



FROM THE INSTITUTE PRESIDENT, GLYN LLOYD

Dear Member,

The Bill following the Hayne Royal Commission recommendations into misconduct in the financial services sector in Australia was introduced to Parliament on 12 November, with a variety of impacts set to be imposed upon the insurance industry in respect of claims handling and settlements.

Although the accompanying Regulations are yet to be released and will contain further information on how the proposed legislation will operate, it is clear that the standards are not as high or as stringent as AICLA had advocated. The AICLA submission to Treasury, if adopted, would have brought about minimum standards of education, not only for loss adjusters but for others involved in dealing with insurance claims. As dedicated loss adjusters who have an absolute belief in the profession, its values and what we stand for in the insurance industry, AICLA will continue to advocate for minimum standards for all those involved in the claims process to ensure that our clients, consumers and our standing in the industry are seen in the best possible light and to be of the utmost relevance as a service provider who add value to the entire economy. The HRC showed the flaws when allowing those ill equipped to be involved in the decision-making process for claims which does not provide a satisfactory outcome for our clients and consumers.

Accompanying the Bill was an Explanatory Memorandum that outlined how the regulatory regime will operate following the passing of the Bill into legislation. For a copy of the memorandum [click here...](#) As indicated in previous issues of LA News, loss adjusters under the proposed changes will be Representatives of Licensees (insurers). The changes require licensees ensure that representatives are adequately trained and competent to provide claims handling services. Chapter 7 in the memorandum covers claims handling and settling services. AICLA is pleased that a number of changes proposed will address areas of concern. Essentially, for those loss adjusters who are qualified, there will be no change to how they currently operate.

Insurance fulfilment providers, which include builders, repairers etc, may undertake repairs or restoration works if authorised by an insurer. However, if the insurer authorises a tradesperson to reject all or part of a claim, the tradesperson must be an Authorised Representative of the insurer or hold an AFS license and meet those regulatory requirements. Another significant and important change will be the need for persons who

represents a claimant in an insurance claim to hold an Australian Financial Service License. They will also be required to provide a financial service guide to consumers.

As we move forward under the new regime, ASIC has invited AICLA to continue liaison regarding possible future changes to the regulations. We intend to take up this offer for consultation so as to ensure the case for minimum standards in claims is advanced. What has been announced to date will see positive changes in our industry and we believe the success from our discussions with Treasury and ASIC will continue to show positive changes in the future.

It is accepted that 2020 has not been the year many perceived it would be. That said, AICLA has continued on an incredible growth in membership in Australia and our ever-expanding international division. By the end of this year, membership, already at a record level, is on the brink of reaching four figures. Leading the way is the international division, with a tightly fought contest between the eastern states of Victoria, New South Wales and Queensland in Australia for second place. During an extremely difficult year it is encouraging to see membership levels increasing which is due to the hard work, efforts and dedication of the division committees to ensure educational seminars and events are still taking place if not always in person but by electronic means.

For the first time in our history we have the pleasure of three female board members, our Deputy President Narelle Handley in Victoria, Joanna Lacordia in New South Wales and from a personal perspective as the previous Division Chair of Queensland, I am delighted that Elouise Cave has accepted the role and will continue the success and growth of the division.

As state Governments in Australia are now relaxing border controls and Covid-19 restrictions, AICLA divisions are planning events for 2021. Please ensure you continue to support your local division, should you have any ideas for events, whether educational or social, they will be greatly received. It would also be remiss of me not to thank our continued and loyal sponsors for all their help and support during these difficult times, we look forward to your continued support into the new year and beyond.

Kind regards
Glyn Lloyd, 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
4 December 2020	Christmas Function	Perth

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. During this period there is no limit on the number of CPD points that can be gained via webinars and other distant learning arrangements.

ICA

Details on updates from ICA are [available here...](#)

QLD

A highly successful annual Queensland Division End of Year Luncheon was held at the W Hotel Brisbane on Friday 13 November. The luncheon speaker this year was former Queensland rugby league player Billy Moore.

The event was a sell-out, attracting 145 members, retired members, suppliers and other industry guests. Also attending his first official event was the AICLA President, Glyn Lloyd. Rowley Ahern read the traditional Charles Buchanan poem.

Congratulations to Josh Walters on winning the Carey Bird Scholarship for 2020, who was on hand to receive his framed certificate from recently elected Qld Chair, Elouise Cave.

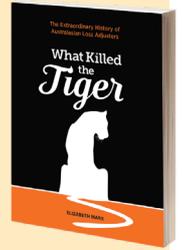


Thank you to all who attended and to our sponsors Bay Building Group (Platinum) and Gold sponsors Advanced Buildings, Steamatic, BMR Building Solutions, Johns Lyng Group and Australian Restoration & Construction.

[Click here](#) for more photos of the event (*password aicla2018*).

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.



WA

The WA Division recently conducted a breakfast training session "How Do We Cope", with Dr Bill Saunders providing a thought-provoking presentation on mental health issues. Bill spoke about how we can help others, and at the same time help ourselves. The event was well supported, with almost 60 attendees.



NEW AND ELEVATED MEMBERS

Congratulations to the following new and recently elevated members:

NEW MEMBERS

Name	Class	Division
Gary Wilmot	Affiliate	Western Australia
Melissa Cooper	Affiliate	Victoria
Alexandra Bloomfield	Provisional	Victoria
Andrew Lim	Provisional	Int. Thailand
Caitlin Finneran	Affiliate	Western Australia

ELEVATIONS

Name	Class	Division
Ngo Ngoc Khiem	Affiliate	Int. Vietnam
Eu Riang Lim	Associate	Int. Malaysia
David Cook	Associate	New South Wales
David Andrews	Affiliate	Victoria
Dennis Whittall	Affiliate	New South Wales
Warwick Dyke	Affiliate	Queensland



VALE *Allen Smyth*

16TH JANUARY 1926 –
6TH NOVEMBER 2020

After completing his Junior Certificate, Allen commenced work with the Queensland Insurance Co. shortly after his 14th birthday in January 1940 and remained there until his 18th birthday, when he joined the Royal Australian Air Force.

He completed his training as a Navigator under the Empire Air Training Scheme in Canada.

Following the cessation of hostilities, he returned to the insurance company until the 1st August 1955, when he commenced his own business as an Insurance Loss Adjuster which continued until his retirement 35 years later, making altogether 50 years in the insurance profession.

During his 35 years as an Insurance Loss Adjuster, Allen was involved in all the major construction projects in the northwest of Western Australia, including Cyclone Tracey in Darwin.

He served on the Council of the Insurance Institute of Western Australia for a number of years and in 1970 was the first Loss Adjuster in Australia to become President of any State body. He was the foundation Area Chairman of the Chartered Institute of Loss Adjusters in Western Australia and served a five-year term from 1974 – 1978 on the Australian Council.

He qualified for membership with the Institute of Fire Loss Adjusters, the International Institute of Loss Adjusters Inc, including a term as Regional Vice President and also the International Association of Arson Investigators, both worldwide organisations emanating from America.

Following his retirement from business, Allen served part time with the Churches of Christ in Western Australia as the Executive Officer. He remained actively involved in church affairs and served on the Board of Bethesda Hospital Inc, a Private Hospital in Claremont, for 15 years, with 10 of those years as Chairman. He was a member of the Perth Rotary Club for 30 years from 1969, including the last 10 years as Treasurer. He was awarded a Paul Harris Fellow in 1989 for services to Rotary.

Together with Mae they have four sons, a Doctor, Professional Photographer, a Loss Adjuster and a Solar Power Sales Consultant.

ON-LINE CPD – UNDERINSURANCE

This month we feature a paper that is primarily for our new members. In the paper we discuss underinsurance, an issue that can cause considerable distress to claimants. Good insurance practice of all kinds must be based firmly on the relevant law and the actual wording of the policy that is current for the claimant — not forgetting the all-important schedule. An added imperative is that members in Australia must comply with both the spirit and terms of the General Insurance Code of Practice. The 2020 Code comes into compulsory force at the end of this year. We reproduce the text at CPD001. In New Zealand, the Fair Insurance Code 2020 edition applies and is at CPD002. The relevant Australian legislation is the Insurance Contracts Act 1984, while the legislation for New Zealand is the Insurance Law Reform Act 1985. For members' convenience, we have reproduced the relevant parts of the legislation in our paper, as well as relevant parts of some sample policy wordings. Naturally, members will have in mind our own institute's Charter of Objects and Professional Conduct too!

Probably the issue of underinsurance that is most visible to claimants and the general public — especially at times of disaster such as following widespread bushfires — is when victims of total losses find that their sums insured and thus policy responses turn out to be insufficient for adequate rebuilding. At times like these, when feelings run high, it is not unknown for politicians and the public to condemn insurers for their 'inadequate' response. Adjusters are then the messengers that can be shot. But the simple fact is that a claim cannot be recommended for payment beyond the sum insured.

However, valid queries can be raised where there is partial loss that must be adjusted because the sum insured has been set too low for the value of the total risk. Valuing total replacement cost of buildings can be tricky. For stock and contents generally it is more straightforward and in the case of business interruption the projected figures — after trend is taken into account — are relevant. Once total replacement value is established the mathematical treatment is fairly simple, being in most cases not a pro-rata calculation but embodying a margin, set out in the policy wording.

Undoubtedly, it is the claims treatment of domestic losses that could create the most averse publicly. However, modern domestic policies tend not to dwell — or in some cases even mention — the vexed question of averaging where the sum insured has been set too low. Rather such policies simply emphasise the necessity to set an adequate sum insured. Indeed many insurers will refuse to accept proposals for new business or renewal that do not comply with their own estimates of rebuilding costs. In New Zealand there is the legal provision that average adjustments may not be applied to domestic or part domestic risks, though of course claim settlements are still limited to the sum insured.

New members to our profession will find the paper and a Quick Quiz at CPD138, via the member section of our website.



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.

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

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