

**Site Visit
to
MRT Project
site**

A CASE STUDY

**APPROACH TO DEALING WITH CONSTRUCTION
RISK AND INSURANCE – INCLUDING
ADVANCED LOSS OF PROFIT (ALOP) COVERAGE**

INTERMEDIATE | 7-8 November 2019 | HOTEL ISTANA, KUALA LUMPUR

A Joint Workshop Organised by MII & AICLA



**THE MALAYSIAN
INSURANCE INSTITUTE**



For further information kindly contact 03 2087 8882: Santhi (ext 273) | Azean (ext 274) | Ashraff (275)

www.insurance.com.my



PROGRAMME HIGHLIGHT

This two day intermediate level workshop is planned with special focus on case studies and worked examples to make the learning more effective. It has been organized to provide participants a hands-on understanding of dealing with the Contractor All Risks (CAR) insurance claims relating to Material Damage (Section I) and Third Party Liability (Section II). The program also includes discussion on Advanced Loss of Profits (Section III) to provide a better understanding of this complex subject and to explain how it relates to privately funded projects.

The workshop course leaders are AICLA qualified loss adjusters who have extensive experience in handling CAR claims in the region. They will spend the two days sharing their knowledge and experience, using an interactive presentation format that will require delegate participation to reinforce the learning experience. The use of real life case studies will be the platform to explain the Construction All Risks policy coverage and highlight the issues encountered in handling construction claims.

KEY LEARNING OUTCOMES

At the end of the two day program, participants would be able to:

- Understand the practical aspects of the Construction All Risks policy coverage and its application
- Learn how to manage such construction / engineering claims effectively.
- Describe the operational and practical challenges and concerns that Insurers, Brokers and Claims Handlers need to consider and focus on when managing these claims.
- Highlight ALOP claims relative to project delays and cost over-runs.
- Appreciate a better understanding of quantum calculation of material damage, liability and financial loss claims.

TARGET AUDIENCE

- Claims Executives and Managers from insurance/reinsurance companies and broking firms.
- Loss Adjusters; Underwriters, Business Development and Marketing Executives from insurance/reinsurance companies;
- Client and Account Executives and Managers of insurance/reinsurance broking firms;
- Managers /Executives of insurance buyers and consumers of the insurance products.

There will be an over view of current and upcoming projects in Malaysia and the region. Some of the major infrastructure and commercial project development will be highlighted. The case studies will be reviewed together and the Course Leader will guide the participants in dealing with the technical challenges. Accordingly a review of the coverage afforded under the CAR (Section I) policy will be addressed. Some basic principles will be reviewed together with the policy clauses and endorsements. Application of current statutes and regulations will be addressed to provide better relevance to coverage.

In respect of construction liability issues, a few challenging case studies will be discussed. The basic coverage of the Section II - Third party liability will be addressed and studied. The application of the various legal liability situations will be discussed with the aim of understanding the practical issues arising out of contract works claims. Typical exclusions and treatment of quantum when dealt with by the Insured will also be explored.

INTRODUCTION TO CONSTRUCTION ALL RISKS POLICY AND ITS COVERAGE

- Recent developments and projects in Malaysia, Singapore and the Asean region
- The common construction policies in this region
- The critical underwriting issues that warrant consideration depending on the nature of risk and hazard identification
- The clauses and warranties that are commonly incorporated in the policies and their impact on claims
- Study of a few complex claim case studies.

TECHNICAL SITE VISIT

- Afternoon session visit to project site
- Briefing by project personnel
- Technical challenges and quality control aspects
- Understanding the work schedule and how delays are mitigated.

MATERIAL DAMAGE (SECTION I)

- Break-out session to work on the case studies
- Brief review of the CAR policy – Section I Material damage coverage; Operative clause, Conditions and Exclusion, Policy limits, cover period and related terms
- Discussion of complex issues and application of key concepts followed by interactive Question & Answer session

THIRD PARTY LIABILITY (SECTION II)

- Break-out session to work on the case studies
- Review of CAR Policy Section II – Third Party Liability coverage;
- General principles, insuring clause and what triggers a claim, who is covered, who is identified as the Insured, protected by the policy
- Additional covers, Exclusions, Extensions and Special Conditions
- Practical examples of difficulties encountered by claimants and contractors in dealing with such claims followed by Q & A.

NETWORKING EVENING

The organizers have arranged a cocktail at the end of Day One to facilitate networking and friendship among the participants and speakers

A discussion will be included on Section III - Advanced Loss of Profits (ALOP) and its impact on project delays and financial losses will be covered. Again, our Course Leader will use an interesting case study to apply the principles of this coverage in project development, wrapping this into section 1 case study.

A technical site visit has been arranged as part of the program to bring the participants to a major project development in Kuala Lumpur to observe and appreciate the challenges of implementing infrastructure works on the ground. This promises to be quite an eye opener for both local and regional participants attending this workshop. It is intended that a number of "what if" scenarios will be developed for this site visit, to enable as much fuller discussion for all participant in the "classroom" sessions.

ADVANCED LOSS OF PROFIT (SECTION III)

- Study of the ALOP Case Study plus class discussion
- Review of CAR Section III - Advanced Loss of Profits coverage
- Overview, coverage, application and issues for quantum calculation;
- Measuring ALOP- Basic Outline, Lack of Historical Experience and other delay issues
- Commercial Operations Date, Accuracy of Declared Values and Mitigation expenses
- Interactive discussion when dealing with ALOP losses.





JAYE KUMAR

WORKSHOP FACILITATOR

Jaye Kumar is a Chartered Loss Adjuster (Fellow), Chartered Mechanical Engineer and has a Masters in Business Administration. He is an engineering loss adjuster and has worked extensively in South East Asia, UK and for the last 30 years, in Australia.

Jaye has been actively involved with the Australasian Institute of Chartered Loss Adjusters (AICLA) and has served on the AICLA Board since 1999 and currently holds two prominent roles – As President of AICLA (elected since 2018) and International Development Director for the last decade. He is responsible for expanding AICLA's membership base across the region

and internationally. AICLA has international membership chapters in Malaysia, Singapore, Hong Kong, Indonesia, Thailand and Vietnam and is further expanding this to the Middle East and Europe.

Jaye is the founder and Managing Director of VRS ANA Pty Ltd, an international loss adjusting company with offices across Australia, Singapore and globally in association with corporate partners.



IAN MCWALTER

WORKSHOP LEADER

Ian entered loss adjusting in the UK in 1978 returning to Australia in 1989 and is now based in Sydney. He has now worked as a loss adjuster for over 40 years.

He is currently the Director of DWF Adjusting (Australia) Pty Ltd, having previously run his own company FT Adjusting Pty Ltd, merging with DWF in March of 2019.

Ian has specialised in construction and engineering claims for the last 28 years.

His contract works claims ranges from roads and bridges, tunnelling and infrastructure to high rise and low rise office and residential buildings as well as stadiums and factories and aspects of mining.

Professional Indemnity claims; these range from claims against building inspectors, architects and engineers, to claims involving project managers, surveyors and large construction companies.

Public and Product Liability claims experience ranges from claims involving head contractors and sub-contractors causing damage to third party property, from sheet piling and other collapses, escapes of water, mechanical failures, etc., to supply of defective building products by manufacturers.

Ian's experience includes providing advice on policy indemnity, liability and quantum, negotiating losses with third parties and insureds, agreeing scopes of works, providing costings and mediating disputes.

Ian has been actively involved with AICLA (and formerly the Australasian division of CILA until its merger with AICLA in 1997) since its inception in 1997, having previously held the position of Education Director, International Development Director and President.



IR. POOBA

WORKSHOP LEADER

Ir Pooba Mahalingam is a professional engineer with over 30 years of experience in engineering, insurance and loss adjusting. He is specialized in construction, engineering, machinery and property insurance aspects. Pooba also handled risk management and claims assignments for large and complex engineering claims in the region. He also spent time with a regional Insurer in Singapore where he led the risk portfolio before venturing into the training and consulting space in 2016.

Pooba was previously attached to an international claims management company and headed its Construction, Power and Engineering (CPE) team in Singapore. He was also assigned to Christchurch, New Zealand, as a member of the catastrophic claims team handling the 2011 earthquake issues.

He served as the President of the Insurance Law Association of Singapore (ILAS) for three terms and is an active facilitator with The Australasian Institute of Chartered Loss Adjusters (AICLA), Singapore College of Insurance (SCI), the Malaysian Insurance Institute (MII) and a few other Singaporean and regional organizations. Pooba is also a Councillor of the AICLA International Division, representing Singapore.

Pooba currently serves Singapore and the region in training/ risk consulting space under his company, TATC Risk Management. He has conducted training sessions in Indonesia, Thailand, Hong Kong, UAE, Philippines, Mauritius, Maldives, Brunei, Myanmar and in Malaysia. He also works closely with regional industry players who have their offices in Singapore and also covers the Asia region on risk survey assignments.

THE MALAYSIAN INSURANCE INSTITUTE (MII)

Founded in 1968 as a non-profit organisation, The Malaysian Insurance Institute (MII) is the leading professional body and education institution for the Malaysian insurance industry. MII provides internationally recognised qualifications in insurance, risk management and financial planning. It is highly respected as a regional centre that offers an extensive range of quality education programmes and training courses for professionals in the insurance and financial services industry. MII commitment to providing relevant, high quality professional qualifications and training offerings is underpinned by its role in partnering the industry and its members in the pursuit of professional excellence and business success.



THE AUSTRALASIAN INSTITUTE OF CHARTERED LOSS ADJUSTERS (AICLA)

The Australasian Institute of Chartered Loss Adjusters (AICLA), established in 1997, is the leading international loss adjusting professional and educational body for loss adjusters with an extensive and growing membership base. The primary object of the Institute is to advance the Profession (of Loss Adjusting) for the benefit of its practitioners and the public in general through the continual education of its Members and the encouragement of skilled, ethical and sound practice in the Profession.



