



**COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF INSURANCE  
FRANKFORT, KENTUCKY**

**ADVISORY OPINION  
2010-05**

**The following Advisory Opinion is to advise the reader of the current position of the Kentucky Department of Insurance (the “Department”) on the specified issue. The Advisory Opinion is not legally binding on either the Department or the reader.**

TO: All Persons Adjusting Crop Claims in Kentucky  
Prospective Crop Adjuster Licensees

FROM: Sharon P. Clark, Commissioner  
Kentucky Department of Insurance

DATE: June 28, 2010

RE: Examinations for Crop Adjusters

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Over the past several years, the Risk Management Agency (RMA), operating on behalf of the Federal Crop Insurance Corporation (FCIC), has been working closely with the National Association of Insurance Commissioners (NAIC) to encourage more consistency in crop loss adjuster licensing requirements. As a result of this cooperative effort, RMA has amended the Standard Reinsurance Agreement (SRA) between the FCIC and approved crop insurers to require certification of loss adjuster proficiency through independent testing. The testing program recognized by the RMA for crop loss adjusting is referred to as the Crop Adjuster Proficiency Program (CAPP) and is discussed in the Information Memorandum No. IS-09-003 issued by the United States Department of Agriculture (USDA). The memorandum may be accessed at <http://www.rma.usda.gov/bulletins/info/2009/is-09-003.pdf>. The amendment to the SRA

is referred to as Amendment No. 2 and may be found at <http://www.rma.usda.gov/pubs/ra/2010/amendment2.pdf>.

During the 2010 Kentucky General Assembly (Regular Session), the General Assembly enacted HB 233 which amended KRS 304.9-430, effective July 15, 2010, to define the process for applying for an independent, staff, or public adjuster. The new provisions of KRS 304.9-430(7) and (8) state that an independent, staff, or public adjuster may qualify for a license with a crop line of authority. KRS 304.9-430(2)(e) requires a prospective adjuster licensee to successfully pass the examination for the adjuster license and the applicable line of authority for which the individual has applied.

As a result of the initiatives undertaken by RMA, an individual seeking an adjuster license with a crop line of authority in Kentucky may qualify by (1) successfully passing the examination administered by the Kentucky Department of Insurance for the adjuster license and the crop line of authority or (2) showing proof of the Crop Adjuster Proficiency Program certification indicating the prospective adjuster has successfully passed the proficiency examination(s) approved by the RMA to adjust multi-peril crop claims.

The Department intends to issue future guidance regarding crop adjuster licensure examinations through an amendment to 806 KAR 9:070. Until further guidance is issued, questions regarding this Advisory Opinion and the process for applying for an adjuster license should be directed to the Agent Licensing Division, Phone: (502) 564-6004, Fax: (502) 564-6030, or e-mail: [doi.agentlicensingmail@ky.gov](mailto:doi.agentlicensingmail@ky.gov).

/s/ Sharon P. Clark

Sharon P. Clark, Commissioner  
Kentucky Department of Insurance

On this 29<sup>th</sup> day of June, 2010