

60 Years of Representation

The Canadian Independent Adjusters' Association is celebrating its 60th anniversary this year as the profession's singular voice of advocacy, education and membership. Evolving from an elite conference of like-minded independent adjusters in the 1950s to mid-1980s to a truly national association in the modern era, CIAA has seen its share of changes - yet many of its goals have stayed the same. We take a brief look at the history of the association, share some observations from past presidents and, perhaps most importantly, glimpse into where CIAA is headed in the future.

By: Craig Harris

Plus ça change, plus c'est la même chose. The more things change, the more they stay the same. Or at least similar.

Looking back on 60 years of the Canadian Independent Adjusters' Association, one can quickly spot the central issues that have dominated discussion and led to small and large victories, ongoing challenges and recurrent negotiations. Whether the matter at hand is education, licensing or professional standards, the CIAA's mandate continues to be to provide leadership and represent the interests of independent adjusters.

Sifting through past issues of the Canadian Independent Adjuster magazine (first issue: 1958!), it's easy to pick out passages that are relevant today.



To wit: "The (insurance) companies have some legitimate complaints about the independent adjuster and the independent adjuster has some pet peeves about certain aspects of and approaches to claims handling among the companies." Gregor Hope, June 1971. "Continuous progress could be made from the (regulator's) standpoint regarding licensing of adjusters, which would involve rigid testing for the betterment of adjusting caliber." Kirk McDonald, Winter 1974. "Claims handling is becoming increasingly more

centralized and what level of personal contact is there in a telephone adjustment from one hundred miles distant?" Keith Edwards, Fall 1976.

And yet the business environment has changed dramatically - can you imagine talking about Twitter at an adjuster conference in 1954? Or discussing the concept of telematics in modern vehicles or cyber liability in 1972? Or trying to explain the current level of consolidation in the property and casualty insurance industry and the resultant impact on adjuster firms?

Recurrent Themes

While the industry has evolved, adjusters are still dealing with recurrent themes that resonate throughout the decades.

"We are in many ways wrestling with same issues and challenges as we always have," says Keith Edwards, CIIA president (2001-2002). "I don't see that changing into the future. Our clients have ever-increasing expectations in terms of the level of professionalism and customer service adjusters provide. When I look back over my history as an adjuster and my involvement with the association in the pursuit of professional standards, I am struck by how relevant this is to this day."

The inaugural meeting of the Canadian Independent Adjusters' Conference (CIAC), the precursor to CIIA, was held December 1, 1953 in Toronto. According to CIIA archived documents, its first chairman Fred Maltman "outlined to the delegates aims which he considered of vital importance: the necessity of an educational program; exchange of information and availability to the membership of the experience and knowledge of all members; raising the standard of all spheres of adjusting; and the need for unity and mutual understanding." The motto of the newly minted association: Experience, Service and Integrity.

A stimulus to the formation of the CIAC was the creation of the Underwriters' Adjustment Bureau in 1951. UAB was co-owned by 146 insurance companies operating in Canada, with the stated purpose of improving the settlement of claims and ensuring more equitable and uniform adjustments in fire and casualty insurance. In other words, insurers were increasingly considering in-house claims adjusting.

"This was regarded as a serious threat," says Blair Baillie, CIIA president (1968-1969). "It meant that insurance companies had resources to establish multiple offices and have their own internal claims adjusting staff across the country. Independents who had worked hard to establish a solid book of business adjusting claims were now threatened by insurers handling the claims themselves."

CIAC Gains Stature

Gradually, the CIAC grew its membership, gaining stature and recognition. It did this in many ways: through the development of standardized claims documents and forms, the formation of a discipline committee for member oversight, the establishment of

educational courses and ongoing contact with government bodies in ten provinces regarding insurance regulations and adjuster licensing.

Another accomplishment at that time was marshalling the resources of independent adjusters for natural disasters and making them available to private insurers and government agencies, which were obliged to compensate victims for uninsured losses but lacked the capacity or means to handle the claims.

"For the more serious types of claims, they (companies and government) still needed the professional adjusters who could do research, reporting and documentation," Baillie says. "Beyond just a junior company claim person sitting in an office for a lot of claims, they wanted a professional, technically trained adjuster who could go to the loss scene and conduct a proper investigation."

This reliance on the technical skills of adjusters continued on into the 1970s, when the CIAC was tapped by the B.C. government and CP Railway to coordinate handling of large scale losses from disasters. For example, extensive flooding in the Thompson and Fraser River Valleys in 1972 prompted the B.C. government to retain CIAC members to carry out assessment of hundreds of claims. Similarly, the 1979 train derailment and evacuation in Mississauga led to dozens of CIAC adjusters joining with CP claims handlers to process 500-700 claims daily.

"This disaster assistance program by the government was an external recognition of the CIAC as a professional body," says Gregor Hope, CIIA president (1970-1971). "They realized that we could handle claims in non-insured loss situations and we did that for flooding in New Brunswick and other natural disasters across the country. We were recognized for our skill and knowledge as professional loss adjusters."

Hope notes that at the time "one of the big differences in the business environment for independent adjusters was there were fewer multi-office companies, 'big chains' if you will. There were many smaller, owner-operated firms."

Pursuit of Standardized Licensing

In the context of representing these firms, the CIAC focused on educational resources, professional qualifications and licensing.

"One thing we pursued was standardized licensing across Canada," Hope says. "We met with various Superintendents of Insurance and it took up a lot of time. Unfortunately, it did not materialize, but one thing we did accomplish was to emphasize that staff adjusters should have the same licensing and standards provincially as independent adjusters. Insurance companies were set against this, but I know in provinces like New Brunswick, this became the standard."

Others echo the viewpoint that the CIAC was pursuing the right goals and made important accomplishments in key areas.

"We were discussing professional standards, mandatory education and licensing in the mid-1970s; we were on the right track but when I look at it today the expectations are higher - for many reasons," says Keith Edwards, who was editor of the Canadian Independent Adjuster magazine during that time and later went on to become CIAA president. "One is our clients and the expectation of service levels, but another important factor is the courts are cranking up standards that apply to professional loss adjusters. It seems that almost every insurance legal decision that comes down has some application to the role of the professional adjuster and our standards."

As the CIAC moved into the next decade, the issue of membership and national representation took precedence. The Conference represented roughly half of the independent adjuster community and was sometimes chastised by insurance regulators for being fragmented and speaking on behalf of only a small percentage of the profession.

That all changed with the development of a "Unity Committee" chaired by Skip Sutherland. CIAA president (1983-1984), whose purpose was to examine the amalgamation of larger national and smaller regional adjusting firms into one entity. In February 1985, the CIAC formally changed its constitution and name to the Canadian Independent Adjusters' Association. The CIAA became, from the time of its formation, the only recognized group speaking for the independent adjusting profession.

"A high priority for us was representation," says Skip Sutherland. "We realized that if you can't speak for all adjusters with one voice, you will not be heard. We worked to include as many adjusters as possible in the national association and the transition from the CIAC to the CIAA really brought that representation of adjusters across the country. We now truly could speak with one voice."

Along with the unification came a stronger push for uniform licensing and a renewed emphasis on education. One of the first items given to the new Association by the Superintendents of Insurance was the formulation of a universal licensing plan for all adjusters in Canada, which, again, did not come to fruition. On the education front, Stewart Ponton (CIAA president, 1981-1982) worked with the Insurance Institute of Canada to establish new courses on the practical side of insurance adjusting.

Update to Credentials

The focus on professionalism extended well into the next decade. In the early 1990s, CIAA recognized the need to update the credentialing program in order to keep pace with advancements in the adjusting profession. A task force on professional qualifications was spearheaded by Keith Edwards to examine major revisions to existing designation.

In 1993, CIAA membership agreed that the adjusting profession would be better served by introducing a new professional designation whereby employees of member firms submit to a series of exams administered by the Insurance Institute of Canada. This new professional designation was known as CLA (Chartered Loss Adjuster). Another designation, FCIAA, would replace the old CLA and continue to recognize outstanding ability and qualifications for veteran adjusters. Craig Walker, then education chairman

and CIAA president (2005-2006), tackled the arduous work of developing the examinations for the new CLA designation, which were completed in 2001.

The 1990s were also a time of significant natural disasters across Canada. Whether it was the Calgary hail storm of 1991, the Saguenay, Quebec floods of 1996 or the "flood of the century" in Manitoba in 1997, the member adjusters of the CIAA were called upon to adjust both insured and non-insured losses. And then came the Ice Storm of 1998 in Eastern Ontario and Quebec - the single largest insured loss event in Canada at the time (before the Alberta floods of June 2013). The nature of these calamities only served to underscore the need for harmonized licensing across provinces and adjuster mobility at a time of crisis.

Arnold Pike, CIAA president, 2002-2003, says the association often faces issues that span more than a one year-term and require a continuation of effort.

"Every president that comes on board has his or her wish list, but there are also things that are already on the boil and you have to continue on with; that is the nature of it," he says. "One of those issues is harmonized licensing. There are many territorial restrictions on how claims can be handled in a certain province, PEI was about the worst, but others had their rules."

Pike notes that the provincial licensing system, which applies to independent adjusters, can be circumvented by others involved in the claims arena, echoing Hope's concerns more than two decades earlier.

"What we found was that some companies were constantly infringing on these licensing rules in how they adjusted claims," he says. "They were using telephone adjusters in different provinces and even going straight to contractors, who were certainly not licensed. We went to the superintendents of insurance and we also went to the insurance companies, and got great results."

Investigative Body Status Big Win

While harmonized licensing has been a continuing challenge for the CIAA, the association scored one of its big wins in 2004. The Personal Information Protection and Electronic Documents Act (PIPEDA) came into effect January 2004 for all private sector firms in Canada. Before that, CIAA had lobbied extensively with Industry Canada to obtain "investigative body" status, which would exempt certain groups from consent provisions if the matter at hand related to fraud investigation.

As of March 31, 2004, independent adjusters were designated investigative bodies as a "class," meaning that, to qualify, adjusters had to be incorporated or operate as a partnership and be licensed pursuant to their enabling legislation.

"During my term as national president, PIPEDA took up a lot of our time," Pike says. "This was a hot issue for members; we were getting calls from members who questioned if they could still do the business of collecting information and adjusting claims with this

legislation. We met regularly with Industry Canada, and we were successful in obtaining investigative body status."

Jim Eso, CIAA president (2003-2004), says the CIAA played a pivotal role in educating adjusters about privacy issues, including forming a privacy committee that looked at subjects like consent forms, and participating in an Insurance Bureau of Canada (IBC) working group on privacy.

After a lot of hard work on the privacy file, Eso had the distinct pleasure in passing the CIAA executive baton to the association's first female president, Carol Messervey (2004-2005).

First Female President

"I was always very conscious of the presidents who came before me and the work they had done; it was quite a daunting task and big shoes to fill," Messervey says. "Also, as the first female president, that was in the back of my mind. I felt like I had to give 110% in order to know that I accomplished everything I could."

"One of my priorities was to ensure that the interests of all members were represented," she adds. "I wanted to know that members had an equal say and input regardless of the size of the firm. A lot of the smaller firms should have this input, and they get a great deal of benefit from the CIAA, whether that is from online access to educational sessions and forums or online forms, or participating at the regional level."

Messervey also was involved in the early stages of the association's strategic planning exercise, which blossomed under the leadership of Patti Kernaghan, CIAA president (2009-2010) later in the decade. That process is ongoing and continues to guide the direction of the CIAA to this day. In fact, one can see the threads of the past woven into the current fabric of strategic priorities for the association.

Kernaghan explains that during her term, the CIAA surveyed both members and non-members and held focus groups with various industry sectors, including brokers, risk managers, insurer personnel and representatives from other trade associations. The resultant feedback was invaluable, and a little startling.

Strategic Planning

"For example, in the survey and discussions, we received feedback from some external stakeholders who didn't even know we had a designation or what it stood for," Kernaghan says. "That was a real 'a-ha' moment for us."

This feedback was incorporated into CIAA's identification of key strategic priorities - short-term communication, long-term branding plan, designation program, education program and advocacy plan for harmonized licensing. Much of this work is ongoing, according to Kernaghan and other past presidents. For example, the CIAA is working on a new designation, pushing hard on harmonized licensing and has revamped its professional educational program.

"We continue to meet with the Canadian Insurance Services Regulatory Organizations (CISRO) on harmonized licensing. They are insurance regulators; they understand our issues but they don't have huge motivation to move forward. However, I think we are getting closer and making significant progress," says Kernaghan, who credits Miles Barber with much of the heavy lifting on licensing.

She adds that inter-provincial trade pacts, such as the British-Columbia-Alberta Trade, Investment and Labour Mobility Agreement (effective April 2007), could provide a leg up on harmonized licensing of adjusters.

Kernaghan also notes that the strategic planning exercise led to the creation a national insurance advisory board that provides regular feedback to the association.

"Two things that have come out of the advisory board are, one, how we deal with catastrophes and, two, education," she says. "We need to have CIAA able to help adjusters across Canada when there is a major disaster and we can do that through our Catastrophe Response Program. On the education front, we now have educational courses and resources that fill in the gaps between on the job experience and technical requirements."

The industry advisory board is one example of shifting winds at the CIAA and a renewed focus on value for members and non-members alike, according to some sources.

Adjusters Aligned with Industry

"CIAA has become more aligned with the insurance company needs in recent years," Eso says. "The creation of our CIAA strategic plan, the revision of our professional education program and the formation of our national insurance industry advisory board (ensures) that our association moves beyond any perception of being a trade association only for the benefit of members and is instead seen as a trusted partner with the insurance companies that member firms work for."

Not surprisingly, this is a chord that resonates with many past CIAA presidents.

"I think adjusters need to see themselves as part and parcel of this industry, not separate from it," Baillie observes. "That was a tendency in the past to sort of keep to ourselves and have the conference for our benefit. I would like to see adjusters have more contact with the companies and claims managers. If you take an interest in the business as whole, it will benefit you as an adjuster - people will take an interest in you as a professional."

"We realized we had to build relationships with insurance companies within the industry," Sutherland says. "That is why we forged closer ties with the claims managers association (CICMA), which represented all or most of the companies. That became a particularly good working relationship."

"I think unfortunately, there has been an atmosphere of 'us versus them' between companies and adjusters," Hope notes. "There have been questions about the true independence of the adjuster and the potential for bias. I have always thought that the

value of the adjuster is that we call it as we see it. We provide another set of eyes on a claim. We understand the policy and we can apply that to the loss situation at hand. That is a real benefit to the companies - and to the public."

Host of Issues Ahead

Finding the right balance with insurance companies is just one factor that adjusters face now and into the future. A host of other issues include demographics and an aging workforce, rapidly evolving technology and computerized claims handling processes, severe natural disasters, CAT response and ability to meet customer needs during crisis, fluctuating claims volumes for independent adjusters, the pressure from companies to reduce claims/indemnity expenses and regulatory challenges.

It's a long list of challenges that will require the CIAA to face healthy but rigorous questioning of its value to members - and its role in the broader insurance industry, according to Kernaghan.

"We have to be careful about vague goals and terms; these can represent just white noise that we have to move beyond," Kernaghan argues. "We are working in the adjusting profession; the association has to work for the benefit of this profession. We are not a social club, and we can't start trying to do things that don't work well. We have to be focused on what we can accomplish, which is why our identified strategic priorities are so important."

"Through my editorship and later at the executive culminating in my presidency, the (CIAA) was committed to promoting and encouraging the professional standards of its members," says Edwards. "That goal still stands but challenges remain. Any organization must continue to question its relevance and the value it brings to its members."

"Going forward, I would like to see 95% of independent adjusters as members of the CIAA," concludes Kernaghan. "That is how we can protect and promote our profession. The only way we can really make changes is if we all work for the betterment of the profession. It's as simple as that."