

Insurance Claims and the Role of the Independent Adjuster

Alberta Municipal Public Risk Conference 2026

Presented by Kent Swanson, CIP, CRM and Jeanine Fahey
Coast Claims Service Ltd.

Meet Your Presenters

40+

Years combined adjusting experience

CIP

Chartered Insurance Professionals

AB & BC

Alberta & BC licensed

Kent Swanson, CIP, CRM

- Independent adjuster since 2004, Coast Claims partner since 2022 with deep municipal claims expertise
- Specializes in large complex property and casualty losses across hospitality, agriculture, and energy sectors
- Level 3 Adjuster with Canadian Risk Manager designation, Vale trained and Xactimate certified
- Based in Edmonton serving Alberta and British Columbia municipalities

Jeanine Fahey

- Unique blend of adjusting and restoration experience as both Property Claims Adjuster and Restoration Project Manager
- Specializes in multi-unit and residential property claims with exceptional customer service for sensitive situations
- Alberta Level 1 Adjuster with extensive IICRC certifications including water damage, fire and smoke restoration
- Nearly completed CIP designation ensuring efficient and effective claims process

Independent Adjuster Role

Liaison, investigation, expert coordination, coverage assessment

Basic Claim Forms

Critical documents required for claim processing

Property Claims

Types, process, financial concepts, challenges, and CAT events

Liability Claims

Investigations, determinations, subcontractor issues, relationships

After Hours Process

When and how to report urgent claims

Session Agenda

- Focus on property damage and liability claims involving property damage only - not covering automobile or bodily injury claims
- Interactive session for municipal risk managers and insurance professionals to understand adjuster workflow
- Practical guidance on forms, processes, and common challenges faced in municipal claims handling
- Q&A opportunity at conclusion to address your specific municipal claim scenarios

Pop Quiz – Adjuster’s Role

Once you’ve submitted a claim, your job is done and the Adjuster takes over and handles everything going forward.

False

While the Adjuster’s role is to facilitate and guide you through the claims process, ongoing involvement from the municipality is still critical.

False

You wanted more work to do...right???

Claims are a team effort 😊

The Independent Adjuster's Essential Role

- Serve as liaison between member and AB Munis, gathering comprehensive information for thorough claim investigations
- Coordinate specialized experts like structural engineers, fire investigators, and forensic consultants for complex claims
- Assess investigation findings against policy coverages to determine coverage and ensure accurate claim valuation
- Assist with contractor selection and repair coordination, then indemnify and quantify loss per policy terms
- Facilitate the claims process and work closely with the member throughout the lifetime of the claim



Pop Quiz - Authority

The Independent Adjuster assigned to the claim will have the ultimate authority to make decisions.

False

True

The Independent Adjuster is an intermediary between you and Alberta Municipalities.

Or

False

The authority remains with the Municipality and the Insurer.

Critical Claim Forms Overview

- Critical Path Letter initiates claim timeline and establishes key milestones for all parties to follow throughout process
- Blank Proof of Loss form requires sworn statement documenting claim circumstances, damages, and claimed amounts under oath
- Privacy Consent authorizes adjusters to gather statements, records, and information from third parties essential for investigation
- Choice of Contractor form documents member's contractor selection while ensuring competitive bidding and quality standards

Critical Path Letter

Initial claim notification and timeline establishment

Proof of Loss Form

Formal sworn statement of claim details and amounts

Privacy Consent

Authorization for information gathering and sharing

Choice of Contractor

Member selection of preferred repair contractor

GST Declaration

Tax status declaration for accurate settlement calculation

Police and Fire Report Authorizations

Require Drivers License photos and proof of affiliation

Property Claims Landscape

Property Claim Distribution by Type



■ Water Escape ■ Sewer Backup ■ Fire ■ Vehicle Impact ■ Break & Enter/Theft ■ Vandalism

- Fire claims range from kitchen incidents to total building losses, requiring specialized investigation and fire origin determination
- Water escape remains the most frequent and costly claim type, including burst pipes, roof leaks, and plumbing failures causing extensive damage
- Sewer backup claims are increasingly prevalent, requiring careful coverage analysis and contamination assessment for proper remediation
- Vehicle impact claims involve structural assessment and liability determination when vehicles strike municipal buildings or infrastructure
- Everything else we never expected....

Pop Quiz – Water Damage

If one of your buildings has a minor water leak or sewer backup, what should you immediately do?

B. Send out your team or Contractor for the initial mitigation.

A. Report it to the Insurer

Key Takeaway – you are responsible to mitigate the loss and prevent further damage, like water extraction and drying equipment.

B. Send out your team or a Contractor for the initial mitigation.

DISCLAIMER: We did NOT just give

you permission to finish repairs.

entirely and THEN call insurance.



Pop Quiz – Water Damage

Using the same example as above of a water leak in one of your buildings...

What is your responsibility with respect to the plumbing investigation and repairs?

- A. Nothing directly – your responsibility is to report it to insurance and we will take care of it.
- B. Call a Plumber to investigate and provide a report on the cause of loss.
- C. Obtain as little information as possible about the cause to avoid liability allegations.

Pop Quiz – Water Damage

Same example, what instructions would you give the Plumber?

A. Nothing really, just get them to figure out the problem and repair it.
F. Both B and D

The Plumber should take detailed photos and provide a thorough report. Beyond identifying the source, it's important to identify the failure occurred (ie. Freezing Age related wear, etc)

B. Take lots of photos and provide a detailed report on the plumbing failure.
C. Throw out the damaged part of the line – it's useless at this point.

Make sure the plumber knows to keep the damaged portion after repairs are done, in case further testing is required.

D. Keep the damaged part of the line.
E. Both A and C

F. Both B and D

The Importance of Retaining Evidence for the Cause of Loss

Retaining Evidence Matters because it can:

- Identify the true cause of loss
- Preserve potential subrogation/recovery rights
- Assists with coverage determination
- Prevents disputes between parties and insurers
- Allows experts to complete accurate forensic analysis
- Even “minor” discarded components can become critical evidence

Remember the Golden Rule:

- Photograph it, Document It, and Retain it.

Some Examples of Evidence:

- Failed plumbing components
- Faulty electrical breaker
- Appliances
- Toilet tanks
- Lithium batteries
- Radiant heat zone valves

Notice of Loss

Member reports claim immediately after incident discovery



Investigation

Adjuster gathers evidence, statements, determines cause and coverage



Emergency Repairs

Stabilize property and prevent further damage escalation



Bid Process

Competitive contractor bidding for rebuild and restoration work



Rebuild Completion

Contractor performs repairs with adjuster oversight and final settlement

Property Claim Process Lifecycle

- Notice of Loss must be reported promptly to enable rapid response and minimize damage through early intervention
- Investigation phase involves site inspection, witness statements, documentation review, and expert consultation as required to establish cause
- Emergency repairs stabilize the site and prevent further loss escalation through immediate mitigation actions like tarping or water extraction
- Competitive bid process ensures fair pricing and quality contractors while respecting member's contractor choice preferences
- The claims process can present challenges, and the role of the Insurance Adjuster is to guide and support the Member in navigating them.

Understanding Replacement Cost vs Actual Cash Value

Replacement Cost

Full replacement cost coverage

- Covers full cost to replace or repair damaged property with like kind and quality materials without depreciation deduction
- Member must complete repairs within specified period to recover full replacement cost amount under policy terms
- Provides most comprehensive coverage for municipalities needing to restore facilities to pre-loss condition

Actual Cash Value

ACV = Depreciation Applied

- Represents replacement cost minus depreciation for age, wear and condition of damaged property
- Depreciation amount varies based on property age, maintenance condition, and expected useful life remaining at time of loss
- ACV settlement is final with no additional payment for depreciation, resulting in potential funding gap even if repairs completed
- Less common for municipal property but may apply to older facilities or specific policy provisions
- If RCV applies it is at the members discretion if they want to accept a depreciated cash settlement or have the property repaired or replaced at full replacement cost value.



Deductibles and GST Considerations

Deductible applied per occurrence

GST recoverable status matters

Net settlement calculation

- Deductible is member's retention amount applied per occurrence, reducing total claim payment by specified amount
- Higher deductibles reduce insurance premiums but increase out-of-pocket costs requiring budget planning
- GST declaration form determines whether member can recover GST through tax filings
- Municipalities typically recover GST through tax mechanisms, so settlements often exclude GST

Pop Quiz - Deductibles

Does your deductible apply if you're not at fault?

For instance, if a third-party driver presses the gas pedal instead of the brakes and drives into one of your buildings, is the municipality still responsible for their deductible if they submit a claim?

Yes

BUT.....

- **Yes**

We may attempt recovery of your deductible against the at-fault party, but recovery is never guaranteed.

- **No**
- **Maybe**

Key Takeaway: You are always responsible for your deductible. Successful recovery is simply a bonus.

Tenant Occupied Buildings Complexities

Lease Agreements

Tenant Insurance Policy

Lost Rental Income

- Tenant contents and operations typically not covered under municipal policy. Tenants should have their own policies to cover their contents, business interruption, and liability.
- Lease agreements must be reviewed to determine repair responsibilities, improvements, and liability between parties.
- Coordination with multiple parties including tenants, property managers, and insurers adds complexity and extends timelines.
- Business interruption claims require analysis of lease obligations, rent abatement, and municipal rental income loss.

HOMEWORK

LEASE AGREEMENTS

**Things to check for on
your active tenant lease
agreements**

- 1. Do you have a formal lease agreement with your Tenant?**
- 2. Is the lease agreement expired?**
- 3. Are the Landlord and Tenant responsibilities clearly defined?**
- 4. Review Indemnity and Hold Harmless Clauses**

Common Challenges and Timeline Expectations

The first question we usually get is....

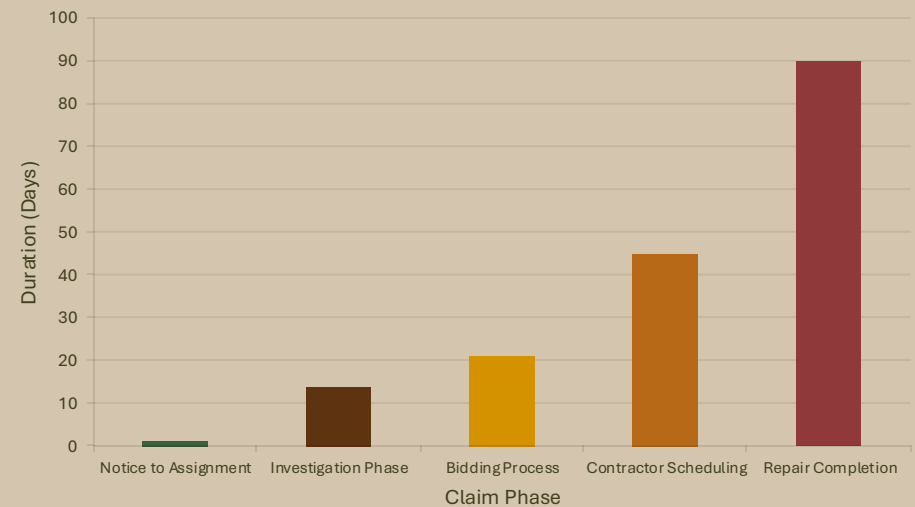
How long will this take?

And our answer is almost always...

It depends!!

- Every claim is different, so the timelines will always vary depending on the individual circumstances.
- Common delays are related to:
 - Limited contractor availability and supply chain delays
 - Complex coordination among tenants, municipal staff, and contractors
 - Competitive bid process is essential for accountability but adds delays before repairs commence
- Local contractor preferences must balance availability, capacity, and competitive pricing.

Typical Property Claim Timeline by Phase



Catastrophe Claims: Overland Flooding and Wildfire

Wildfires increasingly severe

Overland flooding more frequent

Pre-established vendor networks critical

- Wildfires and overland flooding events are becoming more frequent and severe across Alberta, generating high volumes of simultaneous claims
- Rapid response relies on quick mobilization and efficient management of contractors during catastrophe surge conditions
- Pre-established vendor networks enable faster deployment of restoration services, reducing delays and minimizing claim severity
- Consistent communication is crucial during CAT events to avoid confusion that compounds losses and extends recovery timelines



Pop Quiz – Liability for Property Damage

When something happens when the municipality is or might be liable, you should:

- A. Apologize profusely to the third party and assure them that you'll take care of it.
- ~~B. Report a claim and let your adjuster lead the investigation liable and see if they go away.~~
- C. Report a claim and let your adjuster lead the investigation.

Pop Quiz – Liability for Property Damage

When it's abundantly clear that the municipality IS liable, should you:

- A. Tell the third party that you accept liability and will be reporting it to your Insurer.
- B. Negotiate a settlement with the third party.
- C. Don't say anything about liability and direct all communication about it to your Adjuster.

Pop Quiz – Liability for Property Damage

If the municipality has a subcontractor performing work on their behalf (ie. Water meters, paving, water main repairs, etc.), is the municipality liable if the subcontractor causes damage?

B. Yes, the municipality is potentially liable for the subcontractor's work.

contract stating that the subcontractor **Even when work is subcontracted, municipalities can still face liability when a subcontractor is acting on their behalf.**

B. Yes, the municipality is potentially liable for the subcontractor's work. While the subcontractor's insurance would generally respond first, the municipality should still notify their insurer in these situations.

Gather Information

Site inspection, photographs, physical evidence collection



Statements

Witness interviews, involved parties, subject matter experts



Documentation Review

Contracts, maintenance records, inspection reports, bylaws



Expert Engagement

Engineers, consultants for technical analysis when required



Determine Liability

Evaluate all evidence against policy wording and legislation

Liability Claims: Investigation and Determination

No simple liability formula

Claim-specific analysis required

Policy and legislation govern

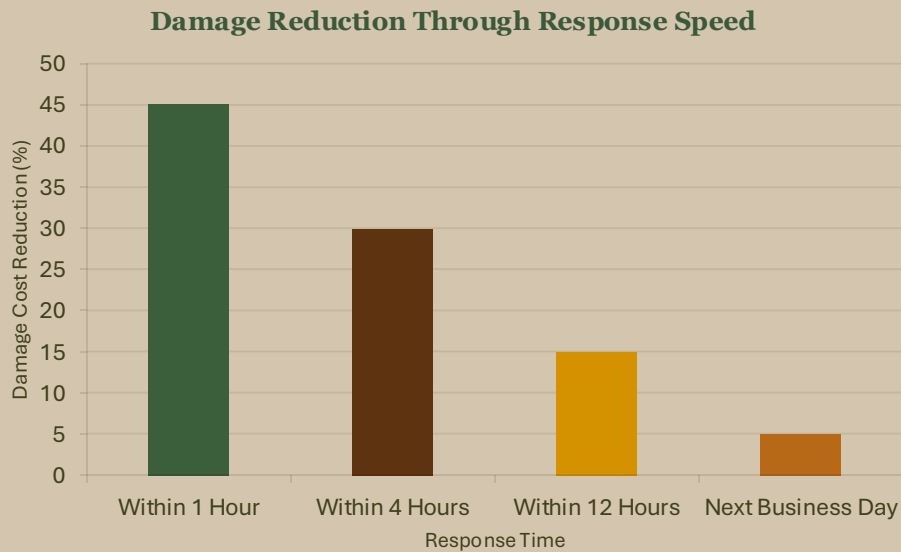
- Property damage liability claims involve complex investigations with multiple responsible parties requiring careful evidence gathering
- Review policy wording and applicable legislation, including Municipal Government Act, to determine coverage parameters
- Subcontractor liability requires reviewing contracts, work specifications, and whether contractors maintained required insurance coverage
- Liability determinations based on variety of factors with no single answer, requiring thorough claim-specific investigation and professional judgment
- Relationships during liability claims can be challenging when municipalities know the other parties, requiring professional objectivity

Pop Quiz – After Hours Claims

If something happens after hours, let's say Saturday at 2am, when do you need to report an after-hours claim?

- A. Anytime anything happens, you should report after hours
 - B. If the damages are extensive and/or include third party damages.
 - C. Only if third party damages
- When in doubt, or if you need guidance on what to do - report the claim. We're always happy to help.

After Hours Emergency Response



- Quick reporting and rapid deployment minimizes damage progression and controls costs.
- 24/7 response capability is vital for public safety and critical infrastructure protection.
- Early intervention prevents secondary damage and reduces claim severity.
- Clear communication protocols improve coordination and emergency response.
- Familiarity with Preferred Vendors helps ensure rapid mitigation when losses occur.



After Hours Reporting Process

Easiest lesson of the day....

Just call Kent

(his number is on the next slide)

But if you forget...here's how to find it:

[Reporting an After-Hours Claim](#)

Contact Information


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Questions & Discussion

 We welcome your questions about specific municipal claim scenarios and challenges you've encountered

Thank you for attending our session at the Alberta Municipal Public Risk Conference