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**HOUSE BILL NO. 808**

House Amendments in [ ] - February 16, 2026

*A BILL to amend and reenact §§ 38.2-510 and 38.2-1845.12 of the Code of Virginia, relating to insurance; unfair claim settlement practices; modification of loss estimate.*

Patron Prior to Engrossment—Delegate Helmer

Referred to Committee on Labor and Commerce

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

**1. That §§ 38.2-510 and 38.2-1845.12 of the Code of Virginia are amended and reenacted as follows:**

**§ 38.2-510. Unfair claim settlement practices.**

A. No person shall commit or perform with such frequency as to indicate a general business practice any of the following:

- 1. Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;
- 2. Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;
- 3. Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;
- 4. Refusing arbitrarily and unreasonably to pay claims;
- 5. Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;
- 6. Not attempting in good faith to make prompt, fair and equitable settlements of claims in which liability has become reasonably clear;
- 7. Compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds;
- 8. Attempting to settle claims for less than the amount to which a reasonable man would have believed he was entitled by reference to written or printed advertising material accompanying or made part of an application;
- 9. Attempting to settle claims on the basis of an application that was altered without notice to, or knowledge or consent of, the insured;
- 10. Making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which payments are being made;
- 11. Making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;
- 12. Delaying the investigation or payment of claims by requiring an insured, a claimant, or the physician of either to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, when both contain substantially the same information;
- 13. Failing to promptly settle claims where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;
- 14. Failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement;
- 15. Failing to comply with § 38.2-3407.15, or to perform any provider contract provision required by that section;
- 16. Payment to an insurer or its representative by a repair facility, or acceptance by an insurer or its representative from a repair facility, directly or indirectly, of any kickback, rebate, commission, thing of value, or other consideration in connection with such person's appraisal service; ~~or~~
- 17. Making appraisals of the cost of repairing a motor vehicle that has been damaged as a result of a covered loss unless such appraisal is based upon a personal inspection by a representative of the repair facility or a representative of the insurer who is making the appraisal. Notwithstanding the requirement that an appraisal be based upon a personal inspection, the repair facility or the insurer making the appraisal may prepare an initial, which may be the final, repair appraisal on a motor vehicle that has been damaged as a result of a covered loss either from the representative's personal inspection of the motor vehicle or from photographs, videos, or electronically transmitted digital imagery of the motor vehicle; however, no insurer may require an owner of a motor vehicle to submit photographs, videos, or electronically transmitted digital imagery as a condition of an appraisal. Supplemental repair estimates that become necessary after the repair work has been initiated due to discovery of additional damage to the motor vehicle may also be made from

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59 photographs, videos, or electronically transmitted digital imagery of the motor vehicle, provided that in the  
60 case of disputed repairs a personal inspection is required; or

61 *18. Altering or amending an insurance adjuster's report [ when reducing a loss ] without (i) [ ~~providing a~~*  
62 *detailed explanation as to why any change that has the effect of reducing the loss estimate was made; (ii) ]*  
63 *including on the report or as an addendum to the report a detailed list of all changes made to the report and*  
64 *the identity of the person who ordered each change [ ~~and (iii) and (ii) ] retaining all versions of the report~~*  
65 *and including within each such version, for each change made within such version of the report, the identity*  
66 *of the person who made or ordered such change.*

67 B. No violation of this section shall of itself be deemed to create any cause of action in favor of any  
68 person other than the Commission; but nothing in this subsection shall impair the right of any person to seek  
69 redress at law or equity for any conduct for which action may be brought.

70 C. 1. No insurer shall prepare or use an estimate of the cost of automobile repairs based on the use of an  
71 after market part, as defined herein, unless:

72 The insurer discloses to the claimant in writing either on the estimate or in a separate document attached  
73 to the estimate the following information:

74 "THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF AUTOMOBILE PARTS NOT  
75 MADE BY THE ORIGINAL MANUFACTURER. PARTS USED IN THE REPAIR OF YOUR VEHICLE  
76 BY OTHER THAN THE ORIGINAL MANUFACTURER ARE REQUIRED TO BE AT LEAST EQUAL  
77 IN LIKE KIND AND QUALITY IN TERMS OF FIT, QUALITY AND PERFORMANCE TO THE  
78 ORIGINAL MANUFACTURER PARTS THEY ARE REPLACING."

79 2. "After market part" as used in this section shall mean an automobile part which is not made by the  
80 original equipment manufacturer and which is a sheet metal or plastic part generally constituting the exterior  
81 of a motor vehicle, including inner and outer panels.

82 **§ 38.2-1845.12. Standards of conduct for public adjusters.**

83 A. A public adjuster shall be fair and honest in any and all respects in any communications with an  
84 insured and with an insurer or its representatives.

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

86 1. Accept a commission, fee, or other compensation for investigating or settling claims;

87 2. Prepare, complete, or file an insurance claim on behalf of an insured;

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

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

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

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

97 D. No public adjuster shall refer or direct an insured needing repairs or other services in connection with a  
98 loss to any person in which the public adjuster has an ownership interest nor to any person who will or is  
99 reasonably anticipated to provide the public adjuster with any direct or indirect compensation for the referral  
100 of any resulting business.

101 E. No public adjuster shall prevent or attempt to dissuade an insured from communicating with an insurer,  
102 the insurer's adjuster, an independent adjuster representing the insurer, an attorney, or any other person  
103 regarding the settlement of the insured's claim.

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

107 G. Any choice of counsel to represent the insured shall be made solely by the insured.

108 H. No public adjuster shall settle a claim unless the terms and conditions of the settlement are approved  
109 by the insured in writing.

110 I. No public adjuster shall acquire any interest in salvage property except with the express written  
111 permission of the insured after settlement with the insurer.

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

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

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

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

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

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

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

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

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

139 S. *No public adjuster shall modify an initial estimate of loss unless the revised estimate of loss (i)*  
140 *indicates any estimate of loss that has been modified from any prior estimate of loss, (ii) provides a detailed*  
141 *explanation as to why each change was made, and (iii) includes the identity of the adjuster who is responsible*  
142 *for each change. Adjusters shall retain all versions of the estimate of loss as required by law.*