has moved his residence from the  
116 Commonwealth, whether or not the Commission has been notified of such move.

117 D. The license authority of any business entity licensed as a public adjuster shall terminate immediately if  
118 the sole licensed responsible public adjuster designated pursuant to subdivision F 3 of § 38.2-1845.2 or  
119 subdivision E of 38.2-1845.5 for the business entity's compliance with the insurance laws, rules, and  
120 regulations of the Commonwealth is removed for any reason and a new responsible public adjuster has not

121 been designated and the Commission notified within 30 calendar days of such removal and of the newly  
 122 designated responsible public adjuster.

123 E. The Commission shall not revoke or suspend an existing license until the licensee is given an  
 124 opportunity to be heard before the Commission. If the Commission proposes to revoke or suspend an existing  
 125 license, it shall give the licensee at least 10 calendar days' notice in writing of the time and place of the  
 126 hearing, if a hearing is requested. The notice shall contain a statement of the objections to the issuance of the  
 127 license or the reason for its proposed revocation or suspension, as the case may be. The notice may be given  
 128 to the licensee by registered or certified mail, sent to the last known address of record or the last known  
 129 business address if the address of record is incorrect, or in any other lawful manner, the Commission  
 130 prescribes. The Commission may summon witnesses to testify with respect to the licensee, and the licensee  
 131 may introduce evidence in the licensee's behalf. No licensee whose license is revoked shall again apply for a  
 132 license until after the expiration of a period of five years from the date of the Commission's order or such  
 133 other period as the Commission prescribes in its order.

134 F. The license of a business entity may be suspended or revoked if the Commission finds, after notice and  
 135 an opportunity to be heard, that a violation by an individual licensee acting at the direction of, on behalf of, or  
 136 with the permission of the business entity was known to be a violation by one or more of the partners,  
 137 officers, or managers acting on behalf of the business entity or if it can be demonstrated to the satisfaction of  
 138 the Commission that responsibility for such violation by the individual can reasonably be imputed to one or  
 139 more of the partners, officers, or managers acting on behalf of the business entity, and neither was the  
 140 violation reported to the Commission nor corrective action taken.

141 G. In addition to or in lieu of any applicable denial, suspension, or revocation of a license, a person may,  
 142 after notice and an opportunity to be heard, be subject to a penalty pursuant to § 38.2-218.

143 H. The Commission shall retain the authority to enforce the provisions of and impose any penalty or  
 144 remedy authorized by this title against any person who is under investigation for or charged with a violation  
 145 of this title, even if the person's license or registration has been surrendered, terminated, suspended, revoked,  
 146 or has lapsed by operation of law.

147 **§ 38.2-1845.12. Standards of conduct for public adjusters.**

148 A. A public adjuster shall be fair and honest in any and all respects in any communications with an  
 149 ~~insured~~ a policyholder and with an insurer or its representatives.

150 B. No person except a public adjuster duly licensed under this article shall:

- 151 1. Accept a commission, fee, or other compensation for investigating or settling claims;
- 152 2. Prepare, complete, or file an insurance claim on behalf of an ~~insured~~ a policyholder;

153 3. Aid or act on behalf of an ~~insured~~ a policyholder in negotiating for or effecting the settlement of a  
 154 claim for loss or damage covered by an insurance contract;

155 4. Advertise for employment as a public adjuster; or

156 5. Solicit, investigate, or adjust a claim on behalf of a public adjuster or an ~~insured~~ a policyholder.

157 C. No public adjuster shall have a financial interest in any aspect of an ~~insured~~ a policyholder's claim  
 158 other than the salary, fee, commission, or compensation that may be established in the written contract  
 159 between the ~~insured~~ policyholder and the public adjuster. For the purposes of this subsection, "financial  
 160 interest" includes participation by a public adjuster, directly or indirectly, in the reconstruction, repair, or  
 161 restoration of damaged property that is the subject of a claim adjusted by that public adjuster.

162 D. No public adjuster shall refer:

163 1. Refer or direct an ~~insured~~ a policyholder needing repairs or other services in connection with a loss to  
 164 any person in which the public adjuster has an ownership interest nor to any person who will or is reasonably  
 165 anticipated to provide the public adjuster with any direct or indirect compensation for the referral of any  
 166 resulting business; or

167 2. Adjust a claim in which the policyholder has assigned duties, rights, or benefits contrary to § 38.2-2131  
 168 to a contractor or other vendor.

169 E. No public adjuster shall prevent or attempt to dissuade an ~~insured~~ a policyholder from communicating  
 170 with an insurer, the insurer's adjuster, an independent adjuster representing the insurer, an attorney, or any  
 171 other person regarding the settlement of the ~~insured~~ policyholder's claim.

172 F. The public adjuster's full consideration for the public adjuster's services shall be stated in the written  
 173 contract with the ~~insured~~ policyholder. If the consideration is based on a share of the insurance proceeds, the  
 174 exact percentage shall be specified.

175 G. Any choice of counsel to represent the ~~insured~~ policyholder shall be made solely by the ~~insured~~  
 176 policyholder.

177 H. No public adjuster shall settle a claim unless the terms and conditions of the settlement are approved  
 178 by the ~~insured~~ policyholder in writing.

179 I. No public adjuster shall acquire any interest in salvage property except with the express written  
 180 permission of the ~~insured~~ policyholder after settlement with the insurer.

181 J. No public adjuster shall permit an unlicensed employee or representative of the public adjuster to  
 182 conduct business for which a license is required under this article.

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183       K. No public adjuster shall represent or act as a company adjuster or independent adjuster on the same  
184       claim.

185       L. No public adjuster shall enter into a contract or accept a power of attorney that vests in the public  
186       adjuster the effective authority to choose the persons who shall perform repair work.

187       M. No public adjuster shall solicit or attempt to solicit a client during the progress of a loss producing  
188       occurrence as covered by the insurance contract.

189       N. No public adjuster shall solicit a client for employment from 8:00 p.m. to 8:00 a.m. daily.

190       O. A public adjuster shall notify, in writing, the ~~insured~~ policyholder or claimant in advance of the name  
191       and location of any proposed contractor, architect, engineer, or similar professional before any bid or  
192       proposal by any of these persons may be used by the public adjuster in estimating the loss. The ~~insured~~  
193       policyholder or claimant may exercise veto power of any of these persons, in which case that person shall not  
194       be used in estimating costs.

195       P. A public adjuster shall ensure that any professional used in formulating estimates, the practice of whose  
196       profession in the Commonwealth requires a license issued pursuant to Title 54.1, including any architect or  
197       engineer as defined in § 54.1-400 and any contractor as defined in § 54.1-1100, holds a current license from  
198       the appropriate licensing authority of the Commonwealth.

199       Q. No person shall advertise or promise to pay or rebate all or any portion of any insurance deductible as  
200       an inducement to the sale of the services of a public adjuster. As used in this subsection, the term "promise to  
201       pay or rebate" includes (i) granting any allowance or offering any discount against the fees to be charged,  
202       including, but not limited to, an allowance or discount in return for displaying a sign or other advertisement at  
203       the ~~insured's~~ policyholder's premises or (ii) paying the ~~insured~~ policyholder or any person directly or  
204       indirectly associated with the property any form of compensation, gift, prize, bonus, coupon, credit, referral  
205       fee, or other item of monetary value for any reason.

206       R. No public adjuster shall engage in any activity that may reasonably be construed as a conflict of  
207       interest, including soliciting or accepting any remuneration of any kind or nature, directly or indirectly,  
208       except as set forth in a public adjusting contract with ~~an~~ ~~insured~~ a policyholder.

209       S. No public adjuster shall pay or receive, directly or indirectly, any kickback, rebate, commission, thing  
210       of value, or other payment pursuant to any agreement or understanding, oral or otherwise, incident to a  
211       public adjusting contract. For the purposes of this section, "thing of value" means any payment, advance,  
212       funds, loan, service, or other consideration.

213       T. No public adjuster may act as an appraiser or umpire pursuant to the appraisal provisions of an  
214       insurance policy if that public adjuster or the public adjusters' firm is adjusting or has adjusted all or any  
215       part of the claim on property subject to that appraisal provision.

216       U. No public adjuster shall advise a policyholder to accept a settlement when the settlement would be  
217       disadvantageous to the policyholder or when repairs are not fully completed.

218       **§ 38.2-1845.13. Contract between public adjuster and policyholder.**

219       A. Public adjusters shall ensure that all contracts for their services are in writing and contain the following  
220       terms:

221       1. Legible full name of the public adjuster signing the contract, as specified in the records of the  
222       Commission;

223       2. Public adjuster's permanent home state business address and phone number;

224       3. Public adjuster's license number, as specified in the records of the Commission;

225       4. Title "Public Adjuster Contract";

226       5. The ~~insured's~~ policyholder's full name and street address and the insurance company's name and policy  
227       number;

228       6. A description of the loss and a description of the location of the loss, if applicable;

229       7. A description of services to be provided to the ~~insured~~ policyholder by the public adjuster and all terms  
230       and conditions of the engagement;

231       8. Signatures of the public adjuster and the ~~insured~~ policyholder;

232       9. The date the contract was signed by the public adjuster and the date the contract was signed by the  
233       ~~insured~~ policyholder;

234       10. Attestation language stating that the public adjuster is fully bonded pursuant to state law;

235       11. The full salary, fee, commission, compensation, or other consideration the public adjuster is to receive  
236       for services, subject to the provisions of § 38.2-1845.14; and

237       12. The right to rescind the contract within three business days after the contract has been signed by the  
238       ~~insured~~ policyholder or, in the event of a catastrophic disaster, the right to rescind the contract within five  
239       business days after the contract has been signed by the ~~insured~~ policyholder. Such rescission shall be in  
240       writing and mailed or delivered to the public adjuster at the address shown in the contract. Within 15 business  
241       days following receipt of the notice to rescind, the public adjuster shall return to the ~~insured~~ policyholder  
242       anything of value given by the ~~insured~~ policyholder under the contract.

243       B. The public adjuster shall provide a separate disclosure document to the ~~insured~~ policyholder stating (i)  
244       the ~~insured~~ policyholder is not required to hire a public adjuster but has the right to do so; (ii) the public

245 adjuster is not an employee or representative of the insurer; (iii) the salary, fee, commission, or other  
 246 consideration is the obligation of the ~~insured~~ *policyholder*, not the insurer; (iv) property insurance policies  
 247 obligate the ~~insured~~ *policyholder* to present a claim to the insurer for consideration; (v) the ~~insured~~  
 248 *policyholder* has the right to initiate direct communications with the ~~insured's~~ *policyholder's* attorney, the  
 249 insurer, the insurer's adjuster, the insurer's attorney, and any other person regarding the settlement of the  
 250 ~~insured's~~ *policyholder's* claim; and (vi) the ~~insured~~ *policyholder* may contact the Commission for the  
 251 licensing status of the public adjuster.

252 C. A public adjuster shall provide the insurer with a notification letter, which has been signed by the  
 253 ~~insured~~ *policyholder*, authorizing the public adjuster to represent the ~~insured's~~ *policyholder's* interest.

254 D. No public adjuster shall enter into a contract that prevents ~~an insured~~ *a policyholder* from pursuing any  
 255 civil remedy after the revocation or cancellation period set forth in subdivision A 12.

256 E. Any contract for public adjusting services that is entered into by ~~an insured~~ *a policyholder* with a  
 257 person who is in violation of § 38.2-1845.2 may be voided at the option of the ~~insured~~ *policyholder*.

258 **§ 38.2-1845.14. Fees.**

259 A. No public adjuster shall require, demand, or accept any fee, retainer, compensation, deposit, or thing of  
 260 value prior to the settlement of a claim.

261 B. Except as provided in subsection C, no public adjuster shall charge, agree to, or accept as  
 262 compensation or reimbursement any payment, commission, fee, or other thing of value that is not fair and  
 263 reasonable in relation to the work performed. Any such commission, fee, or other thing of value shall include  
 264 any expenses incurred by the public adjuster in the estimating and settlement of any claim.

265 C. In the event of a catastrophic disaster, no public adjuster shall charge, agree to, or accept as  
 266 compensation or reimbursement any payment, commission, fee, or other thing of value equal to more than 10  
 267 percent of any insurance settlement proceeds. Any such commission, fee, or other thing of value shall include  
 268 any expenses incurred by the public adjuster as part of the estimating and settlement of any claim.

269 D. No public adjuster shall charge a fee, commission, or other valuable consideration based, in whole or  
 270 in part, on an amount paid to the ~~insured~~ *policyholder* by the insurer prior to the date of the written contract  
 271 between the ~~insured~~ *policyholder* and the public adjuster.

272 E. A public adjuster's contract may not contain a provision that allows the public adjuster's percentage fee  
 273 to be collected when money is due from an insurer, but not paid, or that allows a public adjuster to collect the  
 274 entire fee from the first check issued by an insurer, rather than as a percentage of each check issued by an  
 275 insurer.

276 F. A public adjuster's contract may not contain a provision that requires the ~~insured~~ *policyholder* to  
 277 authorize an insurer to issue a check only in the name of the public adjuster.

278 G. A public adjuster's contract may not contain a provision that imposes collection costs or late fees.

279 H. The public adjuster's contract may specify that the public adjuster shall be named as a copayee on an  
 280 insurer's payment of a claim, provided that (i) if the compensation is based on a share of the insurance  
 281 settlement, the exact percentage shall be specified and (ii) initial expenses to be reimbursed to the public  
 282 adjuster from the proceeds of the claim payment shall be specified by type, with dollar estimates set forth in  
 283 the contract and with any additional expenses first approved by the ~~insured~~ *policyholder*.

284 I. If the insurer, not later than 72 hours after the date on which the loss is reported to the insurer, either  
 285 pays or commits in writing to pay to the ~~insured~~ *policyholder* the policy limit of the insurance policy, the  
 286 public adjuster shall (i) not receive a commission consisting of a percentage of the total amount paid by an  
 287 insurer to resolve a claim, (ii) inform the ~~insured~~ *policyholder* that the loss recovery amount represents the  
 288 maximum amount recoverable under the policy, and (iii) be entitled only to reasonable compensation from  
 289 the ~~insured~~ *policyholder* for services provided by the public adjuster on behalf of the ~~insured~~ *policyholder*,  
 290 based on the time spent on a claim and expenses incurred by the public adjuster.

291 **§ 38.2-1845.16. Escrow or trust accounts.**

292 A. All funds received by, accepted by, or held by a public adjuster on behalf of ~~an insured~~ *a policyholder*  
 293 toward the settlement of a claim shall be handled in a fiduciary capacity and submitted for collection to or  
 294 deposited in a separate noninterest-bearing fiduciary trust account or accounts in a financial institution  
 295 licensed to do business in the Commonwealth no later than the close of the second business day from the  
 296 receipt or acceptance of such funds. Such funds shall be held separately from any personal or nonbusiness  
 297 funds, shall not be commingled or combined with other funds, and shall be reasonably ascertainable from the  
 298 books of accounts and records of the public adjuster. The public adjuster shall maintain an accurate record  
 299 and itemization of the funds deposited into this account. Any such funds held by such public adjuster shall be  
 300 disbursed within 30 calendar days of any invoice received by such public adjuster upon approval of the  
 301 ~~insured~~ *policyholder* or claimant that the work has been satisfactorily completed.

302 B. *The Commission may inform the attorney for the Commonwealth of the appropriate county or  
 303 independent city if the Commission's investigation reveals that a person has misappropriated or diverted  
 304 funds held in a fiduciary capacity.*

305 **§ 38.2-1845.18. Information security program.**

306 A. Each public adjuster shall implement a comprehensive written information security program that

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307 includes administrative, technical, and physical safeguards for the protection of policyholder information.  
308 The administrative, technical, and physical safeguards included in the information security program shall be  
309 appropriate to the size and complexity of the public adjuster's business and the nature and scope of its  
310 activities.

311 B. The information security program shall be ~~designed to:~~

- 312 1. ~~Ensure the security and confidentiality of policyholder information;~~
- 313 2. ~~Protect against any anticipated threats or hazards to the security or integrity of the information; and~~
- 314 3. ~~Protect against unauthorized access to or use of the information that could result in substantial harm or~~
- 315 ~~inconvenience to any policyholder; comply with Article 2 (§§ 38.2-621 et seq.) of Chapter 6.~~

316 **§ 38.2-1845.20. Immunities; confidentiality.**

317 A. Any documents, materials, or other information in the control or possession of the Commission that is  
318 furnished by an insurer, agent, or public adjuster or by an employee thereof acting on behalf of the insurer,  
319 agent, or public adjuster or obtained by the Commission in an investigation pursuant to this article shall be  
320 confidential by law and privileged, shall not be subject to inspection or review by the general public, shall not  
321 be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil  
322 action. However, the Commission is authorized to use the documents, materials, or other information in the  
323 furtherance of any regulatory or legal action brought as a part of the Commission's duties.

324 B. Neither the Commission nor any person who received documents, materials, or other information while  
325 acting under the authority of the Commission shall be permitted or required to testify in any private civil  
326 action concerning any confidential documents, materials, or information subject to subsection A.

327 C. *Any person providing documents, materials, or other information to the Commission pursuant to*  
328 *subsection A without malice, fraud, or bad faith shall be immune from civil liability.*

329 D. In order to assist in the performance of the Commission's duties under this chapter, the Commission:

330 1. May share documents, material, or other information, including the confidential and privileged  
331 documents, materials, or information subject to subsection A, with other state, federal, and international  
332 regulatory agencies; the NAIC, its affiliates, or subsidiaries; and with local, state, federal, and international  
333 law-enforcement authorities, provided that the recipient agrees to maintain the confidentiality and privileged  
334 status of the document, material, or other information.

335 2. May receive documents, materials, or information, including otherwise confidential and privileged  
336 documents, materials, or information, from the NAIC, its affiliates, or subsidiaries and from regulatory and  
337 law-enforcement officials of other foreign or domestic jurisdictions and shall maintain as confidential or  
338 privileged any document, material, or information received with notice or the understanding that it is  
339 confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or  
340 information.

341 D. No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or  
342 information shall occur as a result of disclosure to the Commission under this section or as a result of sharing  
343 as authorized in subsection C D.

344 E. ~~Nothing in this chapter shall prohibit the F. The Commission from releasing may release final,~~  
345 adjudicated actions including for cause terminations that are open to public inspection pursuant to ~~Chapter 4~~  
346 (~~§ 12.1-18 et seq.~~) of ~~Title 12.1~~ § 12.1-19 to a database or other clearinghouse service maintained by the  
347 NAIC, its affiliates, or subsidiaries.

348 **§ 38.2-1845.21. Authority of Commission to delegate certain functions.**

349 In order to To assist in the performance of its duties, the Commission may contract with nongovernmental  
350 entities, including the NAIC, any affiliates, or subsidiaries that the NAIC oversees, to perform any ministerial  
351 functions, including licensing examination administration, the collection of fees related to public adjuster  
352 licensing, and such other functions as the Commission may deem appropriate.

353 **§ 38.2-1845.23. False information and advertising generally.**

354 A. No person shall knowingly make, publish, disseminate, circulate, or place before the public, or cause or  
355 knowingly allow, directly or indirectly, to be made, published, disseminated, circulated, or placed before the  
356 public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or  
357 poster, or over any radio or television station, or in any other way, an advertisement, announcement, or  
358 statement containing any assertion, representation, or statement relating to (i) the business of public adjusting  
359 or (ii) any person in the conduct of his business of public adjusting which is untrue, deceptive, or misleading.

360 B. *No person shall advertise their services as a public adjuster unless such person is licensed as a public*  
361 *adjuster or a public adjusting firm.*

362 C. *Any advertisement by a public adjuster shall include the full name and license number, as specified in*  
363 *Commission records, of the public adjuster who has caused the advertisement to appear. Where an entity*  
364 *containing multiple licensed public adjusters is causing the advertisement to appear, the full name and*  
365 *license number of the designated public adjuster, as specified in Commission records, shall appear in the*  
366 *advertisement.*

367 D. *If an unlicensed spokesperson is used as part of a written or electronic advertisement, such*  
368 *advertisement shall disclose that the person is a paid or unpaid spokesperson, is not licensed, and is*

369 endorsing the services of a public adjuster. The advertisement shall also disclose if a computer-generated  
 370 digital [ ~~image~~ avatar ] is used.

371 E. The licensed public adjuster whose name and [ Virginia ] license number appears in the advertisement  
 372 shall be responsible for personally reviewing the content of the advertisement and assuring that the  
 373 advertisement complies with this section and is in all regards fair, accurate, and in no way untruthful,  
 374 deceptive, or misleading.

375 F. An advertisement does not include:

376 1. Communications or materials used within a public adjuster's firm, not used as promotional aids, and  
 377 not disseminated to the public.

378 2. Communications with policyholders other than materials soliciting policyholders to enter, renew,  
 379 extend, or reinstate a contract for public adjusting services.

380 3. Material used solely for the recruitment, training, and education of a public adjuster's staff, provided it  
 381 is not also used to induce the public to enter, renew, extend, or reinstate a contract for public adjuster  
 382 services.

383 **§ 38.2-1845.24. Unauthorized practice of public adjusting.**

384 A. It is unlawful for any person to engage in public adjusting or to offer or advertise public adjusting  
 385 services in the Commonwealth unless the person is licensed by the Commission as a public adjuster.

386 B. It is unlawful for any person licensed as a public adjuster to knowingly aid or abet another person  
 387 engaged in the unauthorized practice of public adjusting in the Commonwealth.

388 C. No person shall negotiate or effectuate the settlement of a claim arising from a loss or damage covered  
 389 by an insurance contract with an individual engaged in the unauthorized practice of public adjusting.

390 D. No person may evade the public adjuster licensing requirements as defined in §§ 38.2-1845.2 and  
 391 38.2-1845.5 through the acquisition of a power of attorney from the policyholder or a beneficiary named or  
 392 similarly identified in an insurance policy.

393 E. This section shall not apply to:

394 1. Persons exempt pursuant to § 38.2-1845.3; or

395 2. Persons who perform administrative tasks that do not interpret, analyze, or explain insurance, an  
 396 insurance contract, or a public adjuster contract or cause, urge, or advise another person to enter into a  
 397 contract for public adjusting services.

ENGROSSED

HB437E