



## FROM THE INSTITUTE PRESIDENT, LEON BRIGGS

Dear Member,

I have recently been reflecting on the role of the loss adjuster; the independent (?) and impartial (?) facilitator of the claim, sitting between the insurer and the insured.

Are we independent and are we impartial? Leaving aside the legal distinction of independence and who pays our fees, I think that most of us would claim to act impartially. We would suggest that generally our role is not to get the lowest answer but, as far as is possible, to arrive at the fairest answer. We aim to get the adjustment right, in accordance with the particular policy we are instructed under, so that the insurer pays no more than it should, but that the insured receives no less than it should.

Saving an insurer \$20,000 by depriving the insured of money it should have had is not actually a good adjustment. Some insurers might like paying less but it is not right. There are different ways in which this might manifest:

1. Imagine a claim where the insured had submitted invoices and had mis-added them and had inadvertently under-claimed by \$5,000. All other things being equal, would you point this out to the insured and prepare a final adjustment at a value higher than the insured had claimed?
2. What if the insured had a clause in its policy that stated where the insured carried out repairs the insured is entitled to a reasonable allowance for profit, in addition to the labour and material costs? Again, assuming no other areas of disagreement; what if the insured, as most do, had simply submitted a schedule of hours and rates, and a list of materials with invoices, and had expected that to be the value of the claim (say \$50,000). Would you go back to the insured and suggest to them that they should claim another 5% for profit, and report the adjustment to insurers at \$52,500?
3. Many policies have claim preparation costs cover that includes the insured's own staff costs, and for preparation of the material damage claim not just the business

interruption claim. If the insured had spent time preparing invoices but had not submitted a claim preparation costs claim, would you suggest that they do?

4. Would the answer to any of these examples be different if the insured had engaged a professional claim preparer? Should it be?

Is there a difference between simply correcting an error, and including items of claim that the insured had "chosen" not to claim? (The reality being that most insured's do not choose to omit costs, they don't realise they can claim them).

If we are the loss adjuster acting impartially for the insurer, how will our client react if the insured claims \$300,000 and we present an adjustment of a \$300,000 claim at \$330,000? Should the reaction of the insurer change what we think an impartial role consists of?

I am not suggesting any right or wrong answer, but it is an interesting area to think about – what does being an impartial loss adjuster actually entail?

Kind regards

**Leon Briggs, Chartered Loss Adjuster  
President - AICLA**

## NEW AND ELEVATED MEMBERS

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

### NEW MEMBERS

Name	Class	Division
Doug Garner	Affiliate	Queensland
Karl Murphy	Provisional	Victoria
Nishantha Gunawardena	Affiliate	Victoria
Kerrie McLachlan	Provisional	Western Australia
Christine Ferguson	Provisional	Western Australia
Lynette Potter	Affiliate	Victoria
Braam Kruger	Affiliate	New Zealand
Tan Meng Yuan	Provisional	Int. Singapore
Yandry Aditya Nugraha	Affiliate	Int. Indonesia
Bintang Lazuardi	Affiliate	Int. Indonesia
Agata Damayanti	Affiliate	Int. Indonesia
Lukman Hafidz	Affiliate	Int. Indonesia
Samantha Smith	Provisional	South Australia

### ELEVATIONS

Name	Class	Division
Kym Barnett	Affiliate	South Australia
Naaz Mohd	Affiliate	Int. Singapore
Joe Foley	Affiliate	Queensland
Carmen Foo	Associate	Int. Singapore

AICLA/ANZIIF

# CC18

Claims Convention

## BEST PRACTICE IN CLAIMS

27th September 2018

With four weeks until CC18, there is still time to register for the event. With 300 attendees anticipated for CC18, this is the major claims convention held in Australia annually.

This will be the 12th AICLA/ANZIIF Claims Convention and will be held at the Sheraton on the Park Sydney on **Thursday, 27 September 2018**.

For the full programme and to register for the convention [click here...](#)

### TRAINEE LOSS ADJUSTERS' WORKSHOP

A Trainee Loss Adjusters' workshop will be held in Sydney on **Wednesday 26 September at the Novotel Sydney Darling Square**.

For more information and to register [click here...](#)

### ASIAN CLAIMS CONVENTION 2019

The Asian Claims Convention will be held on **24, 25, 26 April 2019 in Phnom Penh, Cambodia**.

The venue for the convention is the Sofitel Phnom Penh, which was rated 6th best hotel in Asia, Conde Nast Traveler 2017. The planning committee is developing the programme for the convention, and sponsor support has been very strong.

### SOUTH AUSTRALIA

The SA Division held its annual AGM on 23 August 2018.

During the AGM, the following were elected to the SA Committee for the coming year:

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**Chair:** Richard Jones

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**Secretary/Treasurer:** Sally Ballard

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**Councillor:** Steve Flight

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**Councillor:** Mark Green

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**Councillor:** Jill Pople

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**Councillor:** Dylan Maguire

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**Councillor:** Ryan Smith

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The Annual SA AICLA Luncheon is being held at National Wine Centre on 12 October 2018, with Mr Tim Jarvis, an environmental scientist, author and adventurer, whose most recent Antarctic expedition in 2013, involved the authentic recreation of the historic 1916 survival journey by polar explorer, Sir Ernest Shackleton, being the Guest Speaker.

Drinks will be held after the lunch at Nola Bar, and all members and guests of the lunch are welcome to attend.

Invites have been sent and it would be appreciated if registration could be completed and returned to Sally Ballard by 28 September 2018. To register [click here...](#)

The committee looks forward to seeing as good a turn out as last year!

### WESTERN AUSTRALIA

On 9 August we had Dr Grant Lester, a consultant forensic psychiatrist, present to us on the management of vexatious, difficult and unreasonable complainants.

This was the best ever attended breakfast function for WA with 92 members and guests.



## QUEENSLAND

The recent breakfast seminar on the topic *Privilege – How to Get it, How to Keep it* was presented by Kiley Hodges from Sparke Helmore.



The final **education breakfast seminar will be held at the W Hotel on North Quay Brisbane on 11 September.**

The Seminar, being a panel discussion on Roles in the Insurance Claims Process, is being sponsored by Advanced Buildings and Morse Building Consultancy, and to register please [click here...](#)

The **Division AGM and Trivia Event** was held on 24 August at Cloudland and was a great success, with 70 attendees. [Click here for photos](#)

The popular **Charity Race Day** will be held in conjunction with Women in Insurance on 17 October at Doomben Racecourse. Registrations are now open, [click here...](#)

The final event for the year will be the Annual Luncheon, which will be held at Tattersall's club on Friday 16 November.

## NEW SOUTH WALES

At the recent NSW Division AGM, the following persons were elected for 2018/19:

<b>Chair:</b>	Ben Neat
<b>Secretary/Treasurer:</b>	Meryl Smith
<b>Councillor:</b>	Chris McAuliffe
<b>Councillor:</b>	Brian Treloar
<b>Councillor:</b>	Geoffrey Tir
<b>Councillor:</b>	Richard Mayne

## INTERNATIONAL

### Ho Chi Minh City Meeting

AICLA Councillor for Vietnam, Dominic Tran, organised a gathering in Ho Chi Minh on 23 August with members in Vietnam. The gathering was also attended by claim managers from Vietnamese insurance and broking firms, including one from Malaysia. During the gathering, Jaye Kumar (International Development Director) presented to the attendees the roles of AICLA and routes to and benefits of achieving the Chartered Loss Adjuster qualification.

Two technical papers were also presented; "Check List for Machinery Breakdown Claims" by Jaye Kumar and "Evidence Gathering – A Case Study" by Andrew Khoo (Chairman, International Division).

Feedback from attendees was very encouraging, and they are looking forward to future similar gatherings and presentations.

All attendees were later invited to a cocktail function hosted by VietAdjusters JSC.

AICLA wish to record our thanks to Dominic Tran for organising the gathering and also to VietAdjusters JSC for hosting the cocktail function.



Line up of participants and presenters



## Bangkok Workshop

*How to effectively Handle Machinery Breakdown and Business Interruption Claims* - A two-day workshop in Bangkok.

The delegates indicated that the two day event was well organized and with good presentations by the experienced facilitators and guest speakers.

The Australasian Institute of Chartered Loss Adjusters (AICLA) and Thailand Insurance Institute (TII) held a two-day machinery breakdown insurance workshop (20th and 21st August 2018) at the Aetas Lumpini, Bangkok, Thailand.

Mr Tadthep Sujitjorn, President of TII welcomed the participants to the event and urged active participation to achieve best results from the workshop sessions. He also thanked AICLA for the cooperation and efforts to make this a successful event.

*"Very good and interactive programme. Look forward for more."*

The event kicked off with AICLA International Development Director, Mr Jaye Kumar outlining the workshop subjects, explained the interactive mode of the program and the learning outcomes. Jaye later presented the first technical session with an overview of power generation facilities and the various plant and equipment involved in machinery breakdown policies. He shared his 35 years in the industry to explain and highlight how to effectively handle and manage engineering claims through technical knowledge, planning and a structured approach. A check list was presented to summarise the process.

*"Good learning experience over the two days."*

The insurance coverage segment commenced with Singapore based Insurance Trainer/ Consultant, Mr Pooba Mahalingam (Director - Talent Asia Training and Consulting) speaking on the Machinery Breakdown policy and the various areas - clauses, endorsements and wordings. He also identified a few key contentious issues that may appear in typical machinery breakdown claims. Being a former experienced loss adjuster, Pooba used his previous experience with some interesting claims to use these as case studies to explain the application of the machinery breakdown policy. The participants and program facilitators entered into robust discussions on policy coverage and how it was worded in various engineering policies in the region. The participants found the case study approach used in the workshop as a practical way to understand the interpretation and application of the policy.

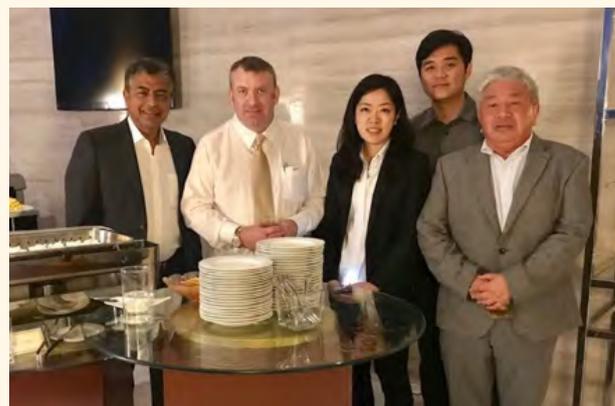
*"Experienced facilitators and good sharing. Well done AICLA/TII"*

Guest speaker Mr Jakkrit Khaosaard, CEO of Cunningham Lindsey (Thailand) Ltd presented an interesting paper entitled "MB - Can we make it easy?" His presentation was about a loss involving a Pulp mill in the paper manufacturing business and the issues faced in handling the claim. Jakkrit had presented previously and as usual, had the participants riveted during his 1 ½ hour session.

A networking cocktail was hosted for the delegates and a few local industry guests were invited. This session was sponsored by Global Adjusting Technical Services



Facilitators- Jaye, Tadtheq, Pooba, Dan



With Paul Rabbite, Vootipong, Luksanara (middle)



Presentations of Certificates



(Thailand) Co. Ltd (GATS). Managing Director, Mr Paul Rabbite and local colleagues were also present at the cocktail drinks.

*"Excellent learning - Hope to attend the next workshop session by AICLA in Jakarta or KL soon."*

On Day Two, Mr Dan De Silva of MDD - Melbourne office ventured into Business Interruption issues relating to MB cover. He touched on various delay issues and clauses including some interesting case studies which kept the participants totally engaged. To make the subject easy to understand, Dan went back to basics and used simple BI losses to explain the concepts of BI policies and claims adjusting. He kept his session interesting by breaking up the participants two groups- one representing an Insured, the other an Insurer. Each group were tasked with their own number crunching exercises and following discussions within the group were asked to present their calculations. This session was very interactive and created a better learning atmosphere for the participants. One participant said, "I did not realise BI was not just about spreadsheets and numbers"

Dan and Pooba used a power plant loss scenario as the basis of explaining how a material damage claim developed into a business interruption loss and how

costs were allocated to each side of the policy. The participants were requested to compile a documents request list to understand what information was referred to when typically, "financials records" were requested. The session was concluded with an evaluation of the claim and adjustment.

*"Case studies used were appropriate. It reinforced the learning experience."*

Special guest speaker Mr Vootipong Tempattarasak (Senior Manager), from GATS spoke on two case studies relating to MB claims- Biomass Generating Plant Turbine failure and Palm Oil Factory Boiler Breakdown. Vootipong kept his session interesting by sharing loads of images of the losses and explaining the forensic investigation undertaken to determine policy liability.

The event was concluded with an attendance certificate presentation by Mr Kumar on behalf of AICLA and TII. The two day event offered 14 CPD points for the participants.

After the photo session Jaye expressed his appreciation to the TII team for their assistance in organising the event. He went on to say, "AICLA was happy to work with TII on another successful workshop".

To see more photos from the Workshop, [click here...](#)

## NEW ZEALAND

On Friday 29 June the AICLA New Zealand Division held a one-day conference at The Maritime Room on Auckland's Waterfront.

Greig Halpin, Division Chairman started the day with welcome to all delegates, followed by an Institute overview from Leon Briggs, AICLA President.

The remainder of the morning filled by three quite diverse and entertaining speakers, covering topics from a cause and origin investigation, the Employment Relations Bill and the geotechnical impact of natural hazards.

We would like to thank Neil Makay of VFR Consulting Ltd, Jessie Laphorne, Partner at Duncan Cottrell, and Nick Peters of Tonkin & Taylor.

After a morning of such invigorating presentations, the afternoon (late morning), started with a product presentation from one of New Zealand's leading boutique brewers, Tuatara Brewing. This presentation was interactive, which required sampling for the purposes of feedback to the Brewer.

Prior to lunch, Albert Stassen presented a vale in respect of the recent passing of a dear friend and colleague of

many of us, John Burrows. John was a regular supporter of AICLA and will be dearly missed.

We had an opportunity to celebrate the achievement of Peter Humphrey-Taylor, who gained the highest mark by a New Zealand Division member for an individual ANZIIF module. Peter's module being Liability Loss Adjustment. Greig Halpin presented Peter with his achievement certificate.

By request from Peter, the \$500 award prize was donated to The Blood and Leukemia Foundation. This was an organisation that was close to John Burrows' heart during his health battles. Fantastic gesture Peter.

At the conclusion of lunch, Dr Grant Lester, a Consulting Forensic Psychiatrist based in Melbourne presented to the conference, the findings of his many years' research of Querulous and Vexatious Litigants. Dr Lester kept everyone totally captivated, some asking if they fit the profile of the individuals outlined in his address.

This year's conference was the first at this venue with a revised format. We appreciate the support of local delegates by way of attendance and are now planning for the 2019 event.



## VICTORIA



What a way to spend an afternoon! Afternoon Tea at The Hotel Windsor - a quintessential Melbourne experience served since 1883 and steeped in tradition, combined with a networking event, open to all, where you will hear from key women in the industry sharing their experiences and challenges.

Held in the elegant Grand Ballroom, Afternoon Tea is served on traditional three-tiered silver stands including coffee, tea and a glass of sparkling on arrival is included.

**Book now as numbers are limited and we expect this event to sell out fast!**

## ON-LINE CPD

### DRIVERLESS CARS

Nearly three years ago, in our paper CPD077, we discussed in some depth the then hot topic of driverless cars. The subject had been previously broached in November 2014 when we featured a paper (CPD067) written by Rahul Gumber, a senior risk manager operating in UK insurance circles.

Readers will note that the thrust of both papers is not on the whole positive towards the concept. The difficulties introduced by driverless vehicles include the intricacy of the decision process and its reliance at times on such minute judgements as a rapid appraisal of the condition of a following driver of a heavy vehicle, the utter reliance on that elusive animal: the perfect computer program and the hardware it controls, as well as a similarly critical reliance on the uninterrupted effectiveness of the GPS system and the mapping almanac (with roads and other transport infrastructure being constantly subject to change). From an insurance point of view a fundamental change is the shift of liability from the driver to the vehicle systems designer.

We pointed out that the oft-compared reliance on aircraft automated systems such as the autopilot was not a valid comparison at all, since separation distances (horizontal and vertical) are so great in the air and also the aircraft enjoys the freedom to deviate greatly from the existing course, not to mention that there are two pilots paying very close attention to operation, in contrast to the driverless car 'supervising driver' claimed to be able to read the paper, lie back and doze

or perhaps watch the footy on the infotainment screen...

We even wondered at that time whether motivation to develop this technology was entirely altruistic. Apart from the tendency of some consumers to buy the latest because it is, will the mixture of conventional and driverless cars on our roads pose a special problem which can only be solved by compulsorily removing all traditional vehicles at once? Would the resulting demand for new vehicles be welcomed by the automotive industry?

So where are we now? Progress in the introduction of the technology has been slower than expected, suggesting that a longer colder look is being afforded to the intricate practical and safety difficulties, though it still proceeds... But we seem to have moved beyond the fundamentally dangerous 'We'll do it because we can' phase to the more prudent 'Have we allowed for all eventualities?' There have already been some fatal accidents during trials, in one case leading to the abandonment of them. There is now open talk of the technology including decision algorithms starkly addressing 'Who is to live and who is to die?' a somewhat chilling concept. Clearly the story has only just begun...

On our new website, the navigation to our on-line CPD facility has changed. The password to the Member section of the site 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.