

# Natural Disasters and the Adjuster

3:00-4:00 ET – July 25, 2024

Presenters:

- Kaitlyn Small, RegEd



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What is a CAT adjuster?

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# Catastrophe (CAT)/ Emergency Adjuster

## Independent Adjuster

A person who is self-employed or associated with an independent adjusting firm and is hired to adjust losses on behalf of insurance companies.

## Staff/ Company Adjuster

A person who is an employee of the insurance company and performs various functions involved in handling the company's claims. This is sometimes referred to as a salaried adjuster



**Emergency/ Catastrophe (CAT) Adjuster - A** person who is qualified to adjust claims but not already licensed in the state where the catastrophe has been declared who may act as an emergency independent adjuster and adjust claims arising from the declared catastrophe.

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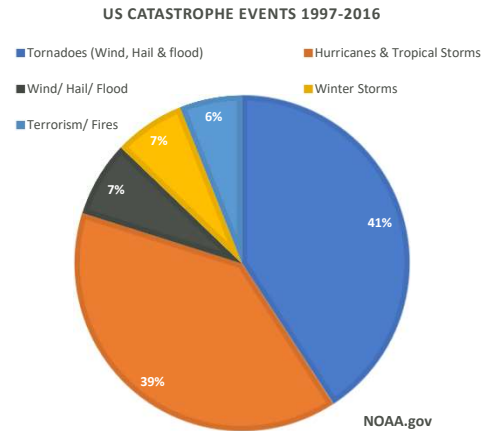
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# Catastrophes in the United States

- **Catastrophes are predicted to increase per year:**
  - US. Has experienced an average of **\$18 billion in climate disasters every year** over the past five years (ncei.noaa)
  - 2024 Hurricane Season: Predicted 85% chance of an above-normal season
- **10 Year Impact: Forbes reports that between January 2013 and January 2023:**
  - 88.5% of all U.S Counties declared a natural disaster
  - Including **95%** of the 200 most populated counties.

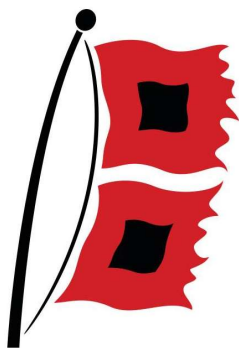


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## Hurricane Season



- The NOAA forecasts the 2024 Atlantic hurricane season to see:
  - **17 to 25 total named storms** (winds of 39 mph+)
  - **8 to 13** of those storms to become hurricanes (winds of 74 mph+)
  - Including **4 to 7 major hurricanes** (category 3, 4 or 5; with winds of 111 mph+)
- La Niña and warmer-than-average ocean temperatures are major drivers of tropical activity for 2024



June 1<sup>st</sup> – November 30<sup>th</sup>

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## Case Study: Hurricane Ian (2022)

Total Estimated Insured Losses: \$21,386,266,489

### Florida Vulnerability

- National Oceanic and Atmospheric Administration (NOAA) Data on the 30 most powerful storms over the period 1900 to 1996:
  - 40%+ of the damage they caused occurred in southeast Florida.
  - Of the 158 hurricanes that hit the United States between 1900-1996, 47 hit Florida (Aprox. 1/3)
- Hurricane Ian:** Costliest hurricane in Florida's history
- Florida Insurance Crisis**
  - Florida has the highest home owners insurance rate in the nation
  - Insurers are withdrawing or reducing coverage across the state
  - Availability of coverage vs. cost of coverage
  - High Rate increases

Line of Business	# of claims reported
Residential Property	558,299
Homeowners	454,072
Dwelling	57,451
Mobile Homeowners	42,861
Commercial Residential	3,915
Commercial Property	33,010
Private Flood	5,645
Business Interruption	582
Other Line of Business*	179,405
<b>Totals</b>	<b>776,941</b>

Data as of 4/22/2024; Provided by the Florida Office of Insurance Regulation

\*Other Lines of Business may include Fire, Farmowners' Multi-Peril, Ocean Marine, Inland Marine, Private Passenger Automobile Physical Damage, Commercial Auto Physical Damage, Aircraft, Glass, Boiler and Machinery, Industrial Fire, Industrial Extended Coverage, and Multi-Peril Crop.

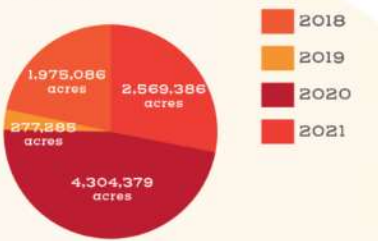
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## Case Study: California Wildfires

### TOTAL ACRES BURNED 2018 - 2021



- Eight of the states top 20 wildfires have occurred in the last six years
- 2018 Camp Fire**
  - 18, 804 Structures destroyed; \$16.5 Billion

### California Insurance Crisis

- Major Insurers are pausing new policies, no longer issuing new ones or non-renewing existing policies in wildfire prone areas due to high risk

### Insurance Regulation Overhaul:

- Streamlining rate review
- Allow insurers to use catastrophe modeling to factor into setting premium amounts
  - CA is the last state to allow for catastrophe modeling
- Goal:** create more reliable rates, greater availability of insurance and stronger oversight

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## Catastrophe Adjusters

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## Catastrophe (CAT)/ Emergency Adjuster

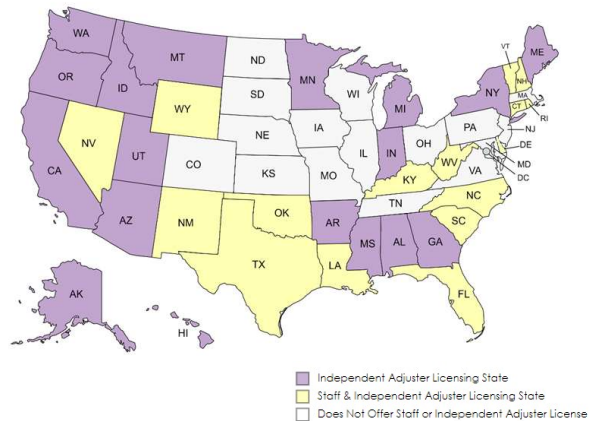
The NAIC lists an **emergency adjuster** as, *A person who is qualified to adjust claims but not already licensed in the state where the catastrophe has been declared who may act as an emergency independent adjuster and adjust claims arising from the declared catastrophe.*

### Independent Adjuster

A person who is self-employed or associated with an independent adjusting firm and is hired to adjust losses on behalf of insurance companies.

### Staff/ Company Adjuster

A person who is an employee of the insurance company and performs various functions involved in handling the company's claims. This is sometimes referred to as a salaried adjuster



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## State Licensing Handbook: Catastrophe Adjusters

### Exemptions to adjuster licensing:

- *A catastrophe situation officially declared by the insurance commissioner or governor, according to state law. Registration may be required, but no permanent license should be required of a nonresident adjuster who is sent on behalf of an insurer for the purpose of investigating or adjusting a loss or a series of losses resulting from a catastrophe.*

State Licensing  
Handbook:  
Chapter 18-  
Adjusters

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## NAIC Independent Adjuster Licensing Guidelines (GL #1224)

### Section 5. Temporary Licensure or Registration for Emergency Independent Adjusters

- An emergency independent adjuster's license or registration shall remain in force for a period **not to exceed 90 days**, unless extended by the insurance commissioner.
- A person who is otherwise qualified to adjust claims, but not already licensed in this state where the catastrophe has been declared, may act as an emergency independent adjuster and adjust claims, if, **within five days of deployment** to adjust claims arising from the declared catastrophe, **the insurer notifies the commissioner** the following:
  - *Name of individual, SSN, name of insurer the independent adjuster will represent, effective date of the contract between insurer and independent adjuster, catastrophe specific details*
- **The fee** for emergency independent adjuster application for licensure or registration shall be in an amount **determined by the insurance commissioner** and shall be due and payable at the time of application for licensure or registration

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## CAT Adjusters vs. Fully Licensed Adjusters

### CAT Adjusters

- Temporary (90-180 days)
- Not eligible for renewal
- No Continuing Education
- “Registration” vs. “License” Filing
- Sponsorship
- Submission of requirement varies

### Staff/ Company & Independent Licenses

- Pre-Licensing/ Exam Requirement
- Application Submission
- Fee & Supporting Documentation
- 1-3 Year renewal cycle
- Continuing Education

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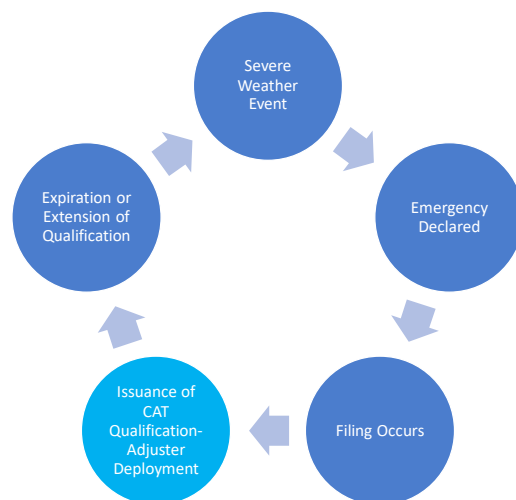


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## Lifecycle of a CAT Adjuster

- Step 1:** Severe Weather Event Occurs
- Step 2:** Emergency Declaration
- Step 3:**
- Registration or Application Filing Occurs
  - Issuance of registration/ license.
  - CAT Adjusters Deploy\*
- Step 4:** CAT Qualification expires or is extended

*\*Some states allow for registration/ filing within a certain timeframe **after** deploying adjusters.*



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Declaration of An  
Emergency

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## Emergency Declaration


**Who Declares Emergency and Method of Notification?**

- Depends on the state:
  - Governor
  - Commissioner
  - Department of Insurance
  
- **Method of notification** – Executive order (governor), Declaration on insurance website (commissioner), Bulletin (commissioner), Industry Alerts

**How to get notified**

- SILA Regulatory Announcements
- NIPR Notices (Alert/ Bulletin on the application portal)
- State Website Bulletins/ sign up for emails

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**DECLARATION FROM THE STATE INSURANCE COMMISSIONER REGARDING ASSISTANCE OF NONRESIDENT INDEPENDENT ADJUSTERS DUE TO FIRES ACROSS THE STATE**

Posted on Aug 9, 2023 in [Main](#), [News Releases](#)

Pursuant to Hawaii Revised Statutes ("HRS")§ 431:9-201(b), Insurance Commissioner Gordon I. Ito is issuing this declaration authorizing temporary assistance of nonresident independent adjusters due to fires across the State. The Insurance Commissioner has decided to allow nonresident independent adjusters to operate in the State temporarily to help handle the amount of work due to the fires. The Insurance Commissioner wants to ensure that adjusters and insurance companies can and will timely respond to property owners' needs.

HRS § 431:9-201(b) allows nonresident independent adjusters to operate in Hawaii without a license for up to one-hundred-twenty days from the date of registration provided that:

1. The nonresident adjuster provide a copy of the adjuster's current license in another state that has licensing requirements substantially similar to HRS § 431:9-222; and
2. Within three working days of the commencement of work by a nonresident adjuster, an insurance company, independent adjusting company, or producer that is using a nonresident adjuster shall provide on its letterhead to the Insurance Commissioner:
  - a. The name of the nonresident adjuster;
  - b. The nonresident adjuster's Hawaii mailing and business addresses and phone numbers; and
  - c. The nonresident adjuster's permanent home and business addresses and phone

Key Details

- Duration of License/ Registration
- Post deployment reporting requirement.
- Required adjuster information

*Non-Resident Unlicensed Independent Adjusters in call centers not located in HI must also be registered and use address and phone number of a local HI contact or insurer*



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**To: Oklahoma Insurance Companies and Licensed Insurance Professionals**  
**From: Glen Mulready, Insurance Commissioner**  
**Date: May 10, 2024**  
**Re: Declaration of Emergency Adjuster Licenses**

**PURPOSE OF THIS NOTICE**

Effective May 10, 2024, Oklahoma Insurance Commissioner Glen Mulready ordered and declared an emergency pursuant to Section 6218 of the Oklahoma Insurance Code due to the severe outbreak of storms on or about April 25, 2024, through May 6, 2024. The catastrophic event caused widespread damage to the people and property in the following counties in the State of Oklahoma: Blaine, Carter, Cleveland, Comanche, Cotton, Craig, Custer, Garfield, Hughes, Johnston, Kay, Kingfisher, Lincoln, Love, McClain, Murray, Okfuskee, Oklahoma, Okmulgee, Osage, Ottawa, Payne, Pittsburg, Pontotoc, Pottawatomie, Tillman, Wagoner, Washington, and Washita.

The declaration of emergency allows the Commissioner to issue a license as an emergency adjuster to any resident or nonresident applicant. It requires an Oklahoma-licensed resident adjuster to sponsor the applicant. An individual licensed as an emergency adjuster may only adjust claims related to the catastrophe and is valid for 90 days from the date the Commissioner issues the declaration.

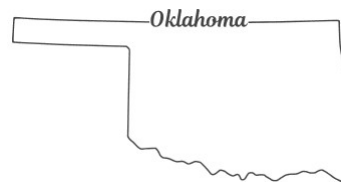
For an applicant to apply for an emergency adjuster license, applications are required to be submitted online. The online application will request information such as the catastrophe number (24-0267-EMG) and date (May 10, 2024), the resident sponsoring adjuster's full legal name, and their Oklahoma license number. The cost of an emergency adjuster license is \$15 per declaration. Detailed instructions on how to apply for an emergency adjuster license can be found at: <https://www.oid.ok.gov/licensing-and-education/emergency-adjuster-license/>

Questions concerning the Declaration of Emergency and Order should be directed to the Oklahoma Insurance Department's Legal Division at (405) 521-2746 or by email at [oidlegal@oid.ok.gov](mailto:oidlegal@oid.ok.gov).

Questions concerning the application process to obtain an emergency adjuster license should be directed to the Oklahoma Insurance Department's Licensing Division at (405) 521-3916 or by email at [licensing@oid.ok.gov](mailto:licensing@oid.ok.gov).

Key Details

- Duration of License/ Registration
- Filing requirements
- Cost of filing
- Resident sponsoring adjuster required
- Catastrophe #
- Link to website for additional information



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Registration/ License Filing

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## Evaluating Need for Catastrophe Adjusters

Requirements for allowing emergency adjusters varies for each state, but there are four main categories:

- Apply for, and obtain, a regular state adjuster license (Staff & Company/ Independent)
- Apply for, and obtain, a temporary Cat/ Emergency adjuster license
- Register with the state
- No requirements

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### Questions to consider

- What state(s) are involved in the loss area?
- Which state(s) require a registration vs. temporary license?
- Are special area passes required?
- Will any of the state(s) prohibit out of state adjusters?
- Is an adjuster license from another state required?

#### Independent Adjuster States (34 States)

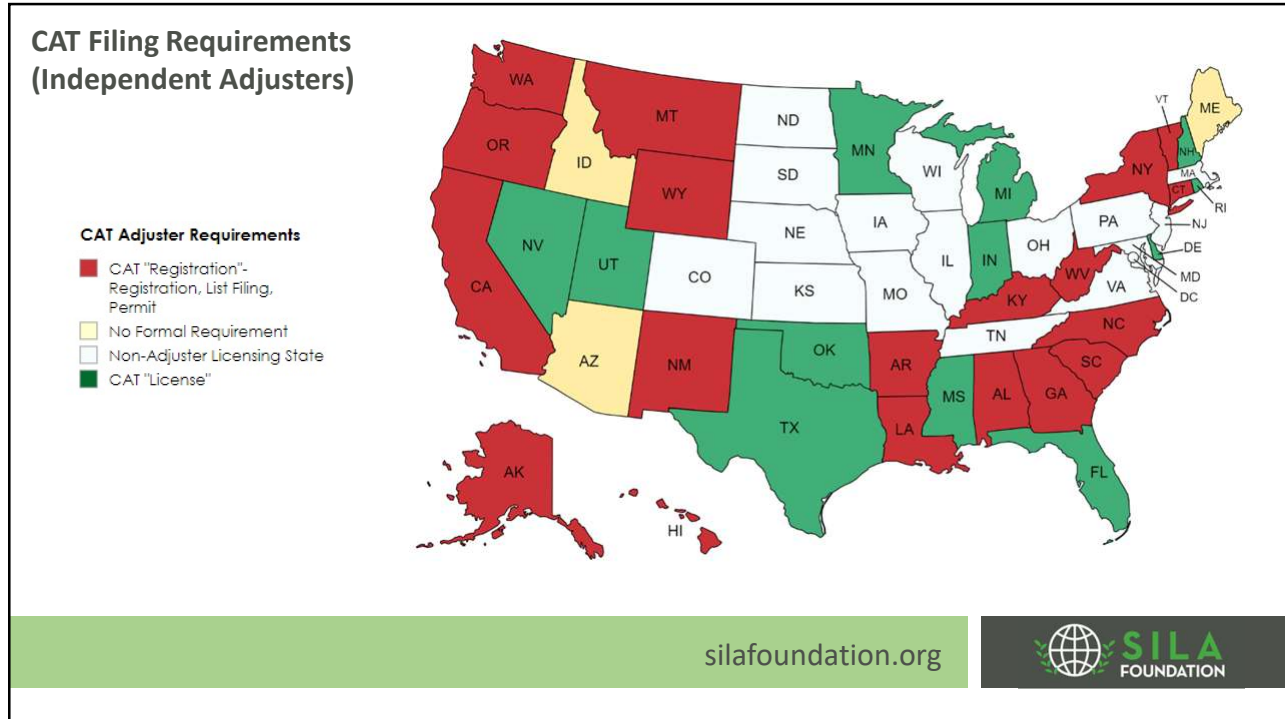
Registration Req	License Req	No Req Listed
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## CAT Adjuster – License Filings

- Filing Methods:**
  - NIPR
  - SIRCON
  - State Website
  - Paper Application/ Form
- Application Window:**
  - Only an option when a declaration occurs
  - Application open 365 days a year
- Authorized Submitter:**
  - Individual Adjuster
  - Licensed Adjusting Firms
  - Licensed Insurance Companies

**Adjuster**

Casualty

Property

Workers Compensation

**Emergency Adjuster**

None

**Public Adjuster**

Property

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# CAT Adjuster Registration/ List Filing

## Required information registration filings:

- **Personal Information**
  - Name, Contact information, SSN or NPN, Addresses
- **\$- Fee (if applicable)**
- **Copy of home state adjuster license**
  - License copy or PDB
- **Additional Requirements**
  - Proof of Sponsorship



## Various filing methods:

- Email
- Paper
- State website portal

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CAT Adjuster Challenges

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## Unique Requirements

- **NAIC Guidelines Recommend:**
  - No more than 90 day duration of license/ registration
  - Within 5 days of deployment, CAT adjuster filing occurs
- **Non-Uniform Requirements**
  - Submission method
    - Registration/ List Filing
    - License Application Submission
    - Online State Specific Portal
  - \$ Fee
  - Varying expiration dates
  - Extension Requests
  - Notification of deployed adjusters

### State Specific Requirements

**Louisiana:** Commissioner will prepare a handbook and adjuster must certify that they have read the most recent edition of the handbook within 10 days of registration.

**North Carolina:** All adjusters submitted must complete the Catastrophe Adjuster Certification Course and meet the other requirements of NCGS § 58-33-70.

**Multiple States:** Identification Card, Pass or Temporary Permit always required

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## No Formal Notification Required

### Three states currently do not have a license or formal requirement when an emergency is declared:



- **Arizona (AZ 20-321.01)**

- *An adjuster who is licensed or allowed to act as an adjuster in the state of the adjuster's domicile is not required to be licensed pursuant to this section or meet the qualifications prescribed in this section if the adjuster is sent to this state on behalf of an insurer for the purpose of investigating or making adjustment of a particular loss under an insurance policy or a series of losses resulting from a catastrophe common to all those losses.*



- **Idaho (SECT: 41-1107)**

- *No special license or qualifications are needed for licensed adjusters sent to the state due to emergency/catastrophe.*



- **Maine (24-A MRSA 1475)**

- *An adjuster license is not required for an adjuster if sent to the state by an authorized insurer in the case of a declared catastrophe. Note the rules announced in the catastrophe announcements.*

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# Registration and Licensing Reporting

**Registration:**

- Online Portal – Might display expiration date
- Email List Filings

Most Cat licenses/ registrations are only applicable for that individual named storm. If there are subsequent storms, a new filing will need to be submitted.

**License Filing:**

- PDB Reporting
- SBS Verification
- SIRCON License Verification

**PDB Reporting:**

State: [FL](#)  
 License #: W12345 Issue Date: 10/04/2022 Expiration Date: Last Updated: 06/17/2024  
 Class: EMERGENCY ADJUSTER Residency: NR Active: Yes \* Indicates current LOA status

**SBS Verification:**

License Number	NPN	Name ↑	License Type - Status	License Effective Date
123456	1122334	Smith, John	Catastrophic Adjuster-	06/29/2014

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# Additional Challenges


- Multi-State CAT Events
- Time periods to notify state of claim handling
- Expiration date of CAT registration or license
- Managing claims after the CAT registration/ license lapses




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## Some Events Can Impact Independent And Staff Adjuster License Requirements



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**Hurricane Harvey – Texas – September 2017**


- TX governor approved suspension of certain licensing requirements and fees in order to allow all Texas-licensed insurance agents and adjusters who are subject to the provisions listed below to focus on assisting Texas insureds in recovering from Hurricane Harvey
- This included:
  - Extending late renewal window to 150 days for licenses that expired through 12/31/17
  - Waiving late fees
  - Waiving CE penalty fees

**Hurricane Ian – Florida - September 2022**

- Florida temporarily amended their continuing education requirement to grant a three month extension due to Hurricane Ian.
- This impacted licensees with renewal dates between Sept 2022-December 2022.

- Non- Weather related emergencies**
  - Covid-19 Pandemic**
    - Extension of CE Completion Dates or renewal deadlines
    - Creation of Temporary licenses (Waiver of exam) Waiver of Proctor requirement for CE
    - Waiver of Fingerprint Requirement
  - New Mexico Cyber Security Incident**
    - Extended renewals and CE completion deadlines by several weeks to licenses due to renew in the impacted timeframe

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# Adjuster Regulatory Update

 <p><b>Connecticut –</b> <b>(Public Act 24-138)</b></p> <p><b>Effective October 1<sup>st</sup> 2024</b>, CT adjuster licenses will expire two years after the date of the licensee's birthday that preceded the date the license was issued.</p> <ul style="list-style-type: none"> <li>• Previous renewal date: June 30<sup>th</sup>, odd years</li> </ul>	 <p><b>NY Exam Exemption</b> <b>(NY S 1468)</b></p> <p><b>Pending-</b> waive exam requirements if applicant holds a claim certification from a national or state-based claims association</p>	 <p><b>Rhode Island</b> <b>(REG 13143)</b></p> <p><b>June 24, 2024</b>, Rhode Island adopted a new continuing education (CE) requirement for company/independent adjusters and public adjusters.</p> <p>24 hours including 3 ethics – 2 year cycle</p>	 <p><b>North Carolina</b> <b>(NC S 319)</b></p> <p><b>Effective July 2024</b> Section (58-33-26(P) has been repealed:</p> <p>(p) An individual shall not simultaneously hold an insurance producer license with casualty, personal lines, or property lines of authority and an adjuster's license in this State."</p>
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Additional Adjuster Educational Opportunities

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## SILA Foundation Pre-Conference Class



### Adjuster Licensing Advanced

August 5, 2024 - 2:30 pm - 4:30 pm  
August 6, 2024 - 2:30 pm - 4:30 pm

This four-hour class will address common issues of both staff and independent adjuster licensing. Content will cover an introduction/review of adjuster licensing, tools and resources, and problem solving through case study scenarios.

**PREREQUISITE:** Student must complete the SILA Adjuster Licensing Basics course online prior to attending this class. An exemption will apply for students who provide proof of holding a minimum of 3 years adjuster licensing experience.



Kaitlyn Small  
Manager of  
Regulatory Compliance  
RegEd, Inc

Melissa Brittain  
Chief Executive Officer  
Adjuster Pro

Enroll at: [www.silafoundation.org](http://www.silafoundation.org)

Enrollment Assistance:  
[support@silafoundation.org](mailto:support@silafoundation.org)

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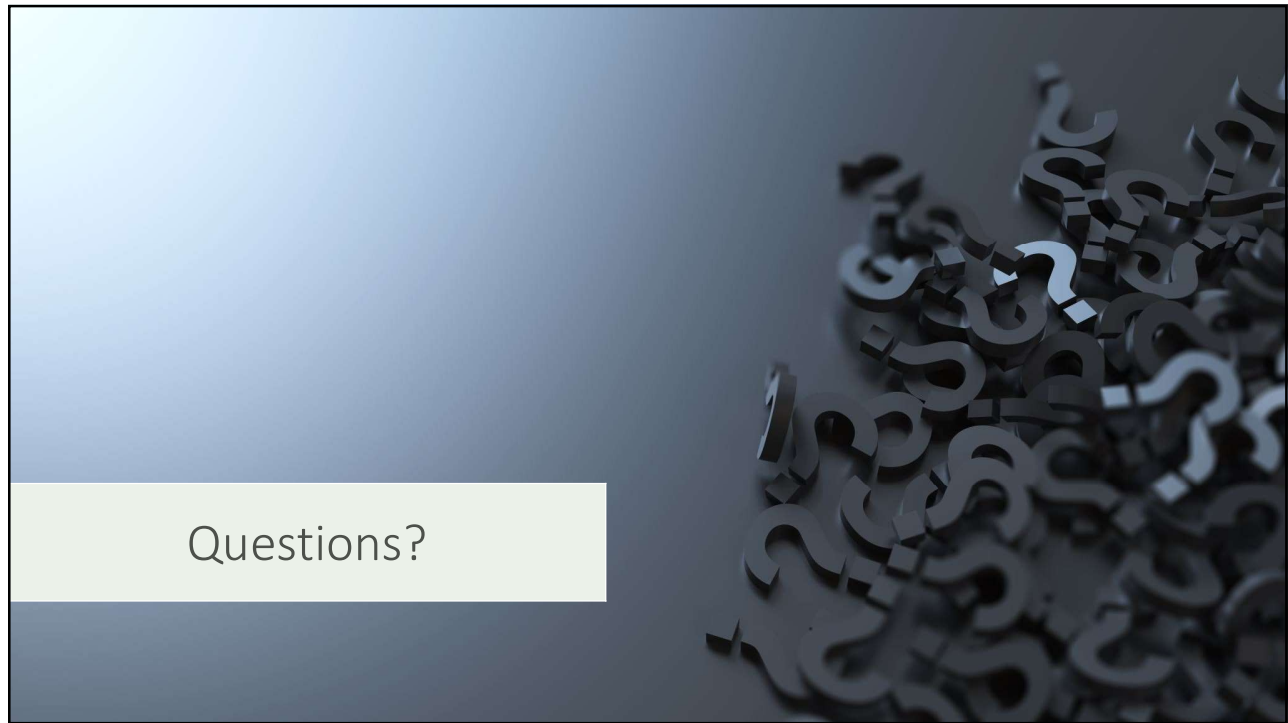


## SILA 2024 National Education Conference

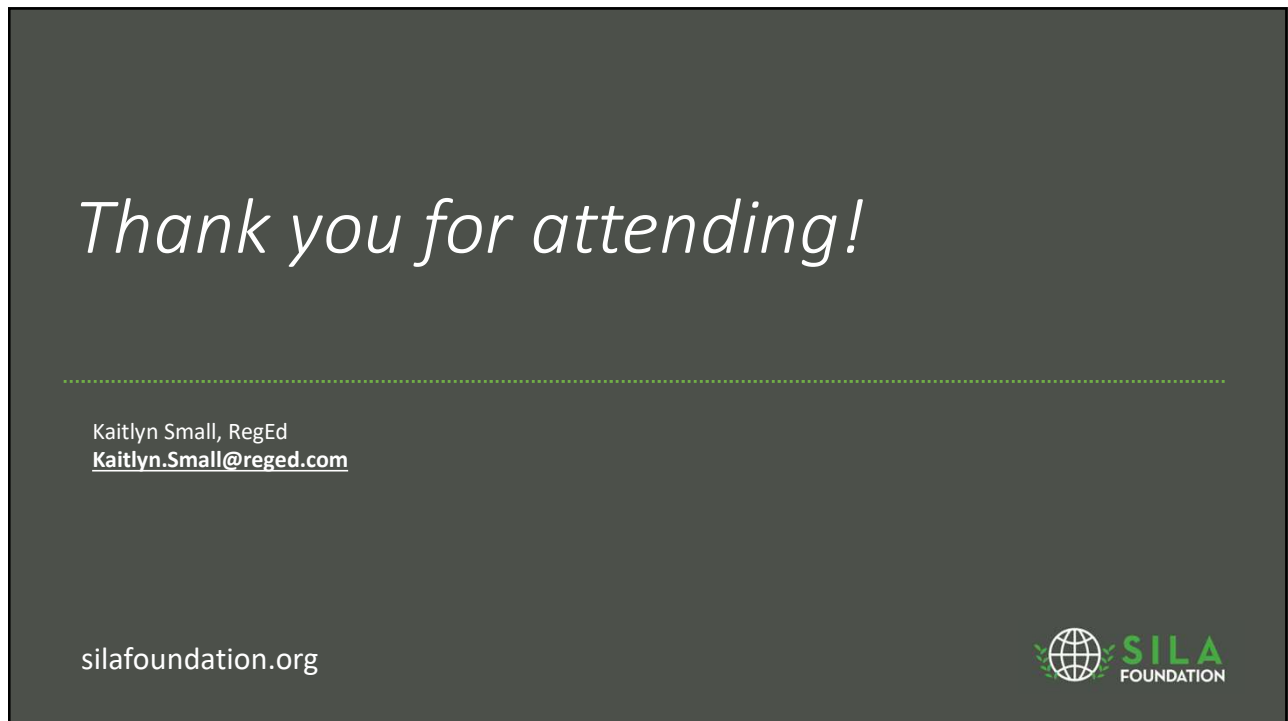
**OCTOBER 20 - 23, 2024**  
**SAN DIEGO, CALIFORNIA**

- **Monday October 21<sup>st</sup>** -  
Adjuster Licensing: A Smooth Sea Never Made A Skilled Sailor
- **Tuesday October 22<sup>nd</sup>** -  
Adjuster Open Forum

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