



## FROM THE INSTITUTE PRESIDENT, JAYE KUMAR

Dear Member,

Customer attrition is the biggest threat to an insurer's profitability. People usually can't be bothered reviewing their insurance, unless there is a prompt. The top two triggers to churn are a perceived better price and a poor claims experience.

A poor claims experience has added impact, because disgruntled clients are likely to tell everyone they know and via social media and equally to a lot of people they don't.

On the flip side, a good claims experience can actually blunt a competitor's price offer by improving perceived value.

In our role as loss adjusters and claims professionals we have to go beyond merely assessing and adjusting a claim. We have to include a front line sales role. In a very real sense, insurance only becomes a product when a claim is made. The product's value to a customer, at the time of claim, is mostly mediated by the loss adjuster. We deliver on that the promise of the product; the policy.

AICLA continues to play an active role in promoting professional standards in claims handling in Australia and overseas. We have submitted our proposal to Treasury on what should be considered in the introduction of regulation for Claims Handlers under the recommendations of the Hayne Royal Commission. We are yet to find out what is in store but we can expect some form of training and professional standards will be required for all claims handlers, whether an in-house claims handler or an independent loss adjuster.

We have also been actively engaged with Insurance Regulators in South East Asia. Earlier this month, Andrew Khoo, AICLA International Division Chairman and I met with the Acting Director of Consumer and Market Conduct Department, Central Bank of Malaysia, Ms Lim Hsin Ying and her senior officials. One of key items on the meeting agenda was how AICLA could assist to lift the professional standards of motor vehicle assessors (mainly) and general loss adjusters in Malaysia. It was a great endorsement for AICLA to be asked this and offers us the opportunity to show our commitment to the

industry, not only in Australia but internationally and importantly to our key membership countries like Malaysia.

Andrew and I also met with Shalini Pavithran, the new CEO of Malaysian Insurance Institute in Kuala Lumpur. The meeting focused on how we would assist MII with continuous professional training for loss adjusters that the Regulator may introduce in Malaysia.

On the same subject, we have also been asked by APKAI, the Association of Indonesian Insurance Adjusters, to assist them

with the development of the minimum professional standards required for the licensing of loss adjusters. Indonesia has achieved a great deal in the last 15 years in raising the minimum standards for loss adjusters and based on the number of loss adjusters taking the Diploma in Loss Adjusting course, we expect that within the next 2 years, our largest membership of the International Division will be from here.



AICLA conducted another successful workshop in Bali on 4th and 5th July. The subject was Practical Workshop on How to Effectively Handle Machinery Breakdown and Business Interruption Claims. The presenters were Pooba Mahalingam (Talent Asia Training and Consulting), Budi Maharesi (President Director, McLarens Indonesia), Gareth Cottam (Senior Forensic Accountant, Manager Crawford & Co Singapore) and myself.

CC19 in Sydney on 24 September is shaping to be an important industry event, and will include a panel discussion on the Hayne Royal Commission and the likely implications for claims. Also on the program will be the Townsville floods, Opal Towers and Lacrosse building fire, climate change, customer expectations, fraud detection, cyber issues and more (see page 2). I hope to see many of you in Sydney.

**Kind regards**  
**Jaye Kumar, Chartered Loss Adjuster**  
**President – AICLA**

AICLA/ANZIIF  
**CC19**  
 Claims Convention

# DISASTERS, DISRUPTION & REGULATION

**24 SEPTEMBER 2019**  
 FOUR SEASONS HOTEL, 99 GEORGE ST  
 THE ROCKS SYDNEY

The program with speakers and topics is now available for the 13th AICLA/ANZIIF Claims Convention to be held at the Four Seasons Sydney on **Tuesday 24 September 2019**.

The theme of the convention is “**Disasters, Disruption & Regulation**”, and a diverse range of speakers and contemporary topics have been organised for the event.

For further information on the convention **click here...**

## NEW AND ELEVATED MEMBERS

**Congratulations to the following new and recently elevated members:**

### NEW MEMBERS

Name	Class	Division
Matthew Humphries	Provisional	Queensland
Joseph Chalmers	Affiliate	Queensland
Matthew Bradford	Affiliate	Queensland
Taryn Slaughter	Affiliate	Queensland
Martin Stebbings	Associate	New South Wales
Fatma Eid	Affiliate	New South Wales
Ryan McGregor	Provisional	New South Wales
Gabriel Ho	Affiliate	New South Wales
Robert Mitchell	Affiliate	Western Australia
Mark Atkinson	Affiliate	Int. Vietnam
Damar Waworuntu	Provisional	Int. Indonesia
Muhammad Ihsan	Provisional	Int. Indonesia

### ELEVATIONS

Name	Class	Division
Nigel Lukies	Affiliate	Western Australia
Evelyn Ratanamaneephan	Fellow	Int. Thailand

## UPCOMING EVENTS

Members and guests are invited to attend the following events. For further information and to register, please click on the event.

DATE	EVENT	LOCATION
9 August	Trivia Event	Brisbane
24 September	Claims Convention	Sydney
16 October	Race Day	Brisbane
15 Nov	Luncheon	Brisbane
5 Dec	Awards Gala	Melbourne

## ASIAN CLAIMS CONVENTION 2020

Planning for the 2020 Asian Claims Convention, to be held on **14, 15, 16 April in Kyoto, Japan**, is advancing well. Sponsorship support has been strong, with the following Gold Sponsors secured: **Steamatic, Approved Group International, Forensic Services, Envista Forensics and Hawkins**. The hotel will be the Grand Prince Kyoto, and an organising committee is developing the program for the event. A post-convention tour of Kyoto will be part of the event.

## DIARY AND SUBSCRIPTIONS

Members are reminded that any changes of information for the 2020 diary should be submitted within the next two weeks. Also, subscriptions for 2019/20 are due for payment and members' assistance in respect of these two matters is appreciated.

## NEW SOUTH WALES

### Position Vacant

Long-serving Division Secretary, Meryl Smith, is planning to stand down from her position at the upcoming AGM. There is a vacancy for a part-time paid Secretary to assist in conducting seminars and other functions held at Division level. The role also involves liaising with diary advertisers and other sponsors, organizing meeting venues, preparing minutes and agendas, authorising payments, banking and such other duties as required by the Division. The position of Secretary does not need to be a member of AICLA, and is suited to someone who is currently looking for part-time employment, or is working full-time and would like to be further involved with AICLA. If you wish to discuss the position or require further information, please contact Geoffrey Tir: [geoffrey.tir@dwfadjusting.com](mailto:geoffrey.tir@dwfadjusting.com) or Meryl Smith: [meryl.smith@lmigroup.com](mailto:meryl.smith@lmigroup.com)

## VICTORIA

### AICLA Victoria Announces the Bob Richards Award



After collecting member and industry feedback, AICLA (Vic) is thrilled to announce the introduction of the Bob Richards Award (Vic). This award is presented to the individual with the highest exam mark of any module completed in the calendar year in the ANZIIF/AICLA Diploma of Loss Adjusting course.

The winner of the Bob Richards Award (Vic) will be announced at the AICLA (Vic) Awards held in Melbourne and will be presented with a framed certificate along with a \$500.00 cash prize!

In naming the Award in honour of Bob Richards, AICLA (Vic) recognises the skills and contribution Bob continues to make to the Loss Adjusting Profession and celebrates the guiding hand he has offered over the years. Bob continues his drive to mentor and give back to the loss adjusting industry and as such AICLA Victoria could not think of a more fitting person to name this educational award after.

Bob is an integral part in the development, training and education for the loss adjusting industry, starting his insurance career in 1962. Bob completed the Associateship of the Australian Insurance Institute (now ANZIIF) in 1972 achieving the highest mark in Document Drafting, gaining the Loss Adjusters Institute of Victoria prize of \$20.00 – Wow how times have changed!

Bob was very active in the 1980's as the Area Representative of CILA Victoria and in 1988 elected CILA (Australasian Division) President. Bob had a brief stint in Hong Kong including being invited to the Hong Kong Insurance Institute to lecture.

Upon his return to Melbourne, Bob was involved with CILA (Australasian Division), facilitating training sessions. Bob, with other Senior Adjusters, prepared the basis for the Diploma of Loss Adjusters exams. Mid 1980's, Bob was the National Director & Victorian Chapter Chair of Australian Insurance Law Association (AILA).

In 1996 Bob chaired a committee overseeing the amalgamation of loss adjusting bodies to form the Australasian Institute of Chartered Loss Adjusters (AICLA). In 1997, Bob was appointed the inaugural President of AICLA.

Late 90's and early 2000's saw Bob as a member of The Institute's Branch Executive Committee. During the course of Bob's career, he has presented papers for CILA, AICLA, ANZIIF and AILA. Bob has addressed industry functions in the UK and Asia and published several insurance articles across the World.

When not involved in the insurance industry Bob has been an active Rotarian since 1986, has been involved in a number of international humanitarian programs and was presented with the Medal of the Order of Australia (OAM) in 2015 for his significant contribution to community service over a period of 40 years.

To enrol in the ANZIIF Diploma of Loss Adjusting please visit, the [ANZIIF Website](#) and stay tuned for the inaugural winner of the Bob Richards Award (Vic).

## WESTERN AUSTRALIA

The WA Division conducted a successful breakfast seminar with 65 attendees on 4 July. The seminar covered testing and remediation works once contamination has been identified in clandestine laboratories.

The presentations were by Ryan Tremain (QED Environmental Services) and Liam Taylor (Savana Environmental Australia). Ryan discussed pre-risk assessment before going to a property, methodology and case studies, and Liam presented on remediation processes.



## QUEENSLAND

The popular **Trivia Event** will follow the Qld Division AGM on Friday, 9 August 2019 at Cloudland Fortitude Valley, and includes a four hour drinks package, canapes and six rounds of trivia with prizes. [Click here for more information and to register.](#) We thank the following sponsors for their support: **Bay Building, Steamatic & Intebuild.** [Click here...](#)

The **Charity Race Day** in conjunction with Women in Insurance will be held on Wednesday, 16 October 2019 at Doomben Racecourse, and the final event for the year will be the **Annual Luncheon** at Tattersall's club on Friday, 15 November 2019.

## INTERNATIONAL

AICLA, together with APKAI - Asosiasi Penilai Kerugian Asuransi Indonesia (The Association of Indonesian Insurance Adjusters) held a successful two-day interactive event *"A Practical Workshop on to How to Effectively Handle Machinery Breakdown and Business Interruption Claims"* in Bali, Indonesia on 4-5 July 2019.

This workshop was well attended by insurance brokers and loss adjusters from Indonesia, Thailand and Indonesia, and covered machinery policy, business interruption and claims case studies. The presenters were from Australia, Singapore and Indonesia with extensive insurance experience between them.

On day one, AICLA President/International Development Director, Mr Jaye Kumar (*ANA Chartered Loss Adjusters*), outlined the workshop contents, explained the interactive mode of the program and its learning outcomes. He also shared some key features about power plants, machinery and industrial equipment used in the various regions.

Singapore based Insurance Consultant, Mr Pooba Mahalingam (*Talent Asia Training and Consulting*), presented on the Machinery Breakdown policy and touched on the highlights of the Munich Re standard wordings. Interactive group discussions were conducted, with case studies relating to policy coverage. Being a

former loss adjuster, Pooba also found time to engage with the delegates on technical aspects like verifying value at risk, applying deductible, depreciation and betterment/improvement issues.

APKAI Past President, Mr Budi Maharesi (*PT McLarens Indonesia*), spoke on a few complicated endorsements and clauses in the Machinery policy. There were interesting questions from the floor on how to apply these policy terms in real life scenarios.

A networking cocktail was held at the end of day one.

The second day was conducted by Crawford's Forensic Accountant, Mr Gareth Cottam, who presented details of the Business Interruption cover and how it operates. He presented examples and real life scenarios, and related his subject matter to the policy clauses.

Delegate feedback indicated that the workshop was well received. The workshop included a certificate presentation by Mr Rio Darante, Vice Chairman of APKAI (*President Director of PT Japenasi Nusantara*).

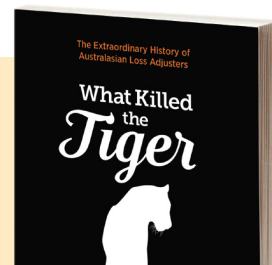
The President stated that AICLA is planning international workshops in Kuala Lumpur and Bahrain in the coming months. Previous AICLA workshops have been held in Jakarta, Hong Kong, Dubai, Hanoi, Kuala Lumpur and Singapore.

[Click here for photos...](#)



## WHAT KILLED THE TIGER

Click here to order your copy of *What Killed the Tiger: the Extraordinary History of Australasian Loss Adjusters*



## ON-LINE CPD

### THE TIANJIN EXPLOSION

In the middle of an August night in 2015, the Chinese port of Tianjin suffered a series of devastating explosions, the immediate and consequential costs of which not only impacted primary insurers but were serious enough to substantially affect the performance of Lloyds and American re-insurers. The incident started as a fire, probably of a controllable size. What turned an incident into a major disaster was that the substances were stored in excessive quantities well above Chinese regulations and worldwide practice and with different chemicals arguably too closely adjacent. In particular, including substances that react violently with water — the fireman's main tool of fire extinguishment.

Just before 11pm fire brigades were called to the initial fire, apparently caused by the spontaneous combustion of dry nitro-cellulose. The first attendance firefighters attempted to contain the rapidly spreading flames by applying copious quantities of water. Some fell on nearby calcium carbide, generating acetylene gas, which led to the initial explosion, very soon followed by the very violent ignition of nearby ammonium nitrate. This was quickly followed by other small explosions, a total of eight in all. This resulted in total destruction of the port and goods in it, ranging from thousands of shipping containers to large fleets of vehicles stored near and on the quaysides. It also caused over 173 lives to be lost and 800 injuries. The explosion blew a huge crater in the ground and blew out windows in properties up to 2 kms away.

Importantly, apart from a colossal immediate physical loss of property, as Tianjin was at that time the third largest

port in China (and the fourth in the world) there were far reaching logistics and thus consequential loss implications. China is the world's greatest trading nation, and major manufacturing plants — while mostly very much automated — are also mass employers. The movement of raw materials and finished goods between factories and the outside world is critical and naturally efficiently run ports are an essential component, so this incident made a major dent in the smooth running of China's economy.

It turns out that two main factors caused the disaster. The first was the storing of hazardous chemicals in too great a quantity and too adjacent to each other, in flagrant disregard of both world practice and Chinese regulation. The second is the use of water as an extinguishing agent in the vicinity of chemicals that react violently with it. It has not been possible to establish beyond doubt whether this was due to an inadequate briefing routine (such as is provided by our own hazmat procedures) or failure of the chemical storage facility to properly notify the presence of the particularly water-sensitive materials.

As with all major incidents, this one has pointers for other nations — even if the conclusion is 'it could not happen here, because... [hopefully fill in convincingly]'. We outline the incident and the consequential loss aspects in our paper at CPD083.

The password to the Member section of our website is **aicla2018** and you proceed via CPD Papers and Quizzes. Unless you opted to turn off cookies, you will only need the password the first time you access that section.



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

The cost is \$300.00 (+ GST) and the advertisement will be run for one month.

The advertisements also appear on the AICLA website [www.aicla.org](http://www.aicla.org).

If you wish to advertise, please send information to [adminoffice@aicla.org](mailto:adminoffice@aicla.org).

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