Principles for Adjuster Authorization
During Natural Catastrophes and Disasters

Introduction

In response to industry concerns about interjurisdictional mobility for insurance adjusters during natural catastrophes and disasters, CISRO established the Adjuster Licensing Committee (ALC) in 2024. The committee was tasked with exploring how to foster regulatory responsiveness and adjuster mobility during natural catastrophes and disasters.

The ALC conducted extensive research, including reviews of provincial licensing protocols, stakeholder submissions, and labour mobility requirements under the Canadian Free Trade Agreement. While licensing language and structures vary across jurisdictions, there is substantial practical alignment in natural catastrophes and disaster licensing practices.

The ALC concluded that there is a strong foundation for improving clarity around mutual recognition of licenses and enhancing temporary licensing frameworks. These efforts could yield immediate benefits to policyholders and support broader discussions on national labour mobility.

Principles and Aligned Activities

The Committee's work is grounded in principles and aligned activities that reflect a shared commitment to regulatory agility. By promoting flexible, timely, and proportionate responses to natural catastrophes and disaster events, these principles developed for regulators aim to strengthen the capacity of adjusters to serve Canadians effectively during times of crisis.

1. Reflecting Appropriate Consumer Outcomes

Principle: Regulatory responses to natural catastrophes and disaster events should prioritize timely service to policyholders and minimize procedural delays that could hinder recovery efforts.

- Examples of Regulator Activities:
    - Innovating protocols and working with stakeholders to minimize service disruptions and ensure that consumers receive timely support during crises.
    - Prioritizing consumer protection and responsiveness in all catastrophe and disaster licensing decisions.

2. Enhancing Clarity and Transparency

Principle: Regulators should ensure that emergency licensing requirements and processes are communicated consistently and are accessible. This reduces confusion and administrative burden during high-pressure situations, enabling faster mobilization of resources and foreseeability.

- Examples of Regulator Activities:
    - Issuing public bulletins and advisories about recent natural catastrophes and disaster events, outlining temporary licensing allowances, exceptions, and eligibility criteria.
    - Processing licensing requests quickly.
    - Allowing sufficient time for individuals to complete assigned adjusting files without repeated extensions.
    - Updating websites to include dedicated emergency licensing sections, with FAQs, downloadable forms, and contact information for expedited support.
    - Developing plain-language guides to help navigate emergency licensing procedures.

3. Promoting Regulatory Agility

Principle: Licensing protocols should be designed to enable swift, flexible responses to catastrophic events while maintaining appropriate oversight.

- Examples of Regulator Activities:
    - Establishing temporary licensing protocols or exemptions activated in a timely response to natural disasters, allowing for the rapid deployment of insurance adjusters from other jurisdictions.
    - Implementing pre-approved, simplified application processes that can be triggered immediately during emergencies.
    - In certain circumstances, implementing exception regime to enable any non-licensed persons to act under supervision during emergencies.
    - Exploring contingency planning approaches that support the efficient processing of applications or authorizations, particularly during periods of increased demand.

4. Fostering Interjurisdictional Coordination

Principle: Regulators are encouraged to align definitions and different thresholds for catastrophe declarations and to recognize each jurisdiction's declarations where appropriate. This supports timely, coordinated responses across provincial and territorial boundaries.

- Examples of Regulator Activities:
    - Facilitating activities that encourage the mobility of insurance adjusters across jurisdictions during declared catastrophes and disasters.
    - Participating in discussions to support interjurisdictional coordination mechanisms.

5. Supporting Proportional Oversight

Principle: While expedited licensing is necessary during natural catastrophes and disasters, it should

be balanced with post-event review within an appropriate regulatory framework. This ensures that consumer protection and regulatory integrity are preserved.

- Examples of Regulator Activities:
    - Building and strengthening regulatory frameworks by ensuring that all measures are time-bound, subject to regular review, and evaluated for their effectiveness.
    - Conducting post-event reviews to assess the effectiveness and compliance of licensing protocols.

6. Encouraging Innovation and Preparedness

Principle: Exploring alternative licensing structures, including cross-jurisdictional surge capacity, can strengthen the industry's ability to respond to large-scale natural catastrophes and disaster events. Continuous improvement through post-event debriefs and scenario planning is also essential.

- Examples of Regulator Activities:
    - Identifying gaps and refining their catastrophe and disaster response strategies.
    - Assessing where adjusters are coming from, exploring appropriate protocols that are in place for jurisdictional surge capacity.

7. Advancing Practical Mobility

Principle: Recognizing the legislative diversity across provinces and territories, the principles prioritize practical coordination and mutual recognition over complete harmonization. This pragmatic approach enables near-term progress while laying the foundation for broader expansion of labour mobility activities.

- Examples of Regulator Activities:
    - Recognizing licences or frameworks across various Canadian jurisdictions, allowing adjusters to operate across jurisdictions during natural catastrophes and disasters without onerous licensing requirements.
    - Being open to models that allow broad recognition of credentials based on core competencies.

Conclusion

CISRO remains committed to fostering a regulatory environment that is responsive, collaborative, and focused on protecting Canadian consumers. The principles provide a strong foundation for

enhancing catastrophe and disaster licensing frameworks and ensuring the insurance sector is well-prepared to meet the challenges of an evolving risk landscape.

These principles are intended to set flexible, effective, and consumer-focused strategies. CISRO encourages continued collaboration among regulators, industry stakeholders, and government partners to build a more resilient and responsive Canadian insurance system.