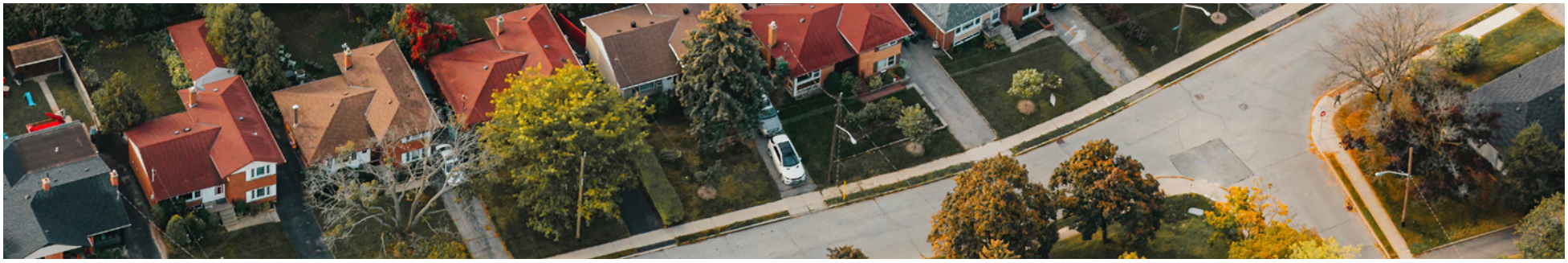
Autorité des marchés financiers

Evaluation Curriculum

Claims Adjustment Qualification Program (CAQP)

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Presentation of the curriculum

Introduction

The decision to develop an evaluation curriculum in claims adjustment reflects the desire of the Autorité des marchés financiers (AMF) to revise the Claims Adjustment Qualification Program (CAQP) to assess the competencies of future claims adjusters based on the up-to-date knowledge and hard skills that are necessary for a claims adjuster at career entry.

Development and refinement of evaluation curriculum

First, an occupational analysis was conducted with the participation of industry experts in order to determine three aspects: the job functions of a new claims adjuster, the tasks associated with those functions, and the operations involved in performing the various tasks. Then, these three aspects were used to inform the development of a profile of seven competencies (three specific and four general) that future claims adjusters must possess at career entry. Finally, the profile developed was used to build a training curriculum on the identified competencies. The material gathered from these three preliminary steps was then used to prepare a first draft of the evaluation curriculum, so as to be able assess the competencies to be possessed in claims adjustment.

The evaluation curriculum is the CAQP component that defines expectations for competency assessment. It consists of a set of evaluation tables that specify the skills that need to be evaluated as part of the certification process. The expert committees that drafted this document were comprised of industry professionals and educators and AMF measurement and evaluation analysts. These subject matter experts were given the opportunity to analyze, assess and improve the evaluated competencies' relevance, structure and scope. Contents related to each competency were also determined. Based on discussions with the expert committee at the time of validation, the first draft of the evaluation curriculum was adjusted to evaluate competencies in the claims adjustment sector using the following five criteria:

- → Skills needed at career entry
- → Skills needed for consumer protection
- → Evaluation based on competency acquisition
- → Evaluation using multiple-choice questions
- → Open-book evaluation

This development phase provided an opportunity to reorganize the structure and content of the evaluation curriculum to reflect the experts' recommendations. The reorganized version was then submitted to the subject matter experts to confirm and potentially enhance the results of the validation process.

Composition of the evaluation curriculum

The evaluation curriculum consists of four modules:

1) ethics and professional practice,
2) claims adjustment in personal-lines property and liability insurance,
3) claims adjustment in personal-lines and commercial-lines automobile insurance, and
4) claims adjustment in commercial-lines property and liability insurance.

The evaluated competencies for these four modules are described in the following pages.

The competencies presented in the evaluation curriculum stem from the training curriculum, but they are not reproduced integrally and textually. In fact, as opposed to the training curriculum, which includes competencies illustrating the full scope of tasks and operations that can be accomplished by a claims adjuster upon career entry, only the competencies that relate to the AMF's mandate as a regulator have been selected for certification exams.

The evaluation curriculum therefore includes all the aspects that must be mastered to practise ethically, in accordance with consumer rights. It also takes into consideration the fact that competencies are perfected over time, with practical experience.

Each evaluated competency corresponds to a module, and all the modules are equally weighted in the certification process. Which means that all the competencies must be mastered in order to obtain a right to practise. Consequently, the AMF will impose a modular certification process and will offer an exam preparation manual for each of the evaluation curriculum's modules.

The evaluation curriculum's competencies are integrated groups of skills, knowledge, strategies. Every competency is split into components and then into subcomponents, so that the nature, scope and underlying evaluation objective of each competency is explicit. Competency components are weighted to quantify their relative importance in the exam. Many factors influence a component's weighting, including the component's importance for consumer protection and the complexity and scope of the concepts and contents underlying it.

The competency components and subcomponents refer to processes or results that are contextualized based on the competency to which they refer. To add further specifics regarding the subcomponents, the latter are accompanied by a list of contents providing guidance on the products, knowledge, behaviours or attitudes required to master them. This guidance delimits the scope of evaluation and will be developed in the exam preparation manuals that will be published by the AMF for each module. Additional contents may be addressed by trainers wishing to increase their candidates' employability and ability to advance professionally.

Therefore, each evaluation curriculum module is divided into three main parts:

- → The competency components and subcomponents define the competency's nature and scope.
- → The content requirements define the subject matter to be evaluated that are addressed in the exam preparation manuals.
- → The weighting indicates each competency component's relative importance in the exam, which will translate into a corresponding number of questions.

Due to the information it provides, the evaluation curriculum is at once:

- → An internal tool that will provide the framework for the development of manuals and certification examinations;
- → A pedagogical planning tool that will guide trainers in their course development; and
- → An exam preparation tool that will instruct on the nature and scope of the evaluated competencies.

MODULE 1

Claims adjustment – Ethics and professional practice

Duration of the exam: 75 minutes – **Number of questions**: 35 questions (including 5 pilot questions that are not included in the candidate's score)

Evaluation table for competency 05-125

Set up a professional practice in compliance with the regulations governing the activities of claims adjusters

The candidate will be able to:			% [1]
1. Understand the legislative framework governing damage insurance	1.1	Distinguish between the different provisions of the *Civil Code of Québec* applicable to the activities of representatives	30 %
	1.2	Distinguish between the other sources of law applicable to the activities of representatives	
2. Integrate into practice the legal aspects of damage insurance	2.1	Analyze the specific provisions applicable to damage insurance	30 %
	2.2	Determine the scope of property insurance and liability insurance	
3. Integrate into practice the rules governing the activities of representatives	3.1	Distinguish between the roles of the different regulatory and consumer protection agencies in the activities of a representative	40 %
	3.2	Integrate into practice the duties and obligations set out in the *Act respecting the distribution of financial products and services*	
	3.3	Integrate into practice the duties and obligations set out in t*he Code of ethics of claims adjust*ers	

1. The component's relative importance (weighting) in relation to the overall exam.

Competency 05-125

Set up a professional practice in compliance with the rules governing the activities of claims adjusters

Competency components	Subcomponents	Content requirements	% [1]
1. Understand the legislative framework governing damage insurance	1.1 Distinguish between the different provisions of the *Civil Code of Québec* applicable to the activities of representatives	→ Non-marine insurance → Damage insurance → Liability insurance → Insurance contract → Mandate → Obligations and recourse between natural or legal persons → Movable and immovable property → Compensation → Partnerships → Divided and undivided co-ownership → Lessors and lessees → Prescription	30 %

1. The component's relative importance (weighting) in relation to the overall exam.

Subcomponents	Content requirements
1.2 Distinguish between the other sources of law applicable to the activities of representatives	→ *Act respecting the regulation of the financial sector* and its regulations → *Insurers Act* and its regulations • Concept of reserve • General principles for establishing and adjusting reserves based on the provisions of the Act → *Automobile Insurance Act* and its regulations → *Act respecting occupational health and safety* and its regulations → *Act respecting industrial accidents and occupational diseases* → *Act respecting the protection of personal information in the private sector* → *Charter of Human Rights and Freedoms* → *Criminal Code* (Canada)

Competency components	Subcomponents	Content requirements	%
2. Integrate into practice the legal aspects of damage insurance	2.1 Interpret the specific provisions applicable to damage insurance	→ Compensatory nature → Stakeholders in the contract → Contract validity criteria • Risk • Insurable interest • Utmost good faith • Capacity → Effective date of contract → Effects of insurance contracts → Insured's obligations • Initial representation of risk • Reporting a material change in risk • Warranties • Payment of the premium • Notice of loss • Obligation to limit aggravation of the damage → Insurer's obligations • Payment of indemnity	30 %

Subcomponents	Content requirements
2.2 Determine the scope of property insurance and liability insurance	**Property insurance, settlement of claims and assessment of losses** → Notice of loss and proof of loss • Nature and scope of these obligations • Penalties → Insurer's waiver → Assessing damage in property insurance • Unvalued contract • Valued policy → Determining the indemnity • Two or more insurers • Underinsurance • Overinsurance → Paying the indemnity • Nature of the payment • Recipient of the payment → Subrogation: Principle • Scope of application • Rules of application • Protecting the right of subrogation • Exercising the insurer's recourse

	Content requirements
	Particularities of liability insurance → Contractual liability → Extracontractual liability → Types of injury (bodily, moral, material) → Types of damage covered by insurance contracts → Liability for the act or fault of another person → Liability for the act of a thing → Product liability and the notion of legal warranty • Contractual liability or the warranty of quality • Extracontractual liability based on safety defects affecting things → Right of action of injured party → Burden of proof → Grounds of defence and grounds for exoneration of the wrongdoer (defendant) → Apportionment of liability → No option to choose between the two recourses → Elements of liability → Material harm → Punitive damages → Moratory damages

Competency components	Subcomponents	Content requirements	%
3. Integrate into practice the rules governing the activities of representatives	3.1 Distinguish between the roles of the different regulatory and consumer protection agencies in the activities of representatives	→ Autorité des marchés financiers (AMF) → Chambre de l'assurance (CDLA) → Insurance Bureau of Canada (IBC) → Groupement des assureurs automobile (GAA) → Fonds d'indemnisation des services financiers (FISF)(financial services compensation fund) → Canadian Insurance Services Regulatory Organizations (CISRO) → Canadian Council of Insurance Regulators (CCIR)	40 %

Subcomponents	Content requirements
3.2 Integrate into practice the obligations and duties set out in the *Act respecting the distribution of financial products and services*	→ Objective of the Distribution Act → Representative (agent, broker, claims adjuster) → Sector and sector classes → Professional liability insurance → Ways to carry on business and registration • Way to carry on business • Mandates • Registration and certificate renewal • Conditions and restrictions governing the pursuit of activities → Outside activities and incompatible occupations • Obligation to report to the AMF • Consumer protection objective - Conflicts of interest - Abuse of power - Access to privileged information - Vulnerable clients - Availability - Obligation to act with diligence in the performance of one's duties - Protecting his/her independence

Subcomponents	Content requirements
3.3 Integrate into practice the obligations and duties set out in the *Code of ethics of claims adjuster*s	→ *Code of ethics of claims adjusters* • General provisions • Duties and obligations to the public • Duties and obligations to clients • Duties and obligations to the claimant • Duties and obligations to insurers • Duties and obligations to representatives • Duties and obligations to the AMF and the CDLA • Breaches of the Code of ethics

MODULE 2

Claims adjustment – Personal-lines Property and Liability Insurance

Duration of the exam: 75 minutes – **Number of questions**: 35 questions (including 5 pilot questions that do not count in the candidate's score)

Evaluation table for competency 05-521

Settle personal-lines property and liability insurance claims based on the insurance contract purchased

The candidate will be able to:			% [1]
1. Determine the nature of the claim and the extent of the damage	1.1	Analyze the information from the notice of loss that is useful in determining the nature of the claim	30 %
	1.2	Analyze any information that is relevant to the investigation	
	1.3	Determine the origin and causes of the loss, the liability of the parties involved and recoverability	

1. The component's relative importance (weighting) in the overall exam.

The candidate will be able to:			% [1]
2. Validate the admissibility of the claim	2.1	Determine the admissibility of the claim by referring to the basic coverages and endorsements purchased by the client	30 %
	2.2	Determine the legitimacy of the claim using the information collected during the investigation	
	2.3	Identify the relevant information to send to or request from the various parties concerned by the claim	
3. Settle the claim	3.1	Determine the value of the damage based on the relevant documents in the claim file	30 %
	3.2	Determine the appropriate indemnity in accordance with the provisions of the purchased insurance contract and each party's liability	
	3.3	Follow up on and close the claim file using the relevant documents	
4. Assist the insured and the claimant in the process of settling the claim	4.1	Inform the insured and the claimant of their respective rights and obligations	10 %
	4.2	Explain to the insured and the claimant the role of the specialized mandated resources used in processing the claim	

1. The component's relative importance (weighting) in the overall exam.

Competency 05-521

Settle personal-lines property and liability insurance claims based on the insurance contract purchased

Competency components	Subcomponents	Content requirements	% [1]
1. Determine the nature of the claim and the extent of the damage	1.1 Analyze any information from the notice of loss that is useful in determining the nature of the claim	→ Information required in the notice of loss → Statements from the insured, claimant or third-party witnesses → Information required to open a personal-lines property and liability insurance claim file, specifically • Name and contact information of the insured and the person making the claim • Policy number • Place and date of the loss and circumstances surrounding the loss • Property damage or bodily injury sustained • Property damage or bodily injury caused • Name and contact information of injured third parties • Name and contact information of witnesses • Police and/or fire report → Information to requested from or send to the underwriting department → Recommended interview methods (Types of representations) → List of relevant witnesses → Preparation of interview questionnaire	30 %

1. The component's relative importance (weighting) in the overall exam.

	Content requirements
	→ Information to collect based on the type of loss and the interviewee → Information to be provided by the claims adjuster before obtaining representations → Validating information about the insured risk → Handling physical, documentary, audio, photographic and video evidence → Checking that the insurance policy is in effect and if third parties are involved (verify contact information of third parties, if applicable, and their insurance) → Actions required to manage the emergency (e.g., clean-up, barricades, new accommodation, partial/interim payment based on level of authority, protection of property)

Subcomponents	Content requirements
1.2 Analyze any information that is relevant to the investigation	→ Type of investigation depending on the nature of the loss → Planning in line with the type of investigation → Planning mandates with various service providers → Conditions for taking statements and information required • Summary investigation • Detailed investigation • Statement contents → Additional information: • Validating the information contained in the policy [does the claimant meet the definition of insured: — usage (daycare, hair salon, etc.) — type of construction (presence of a wood stove, etc.)] • Checking the court ledger (plumitif) • Checking prior claims and underwriting department notes • Checking whether there is a creditor • Obtaining property titles • Obtaining proof of possession: photographs (damaged property, etc.), invoices, packaging • Comparing the place of loss or damage against the terms of the contract → Verifying the circumstances and verifying the nature of the risk (vs the insured risk) → Gathering information in person or by phone depending on the seriousness of the loss, as specified by the insurer's internal policies

Subcomponents	Content requirements
1.3 Determine the origin and causes of the loss, the liability of the parties involved and recoverability	→ Types of damage → Mandates to be assigned depending on the type of loss → Identification of main physical risks related to the buildings → Risk prevention measures → Main possible causes depending on the type of loss → Analysis methods → Ways of determining the cause of the loss → Circumstances in which a cause investigation expert must be mandated → Applying the various agreements: • Standardization of forms • Agreement on condominium claims settlement (process is at the signature stage) • Core principles (other insurance) → Determining causes in connection with the applicable coverage and endorsements (including deductibles, limits, exclusions) → Verifying recoverability → Knowledge of the basic principles of building mechanics (electrical systems, plumbing, building envelope, etc.) → Knowledge of the building code, specifically as regards liability

Competency components	Subcomponents	Content requirements	%
2. Validate the admissibility of the claim	2.1 Determine the admissibility of the claim by referring to the basic coverages and endorsements purchased by the client	→ All home insurance forms → Provisions of personal-lines property and liability insurance contracts: • Main policy provisions • Deductible • Coverages • Endorsements • Limitations and exclusions → Validating information about the insured risk → Admissibility of the claim → Checking the insurable interest → Applicable coverages → Endorsements → Limitations and exclusions → Main home insurance products • Homeowners personal property insurance (IBC 1501Q, IBC 1502Q and IBC 1503Q) • Tenants personal property insurance (IBC 1506Q and 1507Q) • Condominium unit owners personal property insurance (IBC 1510Qr and 1511Qr) • Building and contents insurance (IBC 1521Q and 1522Q) • Seasonal dwelling insurance (IBC 1523Q)	30 %

Content requirements
→ Main endorsements • IBC 1548Q; IBC 1549Q; IBC 1550Q; IBC 1552Q; IBC 1553Q; IBC 1554Qr; IBC 1557Q; IBC 1558Q; IBC 1560Q; IBC 1561Qr; IBC 1562Qr; IBC 1563Q; IBC 1567Q; IBC 1570Q; IBC 1580Q; IBC 1581Q; IBC 1599Q; IBC 3000Q → Other endorsements • Identity theft insurance • Handwritten endorsements → Other insurance products • Pleasure craft insurance • Supplementary legal liability insurance for individuals (umbrella) → Opening a liability claim, if applicable → Based on an analysis of the coverages: • Adjusting the amount based on estimates • Adding other reserves for other affected coverages (e.g., additional living expenses, contents, etc.) → Opening reserves for costs and losses, if applicable → Notice and non-waiver (or non-waiver agreement): • Distinction between the two • Usefulness • Circumstances in which each type must be used • Legal impacts for the insurer and the insured

Subcomponents	Content requirements
2.2 Determine the legitimacy of the claim using the information collected during the investigation	→ Method for analyzing the insured's or claimant's profile → Fraud indicators: • Claims history • Court ledger (plumitif) • Credit report → Terms for determining the parties' liability percentages → Possible recourses against third parties → Notification of property damage liability (recovery) → Documents in the file and preservation of evidence • Investigation report • Report by the insurer's claims adjuster • Preservation of evidence → Expert assessment of water damage → Expert assessment of a theft-related loss → Expert assessment of a fire-related loss → Claims adjustment for various losses • Hail • Smoke • Vandalism • Explosion • Vehicle impact

Content requirements
→ Investigating liability insurance claims • Damage caused by ice or snow falling from a roof • Damage caused by wind (object, carport, tree, roof) and the Beaufort scale • Damage caused by water (back-up, overflow, leakage or rupture of a plumbing system) • Damage caused by a minor → Using resources: • For the cause and origin search: engineer, search dog, police officer, firefighter, architect, physician • For assessment and repair: an appraiser to assess the amount of the damage, cleaner/restorer, contractor for various types of work, plumber, electrician, roofer • Specialists based on the type of damage: electronics, furniture, jewellery, antiques, works of art, etc. • In-house legal department, lawyers, notaries, case law, C.C.Q articles. (refer to general provisions of the contract) • Internet and specialized software • Prior insurers • External content evaluator (software)

Subcomponents	Content requirements
2.3 Identify the relevant information to send to or request from the various parties concerned by the claim	→ Reports to submit based on the type of loss → Contents and elements of the report → Report delivery method → Sending the required notices based on the information analyzed in 2.2: • Underwriting (e.g., aggravation of risk) • Recovery (initiate steps with the third party, open the liability claim, if applicable) • Broker (e.g., denial of insurance coverage, gap in coverage, etc.) • Senior management and/or actuaries (for large losses) • Mandator (insurer) in the case of an independent expert • Immediate supervisor • Service providers (e.g., deductible or other amount to be collected) • Hypothecary (mortgage) creditors • Insureds and third parties

Competency components	Subcomponents	Content requirements	%
3. Settle the claim	3.1 Determine the value of the damage using the relevant documents in the claim file	→ Fundamentals of appraising damage to movable or immovable property: • Types of losses • Relationship between the claimed damage and the nature of the loss • Prior damage • Assessment mandates to be assigned → Assessing the duration and cost of work → Depreciation and replacement value • Concept of depreciation • Actual cash value • Applicable contract provisions • Limits/exclusions • Depreciation calculation method • Estimation of replacement value → Cosmetic damage • Concept of cosmetic damage • Method for calculating cosmetic damage → Building components, systems and equipment • Building envelope and structure • Functions of the envelope components • Graphical representation of building components • Building systems (plumbing, electrical system, building mechanics, other systems)	30 %

	Content requirements
	→ Damage assessment — Building and contents: • Small losses • Medium and large losses • Antiques and works of art • Lump sums → Loss control: • Using such things as the inventory and statement of damages or reports obtained from mandated resources (see 2.2). • Minimizing the damage (protecting the damaged property) • Relocating the insured and putting the insured's property in storage → In the event of theft: • Requiring proof of possession (photographs, invoices, copies of cheques, customs, credit card, etc.), photographs • Analyzing replacement or repair estimates (see 2.2) → In the event of damage to a building or its contents: estimates, engineer's reports (see 2.2)

Subcomponents	Content requirements
3.2 Determine the appropriate indemnity in accordance with the provisions of the purchased insurance contract and each party's liability	→ Main indemnities in personal-lines property insurance policies • Living expenses • Fair rental value • Other indemnities → Limitations and exclusions → Indemnity calculation methods → Inflation protection → Co-insurance → Criteria to apply when selecting work to be carried out → Service provider selection criteria → List of qualified service providers → Property to be replaced or repaired → Calculation of the amount of the indemnity payable • Applying the deductible in a situation of underinsurance • Applying the deductible where there are limitations on the amount payable for certain personal property • Applying multiple deductibles • Sales taxes

Subcomponents	Content requirements
3.3 Follow up on and close the claim file using the relevant documents	→ Approval process • For experts employed by the insurer • For independent experts mandated by the insurer → Notes in the expert's log or report • Required/useful • Information to include in the log or report → Property damage elements to negotiate with the insured claimant/third party → Negotiating principles → Negotiating and effecting settlement of a claim • Arbitration and mediation • Litigious claims and the claims adjuster - Claims adjuster and legal opinion - Unsuccessful negotiations - Response and defence - Examinations - Cost of legal action → Applying the deductible → Tracking work progress → Tracking the repair or replacement of property → Paying the indemnities → Releases and claims → Debris recovery/salvage → Recovery process

Content requirements
→ Documents to provide → Negotiating techniques for recovery → Elements of payment agreements → Involving other professionals (e.g., lawyers, legal department, bailiffs) → Recovery file contents → File compliance → Verifying expenses and accounts payable → Payment of fees → Billing for the services of experts mandated by the insurance company → Final checks → Communicating with the insured and other stakeholders concerning file closure → Information to send to the underwriting department → Final documentation of the file → Closing existing reserves → Reports to send to the various regulators concerned: • Property insurance reports • Liability insurance reports → Tracking progress payouts for damage to the building (based on degree of completion of work) → Tracking depreciated value payouts → Tracking replacement cost payouts (gathering invoices)

	Content requirements
	→ Receiving assignments of claims (to pay service providers) → Monitoring prescription periods → Additional verification visits → For independent experts: interim report to the mandator → Sending reminders to the insured (required documents and information not yet provided) → Tracking recovery, if applicable (e.g., reimbursement of the deductible) → Communicating with the various stakeholders: • IBC: various reports, see implementation • Public safety (in the event of a fire) • Police (in event of theft, if property recovered or suspect arrested) → Representation of the insurer in small claims court

Competency components	Subcomponents	Content requirements	%
4. Assist the insured and the claimant in the process of settling the claim	4.1 Inform the insured and the claimant of their respective rights and obligations	→ Assisting the insured through the remainder of the claims process → Reminding the insured of the purpose of insurance • Link to the services the insured is entitled to: “The purpose of insurance is to return the insured to the same financial situation as before the loss.” • Concept of depreciation, market value, obsolescence, etc. → Coverages the insured is entitled to: deductible, living expenses, explanation of the indemnity → Services the insured is entitled to: list of emergency responders, list of available contractors → Tracking the claim file after acceptance of the settlement terms • Claims adjustment in liability insurance • Liability insurance reports to be transmitted → Insured’s rights: • Right of recourse (inform about prescription periods) • Recovery of the deductible or amount in excess of the coverage limit • Mediation and arbitration • Indemnity after 60 days once all relevant documents and information are provided • Small Claims Court	10 %

	Subcomponents	Content requirements
		→ Suggesting a coverage review, where appropriate (e.g., underinsurance) → Obligation to comply with prescription periods → Insured's obligation to limit the damage: Measures to prevent aggravation of the damage and protect property and persons (verbal or written notice) → Obligations specified in the general provisions: cooperating with the insurer, proof of loss (the insured must prove the loss), notification deadline, etc. → Insurer's and insured's obligations • The nature and scope of the obligation to report the circumstances surrounding the loss → Sanction for false representation
	4.2 Explain to the insured and the claimant the role of the specialized mandated resources used in processing the claim	→ Explaining the general claims adjustment process in personal-lines property insurance (steps in the process) → Explaining the rationale for the documents to be signed → Explaining who the various stakeholders are (providing a list of stakeholders)

MODULE 3

Claims adjustment – Personal-lines and Commercial-lines Automobile Insurance

Duration of the exam: 75 minutes – **Number of questions:** 35 questions (including 5 pilot questions that do not count in the candidate's score)

Evaluation table for competency 05-522

Settle personal-lines and commercial-lines automobile insurance claims based on the insurance contract purchased

The candidate will be able to:			% [1]
1. Determine the nature of the claim and the extent of the damage	1.1	Analyze any information from the notice of loss that is useful in determining the nature of the claim	30 %
	1.2	Analyze any information that is relevant to the investigation	
	1.3	Determine the origin and causes of the loss, the liability of the parties involved and recoverability	
2. Validate the admissibility of the claim	2.1	Determine the admissibility of the claim by referring to the basic coverages and endorsements purchased by the client	30 %
	2.2	Determine the legitimacy of the claim using the information collected during the investigation	
	2.3	Identify the relevant information to send to or request from the various parties concerned by the claim	

1. The component's relative importance (weighting) in the overall exam.

The candidate will be able to:			% [1]
3. Settle the claim	3.1	Determine the value of the claim and the appropriate indemnity based on the relevant documents and each party's liability	30 %
	3.2	Follow up on and close the claim file using the relevant documents	
4. Assist the insured and the claimant in the process of settling the claim	4.1	Inform the insured and the claimant of their respective rights and obligations	10 %
	4.2	Explain to the insured and the claimant the role of the specialized mandated resources used in processing the claim	

1. The component's relative importance (weighting) in the overall exam.

Competency 05-522

Settle personal-lines and commercial-lines automobile insurance claims based on the insurance contract purchased

Competency components	Subcomponents	Content requirements	% [1]
1. Determine the nature of the claim and the extent of the damage	1.1 Analyze any information from the notice of loss that is useful in determining the nature of the claim	→ Representations of the insured, claimant or third-party witnesses → Information required to open an automobile insurance claim file • Name and contact information of the insured and the person making the claim • Policy number • Place, date and circumstances surrounding the occurrence • Property damage or bodily injury sustained • Property damage or bodily injury caused • Name and contact information of witnesses • Police and/or fire report → Information to gather based on the type of occurrence and the interviewee → Types of representations → Validating information about the insured risk → Checking that the insurance policy is in effect and if third parties are involved (verify contact information of third parties, if applicable, and their insurance) → Checking the insurable interest → Priority actions based on type of loss	30 %

1. The component's relative importance (weighting) in the overall exam.

Subcomponents	Content requirements
1.2 Analyze any information that is relevant to the investigation	→ Notice and non-waiver (or non-waiver agreement) • Difference between the two • Usefulness and the circumstances under which each type must be used • Legal impacts for the insurer and the insured → Planning the type of investigation based on the nature of the loss → Planning mandates with various service providers → Obtaining additional information that is relevant to the investigation • Photographs (vehicles, intersection, damaged property, etc.) • Obtaining detailed statements (driver and third parties) • Validating the information contained in the policy (class, drivers, etc.) → Checking past claims • Checking the driving record • Validating creditor • Obtaining a copy of the contract of purchase, lease and registration certificate • Maintenance invoices • List of additions to the vehicle • Warranties • Vehicle history • Photographs (vehicles, intersection, damaged property, etc.) → Verifying the circumstances surrounding the loss against the nature of the risk → Gathering information in person or by phone depending on the seriousness of the loss, as specified by the insurer's internal policies

Subcomponents	Content requirements
1.3 Determine the origin and causes of the loss, the liability of the parties involved and recoverability	→ Types of damage → Ways to control aggravation based on the type of loss → Mandates to be assigned based on the type of loss → Circumstances where a mandate is assigned to an expert to establish the cause of the loss → Calculating the proportion of liability attributable to each party → Possible recourse against liable third parties → Notification of property damage liability → Determining the causes of the loss in relation to the sections/ coverages in the contract (including deductibles, limits) and the applicable endorsements: collision, vandalism, theft, attempted theft, upset (possibility of other insurance) → Differentiating between situations to which the Québec's Direct Compensation Agreement (DCA) applies and those to which it does not apply; Driver's Fault Chart → Recovery and subrogation based on the applicable law (liability)

Competency components	Subcomponents	Content requirements	%
2. Validate the admissibility of the claim	2.1 Determine the admissibility of the claim by referring to the basic coverages and endorsements purchased by the client	→ Personal-lines and commercial-lines automobile insurance contracts • Main policy provisions • Deductible • Coverages • Endorsements • Limitations and exclusions → Admissibility of the claim → Applicable coverages → Links between the cause, nature and circumstances surrounding a loss and the coverages under an insurance policy → Automobile insurance products (forms) and their scope • Q.P.F. No. 1, Q.P.F. No. 2, Q.E.F. No. 3, Q.P.F. No. 4, Q.P.F. No. 5, Q.P.F. No. 6, Q.P.F. No. 7, Q.P.F. No. 8 → Endorsements available and their scope • Q.E.F. No. 5, Q.E.F. No. 8, Q.E.F. No. 9, Q.E.F. No. 13c, Q.E.F. No. 16, Q.E.F. No. 17, Q.E.F. No. 19, Q.E.F. No. 20, Q.E.F. No. 3, Q.E.F. No. 27, Q.E.F. No. 30, Q.E.F. No. 31, Q.E.F. No. 32, Q.E.F. No. 33, Q.E.F. No. 34 (A-B), Q.E.F. No. 43 (A to F), Q.E.F. No. 45, Q.E.F. No. 48, Q.E.F. No. 2, Q.E.F. No. 4, Q.E.F. No. 4-74, Q.E.F. No. 4-82, Q.E.F. No. 6-94, Q.E.F. No. 25, Q.E.F. No. 28, Q.E.F. No. 37 (A-B), Q.E.F. No. 40, Q.E.F. No. 41	30 %

	Content requirements
	→ Adjusting the pre-determined average reserve based on: type of vehicle, type of damage (physical damage and/or bodily injury, direct and/or to a third party), place of loss, the victims → Detailing the loss based, in particular, on the inventory of damages and the statement of damages (property transported, additions to the vehicle) → Verifying whether the property is covered by the automobile policy under the automobile contract or under the DCA as property transported (vs home insurance policy – see IBC reference list)

Subcomponents	Content requirements
2.2 Determine the legitimacy of the claim using the information collected during the investigation	→ Handling physical, documentary, audio, photographic and video evidence → Comparing the information obtained from the notice of loss with the information in the insurance file → Profile analysis method (analysis of events) → Fraud indicators • Claims history • Driver's driving record (SAAQ) • File with the Commission de transport du Québec • Court ledger (plumitif) • Credit report → Interview methods • Types of in-depth interviews based on the specific circumstances surrounding the loss (special investigation service, polygraph, sworn statement, stenographer) → Preparing the questionnaire → Presence of a reason triggering additional checks: theft or total loss, fraud indicators (e.g., undue pressure), discrepancy with the information in the contract → Using external resources: witnesses, automobile appraiser, police officers, service providers (rental company), engineer (e.g., fire), Internet (comparables), security/tracking systems, etc. → Legitimacy-related grounds for denying a claim: arson, organized theft, cloned vehicle, order prohibiting driving, non-existent vehicle, joint report fraud, aggravation of risk, misrepresentations, concealment

Subcomponents	Content requirements
2.3 Identify the relevant information to send to or request from the various parties concerned by the claim	→ Information to request from or send to the underwriting department → Notice to police → Reports to submit based on type of loss → Contents and elements of the report → Report delivery method → Notification of property damage liability → Contents of the collections file → Information not indicated in the policy: primary driver, use of the vehicle, serial number, change of address → Communicating with the underwriting department in the event of total loss or theft: vehicle must be removed from the list of insured vehicles → Stakeholders: broker/agent, underwriter, automobile claims database (FCSA), creditor, rental company

Competency components	Subcomponents	Content requirements	%
3. Settle the claim	3.1 Determine the value of the claim and the appropriate indemnity based on the relevant documents and each party's liability	→ Compiling and analyzing invoices (travel expenses, towing, temporary repairs, additions to the vehicle, property transported) → Assessing damage (e.g., market value) → Concept of depreciation → Cosmetic damage • Concept of cosmetic damage • Method for calculating cosmetic damage → Using the coroner's report or medical report → Principles for the quantification of eligible medical expenses → Indemnity calculation methods → Depreciation and replacement value • Concept of depreciation • Actual cash value • Depreciation calculation method → Estimating the replacement value for "replacement cost" contracts → Principles for negotiating with the claimant (insured or third party) → Co-insurance → Criteria to apply when selecting work to be carried out → Property to be replaced or repaired → Applying the contract terms • Coverage and endorsements: limits, deductible, exclusions • Possibility of salvage → Presenting and negotiating the settlement → Estimates used, comparables, reference to coverage and endorsements, particulars of fees paid	30 %

Subcomponents	Content requirements
3.2 Follow up on and close the claim file using the relevant documents	→ Tracking repair or replacement → Transferring ownership of the vehicle → Salvage → Releases and claims → Loss recovery → Recovery: Documents to deliver → Elements of payment agreements → Involving other professionals → File compliance → Validating and paying expenses and accounts payable → Billing for the services of experts mandated by the insurance company → Final checks → Communicating with the claimants and other parties concerning file closure → Final documentation of the file → Closing reserves and recommending payment of indemnities

Competency components	Subcomponents	Content requirements	%
4. Assist the insured and the claimant in the process of settling the claim	4.1 Inform the insured and the claimant of their respective rights and obligations	→ Obligation to inform claimants about the services available to them → Information to be provided by the expert before obtaining representations → Rights: arbitration, mediation, informing them about the prescription period for filing the claim → Services: garage network, courtesy car, rental vehicle, towing → Disclosing information related to coverage and endorsements (limits, deductibles, exclusions): notice if there may be a gap in coverage → Possibility of buying the salvaged vehicle → Possibility of taking subrogatory action → Obligation of the insured to limit damage → Insured's obligation to limit damage: Measures to take to prevent aggravation of the damage and protect property and persons (verbal or written notice) → Obligation to comply with prescription periods → Obligations specified in the general provisions: cooperating with the insurer, proof of loss (the insured must prove the loss), notification deadline, etc.	10 %

Subcomponents	Content requirements
4.2 Explain to the insured and the claimant the role of the specialized mandated resources used in processing the claim	→ Service provider selection criteria → List of service providers qualified to offer their services (garage network, courtesy vehicle, rental vehicle, towing, recycler) → Explaining the steps in the claims settlement process: investigation process/usual checks (including information/ documents to be provided by the claimant), timeframes (including for vehicle replacement in the case of a total loss or a full theft), payment timeframes → Explaining the rationale behind the documents to be signed → Referring to IBC, SAAQ, GAA, crime victims compensation plan (IVAC), AMF, Chambre de l'assurance

MODULE 4

Claims adjustment – Commercial-lines Property and Liability Insurance

Duration of the exam: 120 minutes – **Number of questions:** 45 questions (including 5 pilot questions that do not count in the candidate's score)

Evaluation table for competency 05-523

Settle commercial-lines property and liability insurance claims based on the insurance contract purchased

The candidate will be able to:			% [1]
1. Determine the nature of the claim and the extent of the damage	1.1	Analyze the information from the notice of loss that is useful in determining the nature of the claim	30 %
	1.2	Analyze any information that is relevant to the investigation	
	1.3	Determine the origin and causes of the loss, the liability of the parties involved and recoverability	

1. The component's relative importance (weighting) in the overall exam.

The candidate will be able to:			% [1]
2. Validate the admissibility of the claim	2.1	Determine the admissibility of the claim by referring to the basic coverages and endorsements purchased by the client	30 %
	2.2	Determine the legitimacy of the claim using the information collected during the investigation	
	2.3	Identify the relevant information to send to or request from the various parties concerned by the claim	
3. Settle the claim	3.1	Determine the value of the damage based on the relevant documents in the claim file	30 %
	3.2	Determine the appropriate indemnity in accordance with the provisions of the purchased insurance contract and each party's liability	
	3.3	Follow up on and close the claim file using the relevant documents	
4. Assist the insured and the claimant in the process of settling the claim	4.1	Inform the insured and the claimant of their respective rights and obligations	10 %
	4.2	Explain to the insured and the claimant the role of the specialized mandated resources used in processing the claim	

1. The component's relative importance (weighting) in the overall exam.

Competency 05-523

Settle commercial-lines property and liability insurance claims based on the insurance contract purchased

Competency components	Subcomponents	Content requirements	% [1]
1. Determine the nature of the claim and the extent of the damage	1.1 Analyze the information from the notice of loss that is useful in determining the nature of the claim	→ Representations of the insured, claimant or third-party witnesses → Information required to open a commercial-lines property and liability insurance claim file • Name and contact information of the insured and the person making the claim • Representative of the firm • Policy number • Place and date of the loss and circumstances surrounding the loss • Property damage or bodily injury sustained • Property damage or bodily injury caused • Name and contact information of injured third parties • Name and contact information of witnesses • Police and/or fire report	30 %

1. The component's relative importance (weighting) in the overall exam.

	Content requirements	%
	→ Recommended interview methods (Types of representations) → Preparing the questionnaire → Information to collect based on the type of loss and the interviewee → Information to be provided by the expert before obtaining representations → Handling physical, documentary, audio, photographic and video evidence → Validating information about the insured risk → Verifying that the insurance policy is in effect and whether third parties are involved (verify contact information of third parties or their representatives, if applicable, and their insurance) → Checking the accuracy of the information included in the notice of loss → Checking whether if there are response deadlines to meet (especially in liability) → Verifying already completed emergency work → Verifying the potential for priority actions	

Subcomponents	Content requirements
1.2 Analyze any information that is relevant to the investigation	→ Planning the investigation based on the nature of the loss → Planning mandates with various service providers → Obtaining the various statements (insured, third parties, witnesses) → Additional information: • Validating the information in the policy relating to physical risk, particularly with respect to the use of the premises and the type of building construction • Checking prior claims and underwriting department notes • Checking whether there is a creditor • Checking the insurable interest • Obtaining property titles in the case of a total or large loss (primarily for commercial leases) • Obtaining proof of possession: invoices

Subcomponents	Content requirements
1.3 Determine the origin and causes of the loss, the liability of the parties involved and recoverability	→ Types of damage → Mandates to be assigned based on the type of loss → Identifying the main physical risks related to the buildings → Building components, systems and equipment • Building envelope and structure • Functions of the envelope components • Graphical representations of building components • Building systems (electrical system, building mechanics, plumbing, other systems) → Main possible causes depending on the type of loss → Ways to determine the cause of the loss → Analyzing the information obtained in 1.2 and using the external resources below based on the complexity of the file: • Appraiser • Engineer • Lawyer • Physician • Various specialized consultants (equipment, etc.) • Other resources → Initiating steps with a third party; open a liability claim file, if applicable → Determining the parties' liability percentages → Possible recourse against third parties → Notification of property damage liability

Competency components	Subcomponents	Content requirements	%
2. Validate the admissibility of the claim	2.1 Determine the admissibility of the claim by referring to the basic coverages and endorsements purchased by the client	→ Provisions of commercial-lines property and liability insurance contracts: • General conditions • Declarations • Definitions • Deductible • Coverages • Endorsements • Limitations and exclusions • Warranties → Determining the admissibility of the claim → Identifying cases of gaps in coverages or refusal of coverage → Direct damage insurance products for businesses • IBC 4036; IBC 4037; IBC 4022; → Indirect damage insurance products for businesses • IBC 4106A and IBC 4106B, IBC 4107A and IBC 4107B, IBC 4108A and IBC 4108B, IBC 4109A and IBC 4109B, IBC 4110A and IBC 4110B	30 %

Content requirements

→ Main forms and endorsements used in commercial extended coverage insurance

- IBC 5000
- Builders risk insurance
  - IBC 4042
- Contractors' equipment insurance
- Boiler and machinery insurance (equipment breakdown insurance)
- Motor truck cargo insurance
- Depositary's insurance (bailee's insurance)
- Other frequently purchased coverage
  - Glass breakage insurance
  - Computer protection and data processing media coverage
  - Office contents insurance
  - Accounts receivable insurance
  - Valuable papers and records insurance
  - Cyber risk insurance
- Comprehensive commercial insurance

Content requirements

- → Commercial General Liability Policy – IBC 2100
- → Other forms for commercial-lines liability and professional liability
  - Commercial General Liability Policy – IBC 2200
  - Professional liability insurance
  - Directors and officers liability insurance
  - Warehouseman's legal liability insurance
  - Motor truck cargo carrier's liability insurance
  - Excess liability insurance and umbrella liability insurance
  - Wrap-up liability insurance
- → Main endorsements (direct damage insurance for businesses)
  - IBC 4005; IBC 4016; IBC 4039; IBC 4045; IBC 4050; IBC 4052; IBC 4053; IBC 4054; IBC 4055; IBC 4056; IBC 4076
  - Foundation exclusion clause
  - Vacancy or unoccupancy permit
- → Endorsements for business interruption insurance
  - IBC 4116; IBC 4016; IBC 4117; IBC 4139; IBC 4155; IBC 4156; IBC 4157; IBC 4158; IBC 4055; IBC 4159; IBC 4179
- → Builders risk endorsements
  - IBC 4043
  - IBC 4044
  - Hoarding endorsement
  - Watchman endorsement

	Content requirements
	→ Common endorsements in boiler and machinery insurance • Water damage and ammonia contamination • Indirect loss endorsement • Professional fees → Common endorsements and other forms used in commercial-lines liability insurance • IBC 2301; IBC 2302; IBC 2303; IBC 2304; IBC 2305; IBC 2307; IBC 2308; IBC 2313; IBC 2328; IBC 2341; IBC 2342 • Employee benefit programs liability endorsement • Product recall insurance endorsement • Elevator collision endorsement • Non-Owned Form (Q.P.F. No. 6)

Subcomponents	Content requirements
2.2 Determine the legitimacy of the claim using the information collected during the investigation	→ Comparing the information obtained from the notice of loss against the information in the insurance file → Method for analyzing the claimant's profile → Signs and indicators of fraud • Concealment • Undisclosed prior losses • Payment default • Damaged property put up for sale before the loss • Claims history • Court ledger (plumitif) • Business's credit file and/or financial statements • IBC tools for countering fraud → If signs of fraud are detected: • Investigate further • Transfer to a specialized resource (internal or external special investigation unit)

Subcomponents	Content requirements
2.3 Identify the relevant information to send to or request from the various parties concerned by the claim	→ Notice and non-waiver (or non-waiver agreement): • Distinction between the two • Usefulness • Circumstances in which each type must be used • Legal impacts for the insurer and the insured → Reports to submit based on the type of loss → Report contents and elements → Sending required notices based on information analyzed in 2.1 and 2.2: • Underwriting (e.g., material change in risk, underinsurance) • Broker (e.g., situations of denial of insurance coverage, underinsurance, etc.) • Mandator (insurer) in the case of an independent expert • Immediate supervisor • Service providers (e.g., deductible or other amount to be collected) • Hypothecary (mortgage) creditors • Insureds and third parties

Competency components	Subcomponents	Content requirements	%
3. Settle the claim	3.1 Determine the value of the damage based on the relevant documents in the claim file	→ Concept of reserve in commercial-lines property and liability insurance → Based on the coverage analysis performed in 2.1: adjustment of the reserve based on the estimates received and the limits under the contract and/or addition in the course of the investigation of additional reserves for other affected coverages (e.g., property, contents, business interruption, liability, equipment breakdown, expenses and compensation, etc.) → Fundamentals of appraising direct damage to movable or immovable property: • Types of losses • Relationship between the damages claimed and the nature of the loss • Prior damage • Depreciation and replacement value • Actual cash value • Cosmetic damage • Assessment mandates to be assigned → Assessing the duration and cost of work to be completed → Fundamentals of appraising indirect damage: • Concepts of indirect damage and business interruption • Types of damage • Value of damage • Fair rental value	30 %

Subcomponents	Content requirements
3.2 Determine the appropriate indemnity in accordance with the provisions of the purchased insurance contract and each party's liability	→ Settlement for the insured: • Application of coverage and endorsements • Application of exclusions • Application of limitations • Application of the deductible • Application of co-insurance • Criteria to be applied when selecting work to be carried out • Property to be replaced or repaired • Core principles in the case of other insurance • Calculation of payment → Settlement for third-party claimant: calculation of the amount payable to the claimant based on the insured's liability (may be determined by a court judgment or a settlement conference) → Explaining the payment (e.g., depreciation due to wear and tear, obsolescence, etc.) → Explaining the apportionment of liability

Subcomponents	Content requirements
3.3 Follow up on and close the claim file using the relevant documents	→ Indemnity approval process • For experts employed by the insurer • For independent experts mandated by the insurer → Notes in the expert's log or report • Required/useful • Information to be included in the log or report → Paying the indemnities → Releases and claims → Tracking the repair or replacement of property • Tracking progress payouts for major damage to the immovable (based on degree of completion of work) • Depreciated value payouts • Tracking replacement cost payouts → Property recovery/salvage → Recovery process • Documents to provide • Elements of payment agreements • Negotiating techniques for recovery • Tracking recovery, if applicable (e.g., reimbursement of the deductible) • Involving other professionals (lawyers, legal affairs department, bailiffs)

	Content requirements
	→ File compliance → Verifying expenses and accounts payable → Paying fees → Billing for the services of experts mandated by the insurance company → Representing the insurer at the various levels of courts → For independent experts: interim report to the mandator → Reminders to the insured (required documents and information not yet provided) → Communicating with various stakeholders: • IBC (various reports) • Public safety (in the event of a fire) • Police (in event of theft, if property recovered or suspect arrested) → Documents and final checks in the file → Communicating with the insured and other parties concerning file closure → Information to send to the underwriting department → Closing existing reserves

Competency components	Subcomponents	Content requirements	%
4. Assist the insured and the claimant in the process of settling the claim	4.1 Inform the insured and the claimant of their respective rights and obligations	→ Obligation to inform the insured about the coverage they are entitled to → Rights of the insured or the claimant: • Right of legal action: - Small claims court or other civil court of Québec - Recovery of deductible or amount in excess of coverage limit - IBC, IVAC, AMF, CDLA • Mediation and arbitration • Payment of the compensation within 60 days after receiving all the relevant documents and information requested by the insurer → Obligation to comply with prescription periods stipulated by law → Insured's obligation to limit the damage: Measures to take to prevent aggravation of the damage and protect property and persons (verbal or written notice) → Obligations specified in the general provisions: • Cooperating with the insurer • Proof of loss (the insured must prove the loss by submitting the required supporting documents) • Notification deadline, etc. → Obligation of the claimant to prove their loss and the liability of the insured	10 %

Subcomponents	Content requirements
4.2 Explain to the insured and the claimant the role of the specialized mandated resources used in processing the claim	→ Explaining the general process for claims adjustment in commercial-lines property insurance (the steps in the process) → Explaining the rationale for the documents to be signed → Explaining who the various stakeholders are (providing a list of stakeholders)

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