



FROM THE INSTITUTE PRESIDENT, MICHAEL COLLINS

Dear Colleagues

Insurance investigators are not Loss Adjusters.

About three weeks ago I received a telephone call from a journalist wanting to know about the tactics used by Loss Adjusters when interviewing policy holders and other stakeholders during the assessment of an insurance claim.

The journalist explained that he was preparing a documentary about the investigation of insurance claims following allegations made in a recent report by the Financial Rights Legal Centre, a community group based in NSW of some heavy handed techniques being used by 'insurance investigators' during the claims assessment process.

The report is called 'Guilty Until Proven Innocent – Insurance Investigations in Australia' and is the same article that was referred to in the last edition of Insurance News, which was released on 21 March 2016.

Whilst I have not been provided with detailed information about the specific allegations, my research suggests that some of the complaints made by policy holders involve allegations of intimidation, threats of deportation and other similar techniques. Specific reference is made to these tactics being used by 'insurance investigators' without any clarification of what that definition includes.

It was clear from the outset that the journalist had no idea about the existence and role of Loss Adjusters. He assumed that anyone involved in the claims assessment process out in the field was an 'insurance investigator' and tarred with the same brush. I had great pleasure explaining to him that the only tactics used by Loss Adjusters are to comply with the relevant policy wording, abide by client instructions, service level agreements, the General Insurance Code of Practice and of course our very own Charter of Objects.

I explained to the journalist that Loss Adjusters are insurance professionals, most of whom are fully qualified, educated through experience and insurance studies, and adequately skilled in the assessment, management and settlement of insurance claims ranging from property loss, financial loss, contract works, marine and legal liability claims. I further explained to him that Loss

Adjusters do not use heavy handed techniques when investigating and assessing insurance claims.

The journalist was interested to learn about our profession but I sensed he was a little disappointed to some extent that I was unable to provide him with information that he was hoping to obtain to further his 'documentary'. Instead he was enlightened about the professionalism of Loss Adjusting during the claims assessment process of which he was previously unaware. The journalist concluded that he wanted to conduct a further interview with me within a few days of our initial interview however not surprisingly I have not heard from him since.

Since that conversation I have found myself wondering about the extent at which the insurance industry considers Loss Adjusters and insurance investigators to be the same thing. Our roles and objectives are clearly different.

Most Loss Adjusters are highly experienced, fully educated in insurance processes, practices, law and procedures, and have an excellent working knowledge of insurance policies, claims and the practical application of same. Investigation forms part of the overall Loss Adjusting role but it is by no means the primary task.

Investigators on the other hand are experienced at investigating certain elements of insurance claims including determining whether fraud or dishonesty has been committed. Most of the investigators that I have met or have worked with during a claim assessment were competent at their job but admitted to having little knowledge of insurance laws, policies and procedures, had no formal training in the financial calculation and assessment of a loss, held no formal insurance qualifications and had not previously worked for a Loss Adjusting firm.

This is particularly relevant at the moment as we see some investigation firms moving into the Loss Adjusting space claiming to be able to provide a Loss Adjusting service. It takes time to become a competent Loss Adjuster and those who are practicing it must have (at the very least) a sound and broad knowledge of insurance principles together with appropriate skills and education. It is difficult to comprehend that anyone (regardless of what industry they work within) without those basic fundamentals could consider themselves to be providing a Loss Adjusting service.

It would be unrealistic to expect that an insurance investigator without having any formal insurance training or qualifications could provide the same level of technical expertise in the assessment of an insurance claim to that of a fully qualified and adequately skilled Loss Adjuster. A Loss Adjuster's report is prepared on the basis of a detailed site inspection and interviews where the gathered facts are applied to the relevant policy wording. This is the very essence of a Loss Adjuster's report.

Previous experience has shown that the appointment of an inadequately skilled person at the beginning of a claim assessment may result in an initial cost reduction at the time of the assessment but has often resulted in a 'cost blow-out' at the end of a claim assessment due to a lack of information, technical expertise and an inadequate application of insurance knowledge provided throughout the reporting process. It remains my firm view that Loss Adjusters are the most suitable people to assess insurance claims.

The Asian Claims Convention is now only a few weeks away and commences in Phuket, Thailand on 20 April 2016. So far, over 100 delegates have registered to attend. This is a perfect opportunity for members to meet with their industry colleagues from all over the world. Last year delegates from 14 countries attended. This year's program is a smorgasbord of contemporary and interesting topics with an international array of high class presenters. I look forward to seeing you there.

Until next time

Michael Collins

President - AICLA

DIVISION NEWS

QUEENSLAND

The Queensland Division is pleased to advise that the highly successfully AICLA/WII (Woman in Insurance) Charity Race Day will be held on Wednesday 7 September at Doomban Racecourse.

Also the End of Year Luncheon has been confirmed for Friday 28 October at Tattersalls Club Brisbane.

Further details about these events will be circulated to members at a later date.

CAREY BIRD SCHOLARSHIP

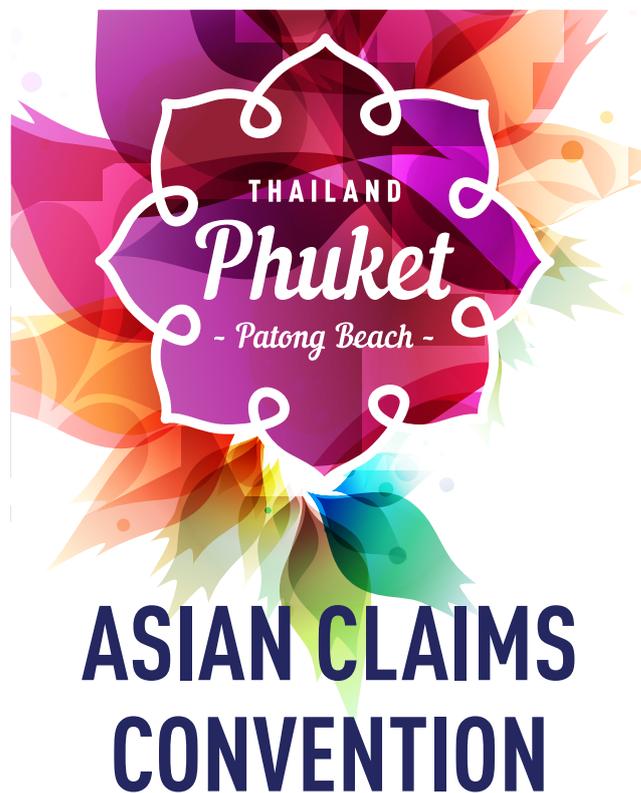
Members are invited to enter for the 2016 Carey Bird Scholarship. The prize is open to all AICLA members (qualified and unqualified) up to age 40 and also members who are over 40 but at the time of entry are enrolled in the Diploma of Loss Adjusting. Entries close on 31 May 2016.

The scholarship prize is attendance at either the Sydney Claims Convention or the Asian Claims

Convention with airfares (economy), accommodation and other expenses paid.

The award is co-sponsored by Marsh Facs.

[For details of the claim scenario click here](#)



It is now less than 3 weeks until the 2016 Asian Claims Convention (ACC16) in Phuket, Thailand on the 20-22 April.

With over 100 attendees registered for the event, there is still time to secure a spot at the event.

The convention is an ideal opportunity for an educational, networking and holiday event in one. The venue is the modern Grand Mercure Phuket located in the heart of the beautiful Patong Beach.



[CLICK HERE FOR PROGRAMME AND REGISTRATION BROCHURE](#)

CLAIMS CONVENTION SYDNEY

The 10th AICLA/ANZIIF Claims Convention will be held in Sydney at the Sofitel Wentworth on 20 September 2016.

Following feedback the convention in September will be a 1 day event followed by dinner on the 20th at the Sofitel. We believe this new format and later timing for the event will be popular.

The programme committee has been formed and if any member has a topic and speaker they would like to suggest for the event, they are invited to contact adminoffice@aicla.org

The platinum sponsor for the convention is Australian Disaster Recovery (ADR).

NEW AND ELEVATED MEMBERS

Congratulations to the following recently admitted and elevated members:

NEW MEMBERS

Name	Class	Division
Adam Fifield	Affiliate	New South Wales
Neeraj Dhupar	Provisional	India
Nguyen Xuan Son	Affiliate	Vietnam

ELEVATIONS

Name	Class	Division
Kenneth Neo	Affiliate	Singapore
Wee Keong Ang	Associate	Singapore
Pierre Leong	Fellow	Hong Kong
Scott Tritton	Affiliate	Victoria
Aditya Perdana	Associate	Indonesia
Luthfi Reza	Associate	Indonesia

ON-LINE CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

THE YEAR 2000 DISASTER THAT WASN'T

With continuing natural and man-made disasters to consider, as well as vexed long-term issues such as climate change, not to mention the continuing pressure on loss adjusters to do more for less and do it faster, it is probably to be expected that significant events in the past quickly recede from our thoughts.

This is true even of the great Year 2000 disaster. This state of affairs was arguably the inevitable result of pure stupidity. It was the norm before that time for computer programmers to represent the date in a special memory-saving format in which the year was signified by its last two digits, for example the year 1984 was simply 84. If a program handled historical events and one of these was in 1950, then the year was of course 50. There could be no ambiguity as 50 comes before 84. But then — shock, horror — it was noticed (for the first time?) that the year 2000 would have 00 as its abbreviation. Time would turn on its head. Now 00 would come after 99 and not before as is logical. At the stroke of midnight 1999 every computer in the world would become hopelessly confused. Not only would accounting and other programs go haywire, but billions of tiny embedded computer chips in all manner of electronic devices would simultaneously malfunction. Lifts would hurtle between floors ignoring the frantic button pushing of the occupants, pub tills would spit out more change than the amount put in, car engines would explode, planes would fall out of the sky...

As that fateful moment drew ever nearer there was a worldwide sense of panic. A new industry was born — remediation

(rewriting programs to handle the whole date). Insurers insisted on certificates from business clients, confirming that they had carried out remediation to all their programs and any devices that used embedded systems. At the same time, those who could carry this out were being pressed to produce their own certificates and the manufacturers which supplied them were being similarly urged. There was a much-needed reworking of many a computer program. (Also such nonsenses as the sale of Year 2000 compliant packs of A4 paper). Insurers and adjusters, both in the middle of their own remediation procedures, were fully expecting an avalanche of difficult to resolve claims. Many policies started to embody special Year 2000 exclusions.

The disaster didn't happen of course (neither planes nor pub tills!), but why not? Our two part paper covering the whole debacle in detail is at CPD 029 and 030. For time-wary adjusters it may bring back memories of midnight coffees and full ashtrays. For the newbies, how could we be so hoodwinked? Or were we...

To access these and other papers, navigate on our website through 'Professional Development' on the AICLA Home Page. Members should use the User Name **cpduser** and the Password **aiclapd**. Your browser may offer the opportunity to 'Remember this password'.

We look forward to seeing you there!

[Go to on-line CPD now.](#)

POSITIONS VACANT



LOSS ADJUSTERS & INTERNAL CLAIMS HANDLERS - MELBOURNE & SYDNEY LOCATIONS.

Here at Crawford & Company we're renowned for our claims management expertise. Our customer first approach centres our work to be at the heart of the customer – giving you the opportunity to make a difference where it really matters.

Through client growth we are now seeking a number of talented professionals who have the technical expertise and know-how to meet a variety of demands in a manner that supports the customer and partners our insurers brand and values.

We're keen to hear from experienced loss adjusters and claims handlers but we also want to hear from those inside the Insurance Industry and those in building / construction roles that maybe considering a change of career and can add value to our Loss Adjusting Network.

Ideally you will be professionally qualified but, if not, we can support you to gain status in your industry recognised qualification.

Now has never been a better time to join us as we develop and grow our service proposition as one of the world's leading independent claims management solutions providers.

In return for your expertise, we offer a competitive remuneration and benefits package with the opportunity to further develop your career in a market leading, innovative, customer centric organisation.

All applications will be treated in the strictest of confidence. To apply, please email your resume to jobs@crawco.com.au quoting reference number CRAWAICLA-0316 in the subject line.
www.crawfordandcompany.com



AICLA offers members the opportunity to advertise positions vacant in LA News.

The cost is 200.00 (+ GST) and the advertisement will be run for one month.

The advertisements also appear on the AICLA website www.aicla.org.

If you wish to advertise, please send information to adminoffice@aicla.org.

Advertisers can remain anonymous with job applicants responding direct to AICLA.