

# Hail Adjuster Licensing Information

Council has prepared this information to assist insurers and general agents in understanding the licensing options available for Hail Adjusters under the Hail Adjuster Bylaws.

For reference purposes relevant sections of The Saskatchewan Insurance Act and The Saskatchewan Insurance Councils Regulations are reproduced later in this document.

## Overview

An insurer or a general agent must decide whether they wish to apply the exemption for salaried employee's available under the Act or to licence adjusters as Adjuster Representatives or as independent Adjusters.

The options available are:

- 1) Licence an Adjusting Firm with individual Adjuster Representatives.
- 2) Licence individuals as independent Adjusters.
- 3) Apply for salaried employee exemption status under The Saskatchewan Insurance Act.

## **Option 1**

### *Adjusting Firm and Adjuster Representatives*

Where an insurer or general agent makes this choice, they must licence the insurer/general agent (or create a new entity) to act as the Adjusting Firm. Adjuster Representatives must then be licensed to represent the Adjusting Firm. *[Section 450 (2) and (3)]*

This option restricts the Adjuster Representative to act only for the firm named in the Adjuster Representative's Licence. *[Section 457 (1)]*

An Adjusting Firm may provide adjusting services for other insurers or general agents by agreement. The representatives of the adjusting firm, however, may only adjust the losses on behalf of the adjusting firm named on their licence.

The Adjusting Firm and each Adjuster Representative must complete the appropriate application forms which are available at the Council office.

## **Option 2**

### *Adjuster*

The holder of this licence will act independently as an Adjuster and may work for any insurer or general agent from whom they can obtain business.

This class of licence requires application by a qualified Adjuster and does not require the licence to be sponsored by an insurer or adjusting firm.

The Adjuster must advise the consumer that they are an independent adjuster, not a representative of a particular insurer or general agent. The Adjuster should say they are adjusting the loss for a specific insurer or general agent from whom they have obtained or solicited the right to adjust hail losses.

This licensing model is the most versatile as it allows the Adjuster to act in the same capacity as an Adjusting Firm to adjust losses for any insurer or general agent.

If this option is chosen each individual Adjuster must complete the necessary application form.

## **Option 3**

### *Salaried employee exemption status*

An insurer or general agent may wish to claim this exemption, however, they must ensure that the adjuster is a salaried employee of the insurer or general agent. *[Section 4 (3) and Section 2 (c) (v)]*

No licence is required, however, the insurer or general agent should provide notice to Council they are selecting this option by April 15, 2003.

## **Other Information**

1. A copy of the Hail Adjuster Bylaws is provided for your reference. Additional copies may be obtained by contacting the Council office or by visiting the Council web site at [www.insurancecouncils.sk.ca](http://www.insurancecouncils.sk.ca).
2. Application forms can be obtained by contacting the Council office or by visiting the Council web site.
3. Individuals may qualify for licensing by either successfully writing the Hail Adjuster Examination *or* by providing evidence the individual has acted as a hail adjuster for at least two years within the four years immediately prior to January 1, 2003.

## **The Saskatchewan Insurance Act**

- 447 No person shall act as an adjuster unless he is the holder of a subsisting licence under this Act as an adjuster or as a representative of a licensed adjuster.
- 450 (1) Every applicant for a licence shall, if he is an individual person who carries on business under, or uses a business style, a name other than his own or who, in business, uses his own name with the addition of the words "and company" or some other word or phrase indicating the plurality of members, be considered, for the purposes of this section, as a partnership.
- (2) Every partnership or corporation acting as an adjuster must hold a licence as an adjuster in the name of the partnership or corporation.
- (3) Every person acting as an adjuster, on behalf of a partnership or corporation, must hold a licence as a representative of the partnership or corporation.
- (4) A licence shall not be issued to a partnership or corporation to act as a representative of an adjuster.
- (5) Any change in the membership of a partnership shall be deemed to create a new partnership and to cancel any existing licence.
- 453 The following classes of licenses may be granted to adjusters:
- (a) licenses for hail insurance losses;
- (b) licenses for any insurance loss.
- 457 (1) The holder of a licence as representative of an adjuster may act only for the adjuster named in his licence and only within the limits of the adjuster's licence.

## **The Saskatchewan Insurance Act Regulations, Chapter S-26 Reg 1**

- 4 (3) Section 447 of the Act does not apply to a general agent or to a salaried employee of a licensed general agent while acting on behalf of that general agent in the adjustment of losses.

## **Definitions**

- 2 (c) "**adjuster**" means a person who:
- (i) on behalf of an insurer or an insured, for compensation, directly or indirectly solicits the right to negotiate the settlement of or investigate a loss or claim under a contract or a fidelity, surety or guaranty bond issued by an insurer, or investigates, adjusts or settles any such loss or claim; or
- (ii) holds himself out as an adjuster, investigator, consultant or adviser with respect to the settlement of any such loss or claim;

but does not include:

- (iii) a barrister or solicitor acting in the usual course of his profession;
  - (iv) a trustee or agent of the property insured;
  - (v) a salaried employee of a licensed insurer while acting on behalf of such insurer in the adjustment of losses; or
  - (vi) a person who is employed as an appraiser, engineer or other expert solely for the purpose of giving expert advice or evidence.
- (1.2) (z) "**general agent**" means a person acting under authority from an insurer to supervise and appoint agents, inspect risks and otherwise transact business for, or as a representative of, such insurer.