



Proposal for Revision of Insurance Adjusters Licensing Requirements

The Insurance Adjusters Council of Manitoba (“Council”), in accordance Reg.227/91 s.7 (4) (b) “...may prescribe the educational and other standards that an applicant must satisfy and maintain to be eligible for the issue of a licence and to maintain a licence as..” an adjuster.

In 2015 a subcommittee of the Insurance Adjusters Council, (“the Committee”) comprised of Insurance Adjusters Council of Manitoba members and staff, was struck to review the licensing levels for insurance adjusters, conduct a comparative analysis of the requirements in other Canadian jurisdictions, and make recommendations for revision where appropriate to the Insurance Adjusters Council of Manitoba. Following review and consideration, the Committee made recommendations to the Council with respect to:

- licensing levels
- education/prerequisite/experience to meet and progress through the licensing levels
- elimination of the mandatory progression requirements
- the requirements with respect to supervision
- the requirements with respect to relicensing, and
- miscellaneous items which provide further clarity to the licensing requirements outlined in the Insurance Adjusters Licensing Rules.

The recommendations were subsequently accepted by the Insurance Adjusters Council of Manitoba and are outlined as follows:

Recommendations:

The Insurance Adjusters Council of Manitoba proposes that a three level licensing system would be appropriate, consistent with other western provinces and most Canadian jurisdictions. The licensing levels proposed are Level 1 – Assistant Adjuster, Level 2 – Adjuster, and Level 3 – Adjuster.

The education, experience and supervision requirements are proposed as follows:

Level 1 Assistant Adjuster

This level is intended to combine and replace the existing Level 1 and Level 2 Assistant Adjuster Level.

Requirements proposed for a licence are as follows:

Education/Experience:

- Council exam; and
- C11 Principles and Practices of Insurance; or General Insurance Essentials Part 1 and Part 2; or
- Council approved equivalency (as provided for in Section 11 of the Licensing Rules)
- No experience requirements would be imposed at this entry level.

It is proposed that there be one level only for an Assistant Adjuster, requiring appropriate education to meet the qualifications, and no requirement for mandatory progression.

At the entry level, Assistant Adjusters are not permitted to sign correspondence, and must have reports countersigned by a senior adjuster. This requirement exists in the current Licensing Rules, and is intended to continue in the proposed Licensing Rules. The existing Rules place the responsibility to ensure the requirements are met is placed solely on the Assistant Adjuster.

In order to ensure that both the Assistant Adjuster and the Senior Adjuster are aware of their obligations, the Council has developed an Insurance Adjuster Supervision Agreement that must be signed by the Assistant Adjuster, Supervising Adjuster, and Designated Representative.

Level 2 - Adjuster

This licence level is intended to combine elements of, and replace, Levels 3 and 4 in the current Licensing Rules.

Requirements proposed for a Level 2 licence are as follows:

Education/Qualifications/Experience:

- Holds or is eligible to hold a Level 1 Assistant Adjuster Licence
- Has completed any one of: Loss Adjustment and Claims Settlement (C15), Claims 1 (C17) or Essentials of Loss Adjusting (C10) and
- Has completed one of Insurance Against Liability Part I (C13), Automobile Insurance Part 1 (C14), Advanced Loss Adjusting (C111), or Practical Issues in Claims Management (C112) C13, C14, C111 or C112, or Council approved equivalencies, or
- Council approved equivalency (as provided in Section 11 of Licensing Rules)

The requirement for one of C17, C110 or C15 ensures that at least one course is a claims specific course.

The current Rules require that an adjuster have been employed as an adjuster in a general insurance company or an adjusting firm for not less than two years for a level 3 adjuster and not less than five years for a level 4 adjuster. There is no specification that these time frames must be continuous, and no requirement that an adjuster be exposed to the products offered by multi-line companies.

The Council proposes that the new Level 2 must have been employed as an adjuster in an adjusting firm or **multi-line** general insurance company for minimum of two **full and continuous** years prior to application.

The new Level 2 may sign their own reports and correspondence, and may supervise Level 1 Assistant Adjusters.

Level 3 - Adjuster

This licensing level is intended to combine elements of and replace Levels 4 and 5 in the current Licensing Rules.

Qualifications are as follows:

- Holds or is eligible to hold a level 3 adjusters licence
- Has completed AIC, CIP, FIIC, FCIP or equivalency (**must include C32 – Bodily Injury Claims) **and**
- Any of Claims 2 (C46), Property Loss Adjustment (C41), or Advanced Loss Adjusting (C111) **and**
- Practical Issues in Claims Management (C112) or
- Council approved equivalency (as provided in Section 11 of Licensing Rules)

In the current Insurance Adjuster Licensing Rules, an individual could complete a CIP without specializing in claims, e.g. broker or underwriter stream. The requirement to complete claim specific courses included in the CIP ensures that the adjuster has education in the claim specialty.

The current Rules require that an adjuster have been employed as an adjuster in a general insurance company or an adjusting firm for not less than 5 years for a level 4 and 5 adjuster. There is no specification that these time frames must be continuous, and no requirement that an adjuster be exposed to the products offered by multi-line companies.

The Council proposes that the new Level 3 must have been employed as an adjuster in an adjusting firm or **multi-line** general insurance company for minimum of five **full and continuous** years prior to application. This ensures that at the most senior level of adjuster licensing, the adjuster has the experience only achieved as a career adjuster with a broad base of experience.

A Level 3 Adjuster may qualify to hold the Designated Representative position.

Designated Representative

It is proposed that the Designated Representative will not be a licensing level, but rather a role/position. Each agency must have an Adjuster Level 3 appointed to the role of Designated Representative who will fulfill the responsibilities currently required of a Level 5 adjuster and be responsible for the management of the adjusting firm.

A Designated Representative must hold or be eligible to hold a Level 3 Adjuster licence, and must fulfill all of the obligations currently imposed by the current Licensing Rules including:

- Provide evidence of registration with the Companies Office of Manitoba
- Operate in an office separate from any financial institution or insurance company, and hold the office out publicly as the office of an adjusting firm
- Ensure each office has a supervising adjuster at each office branch office other than the office supervised by the designated representative
- Inform the Council without delay of any changes of the Designated Representative or Designated Representatives address

The proposed Rules will require that Designated Representative ensure that every Level 1 Assistant Adjuster is assigned a supervisor, advise Council of the adjusters that have been designated as supervisors, and advise Council without delay of any terminations of licence holders.

Requalification Period

Regulation 389/87 specifies that an **agent** who applies to renew his or her insurance agent licence later than 12 months after his or her last-issued licence expired must have met the educational requirements or have passed the written examination within 12 months before the licence was issued or renewed. There is no such provision with respect to Insurance Adjusters.

The Insurance Adjusters Council proposes that a similar provision be included in the Rules.

Grandfathering, to the extent that licence holders will continue to hold the class of licence for which they are currently eligible, will occur with respect to existing licence holders. A transition period of six (6) months is recommended.

The Insurance Adjusters Council of Manitoba is accepting comments with respect to the proposed changes. Your comments must be in writing, and received prior to August 5, 2016.

Any comments or questions should be directed to contactus@icm.mb.ca