



## FROM THE INSTITUTE PRESIDENT, JAYE KUMAR

Dear Member,

The Hayne Royal Commission report into misconduct in the financial services sector in Australia had a profound impact, with widespread acknowledgement that significant industry reforms were required.

Amongst the HRC recommendations was 4.8, that the Government remove the exemption for the handling and settlement of insurance claims from the definition of a financial service. What followed was consultation with industry and a draft discussion paper issued by Treasury outlining a possible regulatory framework. AICLA supported in written submissions and during meetings the proposed framework outlined by Treasury. The reforms were planned to be legislated and operating by 1 July this year, however with the devastating upheaval caused by Covid-19, the Government has deferred introduction of the HRC reforms in respect of claims until the end of 2020.

AICLA has continued to liaise with Treasury. We are seeking a commitment to reforms that provide effective benefit for consumers that ensure those who make recommendations on the acceptance or rejection of a claim are suitably qualified.

It is our understanding that the legislation and regulations will not require loss adjusters to be licensed or Authorised Representatives. Loss Adjusters will be Representatives, as will be many others in the claims process. Treasury contends that it will be a requirement under the Corporations Act for licensees (insurers) to ensure that their Representatives are appropriately trained and qualified. The legislation will set a higher standard in respect of who is appointed to assess a claim than the current General Insurance Code of Practice.

AICLA is now seeking a meeting with ASIC, who will have responsibility to set Regulatory Guidance Notes for the industry, as we believe these guidance notes will be important in the final regulatory framework. The new legislation and regulations will also address the issue of claimant intermediaries, or as they are sometimes called, storm chasers.

We are now awaiting draft legislation to see the extent to which the Government will adopt reforms. We are committed to using this opportunity to seek effective and fundamental reforms in the area of claims.

Thank you to those members who came forward to fill positions of Office Bearers and Councillors at recent Division AGMs. Your support for AICLA is vital to the continued development and strength of the institute. These AGMs were conducted electronically, face to face, or a combination of both.

The winner of the 2020 Carey Bird Scholarship is Josh Walters, YDR Chartered Loss Adjusters Brisbane. Congratulations to Josh on winning this prestigious award, which allows a loss adjuster to demonstrate in a practical manner the skills they have in preparing a comprehensive report on a claims scenario. The scholarship was established by AICLA in recognition of Carey Bird, a member who was tragically killed in the Christchurch earthquake on 22 February 2011. At the time of his death, Carey was working for Marsh FACS in Christchurch, and the award is jointly sponsored by Marsh.

Recently a survey was forwarded to members seeking feedback in relation to an AICLA mobile app to be developed. The survey will only take a few minutes to complete and will help in identifying overall functionality and features for the app. If you have not already completed the survey [click here...](#)

The Victorian Division conducted a series of five iAdjust webinars, and I thank them for their initiative. As Covid is destined to be with us until such time as a vaccine is developed, we will continue to see the delivery of seminars and conduct of meetings by electronic means.

Advertising for the Suppliers Directory on the AICLA website and diary represents a significant source of revenue for Divisions. Despite the current uncertainties surrounding many business activities, it is pleasing that strong support has been received from the many companies that provide services to the claims industry.

**Kind regards**

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

## UPCOMING EVENTS

Members and guests are invited to attend the following events. Further information will be provided in due course.

DATE	EVENT	LOCATION
13 November 2020	Luncheon	Brisbane
10 December 2020	Awards Night	Melbourne
15-17 March 2021	Asian Claims Convention	Kyoto



## COP TRAINING

Members in Australia are reminded that AICLA has developed General Insurance Code of Practice training material for customers experiencing vulnerability and financial hardship. These new provisions came into effect on 1 July and it is the responsibility of members to be aware of their obligations. For further information and to access the training material please [click here...](#)

## BUSHFIRES DATA

The following information has recently been released by ICA in respect of the widespread bushfires in Australia during November 2019:

**Estimated Value @ 23 August 2020: \$2,327,837,442**  
(62% domestic, 38% commercial)

**Lodged Claims @ 23 August 2020: 38,416**  
(68% domestic, 32% commercial)

## BREAKDOWN

- **9,389** Residential Building Claims,  
83.57% closed, average value **\$132,189**
- **14,237** Contents Claims,  
93.72% closed, average value **\$12,302**
- **1,613** Domestic Motor Claims,  
88.54% closed, average value **\$11,098**
- **813** Domestic Other
- **8,738** Commercial Property Claims,  
81.37% closed, average value **\$88,354**
- **1,332** Commercial Motor Claims,  
90.54% closed, average value **\$14,081**
- **1,285** Business Interruption Claims,  
81.32% closed, average value **\$40,812**
- **1,009** Commercial Other (including crop, marine, aviation)

Information on other cat events is [available here...](#)

## CONTINUING PROFESSIONAL DEVELOPMENT

Access to CPD online papers and other restricted information is available on the AICLA website 'member section' via the password **aicla2018**. Members are reminded that to be eligible for membership upgrades CPD accreditation must be achieved. Online activities provide one source of valuable training during Covid-19, when face to face training/seminars are limited.

## NEW AND ELEVATED MEMBERS

Congratulations to the following new and recently elevated members:

### NEW MEMBERS

Name	Class	Division
Joel Arbuthnot	Provisional	New South Wales
Brooke Randall	Provisional	Victoria

### ELEVATIONS

Name	Class	Division
Harold Lim	Associate	Int. Thailand
Tran Minh Phuong	Associate	Int. Vietnam
Vu Tri Thang	Associate	Int. Vietnam
Anika Thomasson	Affiliate	Victoria

## INTERNATIONAL

At the recent International Division AGM, the following Office Bearers and Councillors were elected for 2020/21:

Chairman	Andrew Khoo
Councillor	Dominic Tran
Councillor	Parinya Kaewduangtien
Councillor	Samuel So
Councillor	Harold Lim
Councillor	Jakkrit Khaosaard
Councillor	Budi Maharesi
Councillor	Pooba Mahalingam
Secretary	Tony Libke

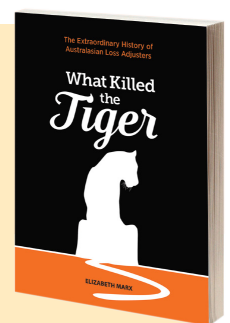
## NSW/ACT

Following the NSW/ACT Division AGM, the Council for 2020/21 is:

Chair	Joanna Lacorcica
Treasurer	Mark Cook
Secretary	Geoffrey Tir
Councillor	Nick Tay
Councillor	Anthony Brown
Councillor	Andrew Bull

## WHAT KILLED THE TIGER

Copies of the book 'What Killed the Tiger: the Extraordinary History of Australasian Loss Adjusters' are available, and if you have not already ordered a copy please [click here](#) for the order form.



## QLD

At the August Division AGM, there was no change to the Council for 2020/21. The AGM was followed by a networking function, with over 80 registrations for the event. The End of Year Luncheon will be held on 13 November at the W Hotel North Quay Brisbane. With current Covid-19

restrictions, the number of attendees will be limited. Further information will be forwarded to members closer to the event. The popular Charity Race Day normally held in October will not be proceeding this year.



## ON-LINE CPD

Before we address this month's topic, a reminder that there is a new General Insurance Code of Practice that comes into force next January. Accordingly we have updated paper CPD001, which has held the current Code since the start of these papers. Over the years there have been several codes — the last three in 2012, 2014 and now 2020 — each having a common aim, to make key insurance sales and claims handling procedures mandatory and assist the consumer public. We have reproduced the text only, and also give a link so that members can see the Code as available to consumers, with its excellent layout and illustrations.

No doubt most readers have now become heartily fed up with speeches and writings about COVID-19. However, for the moment we are stuck with the disease and of course it affects our daily work. One area of claims which is receiving attention is that of business interruption. Whether a particular policy responds to a COVID-19 driven claim or not depends as usual entirely upon the wording, with the possibility of AFCA (or legal, later) precedent added. A traditional ISR policy will require a damage trigger in most circumstances. Other more modern wordings may not. ISR also has a fixed formula for calculating the extent of the loss, where other wordings may have other formulae.

As we always say, the adjuster who proceeds without a copy of the actual wording, endorsements and the policy schedule is a foolish practitioner!

For the traditional approach, members who are interested may find our various papers on the topic of interest (CPD003, CPD042-044) and may care to try our scenarios

at CPD058 and CPD084, checking them against the worked solutions. But as always, we caution that a general adjuster should not risk operating in the highly specialised BI field simply on familiarisation of these papers. Necessarily they do not provide a comprehensive course.

With all claims, whether material damage or consequential loss, under current conditions we are forced to at least minimise site attendance — if allowed at all. This is usually one of the essential elements of adjusting all but the smallest claim or those where the cause and extent of damage cannot be visibly seen — such as electronic claims where intimate knowledge of the technology is essential and highly specialised.

Minimising or eliminating site visits mandates that the skills of telephone interviewing and independent pricing research as well as careful analysis of scopes of work and the like become even more essential. Where we are hampered in our ability to be the insurer's pair of eyes we must hone our other senses and be the insurer's pair of ears and vital sixth sense, not of course forgetting the PR element of our work and the need for a combination of empathy and alertness. Like everyone else, we must adapt to survive!

Apart from teleconferencing initiatives, the conference/ seminar option for continuing professional education is now not possible, probably for some considerable time, so members need to exploit other avenues of development. One of those is our on-line CPD program. We now have 131 papers on-line, with two more imminent and one more 'in the pipeline'. We invite you to browse.



**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.