

Anchoring an Adjuster's Education



Loss adjusters will be in demand in the future, and a new report by the Conference Board of Canada shows the important role of a Chartered Insurance Professional (CIP) designation in educating the new recruits.

"The CIP designation is a key part of preparing professionals for the p&c insurance industry in Canada and around the world," the Conference Board found. "The CIP program bridges the general education provided in university or college, and the specific training offered by individual firms."

Adjusters, who come to the industry from a wide variety of backgrounds, anecdotally support the Conference Board's finding.

"Choosing a career as an independent adjuster, the CIP courses gave me that academic background in insurance that I didn't receive through my post-secondary education," said Andy Williams of AMG Claims Inc. in Nova Scotia. "I think a lot of the adjuster's job is on-the-job training, where you are out meeting people and understanding how situations happen. How that all relates back to insurance policies and whole reason for insurance, that's where the CIP courses help and are important."

What the Conference Board found

The Insurance Institute commissioned the Conference Board of Canada to review parts of the CIP program. The Conference Board is an independent, not-for-profit organization specializing in business, education, economic and human resources research. As part of its study, the Conference Board surveyed 91 insurance organizations in the p&c industry and 848 insurance professionals.

Overall, 76% of employers saw a quantifiable return on their investment in the CIP program, the Conference Board found. Benefits took various forms: higher quality service from CIPs (reported by 77% of employers), more capable employees, stronger relationships between employees and their clients, lower employee turnover and higher employee productivity.

Almost all (97%) of employers offered some form of support for CIP students, while 71% of employers reported that job candidates with a CIP designation are of more interest when recruiting.

"I know that when I first became an adjuster, the employer who was interviewing me specifically noted how many CIP credits I had at that time," said Paul W. Féron, vice president of Western Ontario at ClaimsPro.

Féron started his career in the mailroom of an insurance company when he was 18 years old. He said the company "definitely" encouraged him to pursue his CIP designation. "I knew that I was not done my education at 18 years old," he said. "I was in the fortunate position that I had employment and the ability to go to school part-time, partially subsidized by my employer. That was a great scenario."

Given employers' preferences for job seekers with a CIP designation, "it is not surprising that CIP holders are able to garner a wage premium," the Conference Board said. "In fact, on average, those with a CIP designation can expect to earn \$8,000 more a year than their colleagues with a similar level of experience but no CIP designation."

A broad education for adjusters

Three-quarters of employers look to the CIP program to provide foundational

knowledge about the p&c industry, the Conference Board found.

Independent adjusters are required to be licensed, and selected CIP courses are included in the licensing requirements in most Canadian jurisdictions. The Insurance Institute's CIP program offers a standardized learning experience that begins by concentrating on essential p&c knowledge.

Once educated in the fundamentals of p&c principles and techniques, CIP students then choose courses related to specialized career paths within the industry – including claims staff and adjusters. "It's a holistic perspective instead of just a claims perspective," Féron said of his CIP education.

Adjusters say the CIP's broad scope helped them to become better adjusters. For example, knowing the perspective of an underwriter can sometimes help to discover the nature of a loss during a claim investigation, said Williams.

"We can maybe pinpoint more precisely a cause of loss, or contributing factors, by looking at what an underwriter would be looking at," he said. "When you take a property risk, for example, you are looking at whether the building has a sprinkler or what type of construction it is. When we're out doing an investigation, those are things that we are trying to confirm, trying to make sure that what was on the policy is what is actually there. Those questions help us with our investigation."

Knowing the fundamentals helps adjusters communicate with all parties during the claims resolution process – policyholders, brokers and underwriters – to make sure important details are not overlooked, said Laurie Walker, a senior vice

president at inTrust, Cunningham Lindsey's Third Party Administration (TPA) operation.

"At the end of the day, a claims adjuster has to be able to go into a person's home or the lawyer's office and be able to communicate in plain English the insurance contract and what it means – the responsibilities and obligations – and the claims process," Walker said.

"People who have the CIP are far greater advantaged than those who don't. Those who don't have a CIP generally seem to have a checklist provided by their employer saying, 'Go out and do the following.' Whereas a CIP has the ability to say, 'Hmm, wait a minute, there's an area here that is unknown to someone – the underwriter or the insured might not be aware of this concept – and it's my job to explain it to them.' CIPs have that ability because they've got that knowledge and that base – a foundation that's been so broadly built."

This broad base of knowledge is particularly important in light of the urgency of recruiting new loss adjusters into the p&c industry in the future.

Spotlight on claims adjusters

The Insurance Institute's most recent industry demographic study highlights the fact that claims adjusters will be a hot commodity in the near future. The study drew on the input of many human resource professionals working within the p&c insurance industry.

"From the employer's perspective, claims staff remains the most difficult and urgent to recruit," the demographic study said. "One in three of the employees who retired between 2007 and 2012 worked in claims."


More retirements are expected in the claims area. The median age of a male claims worker was 41 in 2012, and for a woman it was 40. Excluding managers, claims adjusters ranked among the three highest median ages by occupation (just below risk managers and information technology staff).

"The perception of the industry's human resource management professionals is that, on average, retention of specific occupations is 'somewhat urgent' over the next two years," the demographics report says. "Retaining accident benefit adjusters is rated as the most urgent priority followed closely by casualty adjusters."

From where will these adjusters come? Anywhere, potentially. A cur-

sory glance at the backgrounds of recognized industry leaders and adjusters interviewed for this story reveal previous backgrounds in commerce, marketing, the RCMP, hospitality and freelance journalism, to name a few. This speaks to the importance of a standardized education in p&c insurance for loss adjusters.

"If someone has a CIP, I know exactly what they had to do, because it is exactly the same across the country," said Walker. "Everybody who writes a Property I exam

wrote the same exam across the country. Everybody had to have the same knowledge in order to pass, and everybody had to have the same mark. So I do like a standardized approach. I think it guarantees stability and consistency for the insured consumer, the government and the employer." 

More information about the CIP designation and a summary of the findings of the Conference Board of Canada are available at www.insuranceinstitute.ca

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