

Adjuster of Perceptions

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CILA president Paul May is on a mission to improve the standing of loss adjusters. Janina Clark heard his plans.

Paul May, executive chairman and managing director of Resolve International would be the first person to admit that the profile of loss adjusters is low in the reinsurance world. As this year's president of the UK's Chartered Institute of Loss Adjusters (CILA) and president of the European Federation of Loss Adjusting Experts (FUEDI), he might also be the person to improve that profile.

"We are a very quiet but very important conduit for a lot of money," says Mr May, citing as an example of the profession's low profile the fact that loss adjusters have not been participating in the (re)insurance markets' discussions about electronic data transfer. "Lots of insurers and reinsurers still cannot accept electronic reports from adjusters" he points out, "yet to some extent we have been a little bit left out of the loop."

"When there has been talk about various London market systems there has never been a representative of CILA invited to participate. Maybe the reinsurance community is missing the opportunity to include us," he adds.

It is the loss adjuster's position on the periphery of the market that Mr May is aiming to change both by widening the appeal and relevance of CILA in the UK and abroad and by developing the role and presence of FUEDI.

The European association was founded in Paris in 1968 and its members are national associations of loss adjusters, or "experts", as they are known in most European countries. "FUEDI is 30 years old, but it has been very much concentrated on internal matters," explains Mr May. "During the UK's presidency this year the intention is to open it up to the outside world."

Already a one-day conference is planned to coincide with FUEDI's next annual meeting, which will take place in London next May. "We will try to examine the different aspects of claims handling and claims adjusting and I expect one of our speakers to be a reinsurance person," says Mr May.

One important FUEDI role is education, and its professional European Loss Adjusting Expert (ELAE) qualification has been awarded to 1400 individuals from its member associations since it was created in 1997. According to Mr May, there is a lot of work to be done to improve the professional qualifications of loss adjusters. "Our (CILA) qualification is seen as the premier qualification and there are not many others," he explains. "FUEDI has generated a benchmark now with the ELAE. CILA is on the benchmark, parts of the French system are just about on it, but the rest of Europe faces quite a challenge to get up to it."

However, Mr May adds that the rest of Europe does have something to teach the UK in at least one area. He is very much in favour of the continental European system under which the adjuster, or expert, can work one day for an insurer and the next day for a policyholder. "and nobody bats an eyelid".

Mr May believes that the UK is hampered by its traditional approach to splitting the roles of loss adjuster and loss assessor. "One objective for this year to is

bring the debate over loss adjusting/loss assessing right out into the open and say to people that if they have a chartered loss adjuster promoting a claim, he or she is subject to the very strict code of conduct of our charter, is highly trained and experienced and should be regarded as a professional service to the policyholder, not someone shady. There are still a few insurance companies who can't quite get their minds round that."

Unusually for most loss adjuster, Mr May's position as founder of Resolve International, a company set up in 1988 to provide specialist loss adjusting services and risk consultancy anywhere in the world, means that he often deals directly with reinsurers.

Asked about reinsurance companies' contacts in general with loss adjusters, Mr May has some, not unexpected, words of advice. "If there is any message for reinsurers it is that they should concentrate more on the way claims are being dealt with by adjusters employed by local ceding companies. My feeling is that reinsurers should insist that local companies employ a chartered loss adjuster, although that is obviously not feasible in some places."

In an attempt to make access to loss adjusters easier around the world, Mr May is keen to expand the global reach of the institute. "My programme is entitled "The Next Generation" and I believe that with the development of our website we can expand our communications, education and information exchange so that there are not barriers to anyone in the world becoming involved with CILA" he insists.

The institute is also in the process of formalising the links it has around the world into a "World Congress of Loss Adjusters."

"The main aim is to produce a benchmark qualification that is internationally recognised, not one just recognised in Europe," explains Mr May. Two members of the institute have been co-opted on to the board to act as international ambassadors. One is based in Mexico and will be making contact with adjusting associations in the countries of Latin America, while the other, based in Singapore, will undertake a similar role in the countries of South-East Asia.

A draft business plan for the congress is currently being considered by the dozen loss adjusting groups involved in the plan around the world and Mr May hopes that by the end of the year they will have reached agreement on whether or not there is value in moving towards a global adjusting qualification.

Despite the fact that CILA has no reinsurance examination and no plans to introduce one Mr May is keen to involve reinsurers in discussions about a global benchmark qualification. "One area in which reinsurers will obviously be instrumental will be when we start looking at that qualification and need to start a consultation process with groups that represent clients - and international brokers and reinsurers, Lloyd's and so on," he says.

Meanwhile, the main challenge looming for loss adjusters in the short term is the year 2000. Mr May has started to see individual insurers and reinsurers reserving loss adjusting capacity for the millennium and believes that it will be a busy time for the profession. "The first reaction of most individuals and organisations will be to lodge a claim," he points out.

However, he is confident that there will be adequate loss adjusting capacity available. "The only problem would be if there was, for example, a serious storm at the same time," he warns.

