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IILA World Headquarters

Ottawa, Canada

Email: info@iila.com

Our members are represented in these countries

Argentina	Italy	Singapore
Australia	Japan	Spain
Austria	Kenya	Thailand
Bahrain	Kuwait	Trinidad/ Tobago
Barbados	Lebanon	Turkey
Bolivia	Mexico	United Arab Emirates
Brazil	Namibia	United Kingdom
Canada	Netherlands	United States
Chile	New Zealand	Uruguay
Colombia	Nigeria	Uzbekistan
Ecuador	Paraguay	Venezuela
Ghana	Peru	
Hong Kong	Portugal	
India	Russia	

2023 IILA Annual General Meeting



The 2023 IILA Annual General Meeting is slated to be held in Madrid Spain commencing on October 1st through October 7th.

The Conference and Program Chair will be past IILA President, Daniel Paz, who promises a first class cultural and educational program for all attendees and industry guests.

Some of the items currently on the agenda include a tour of the Cities of Madrid and Toledo along with excursions to both Segovia and Cuenca. Please mark your calendars to make plans for attending this event.

Additional information and registration details concerning this meeting will be forthcoming to the membership in the not too distant future.



PRESIDENT'S MESSAGE

Mr. Thomas E. Erhardt



First and foremost, I would like to thank our immediate past president, Daniel Paz who has served an unprecedented term of three years due to the Covid-19 Pandemic.

He carried his enthusiasm throughout his term and he continues to support the IILA with his chairing of the 2023 Annual General Meeting to be held in Madrid Spain from October 1st through October 7, 2023.

The IILA had a smaller than expected turnout at the 2022 Annual General Meeting, which was held in San Antonio Texas USA from October 23rd through October 27, 2022. Past President, Johnny Michalek prepared an excellent program of education and social activities, featuring leading industry professionals as well taking in the city's rich colonial heritage which was enjoyed by one and all. For those of you who did not have the opportunity to attend, you were surely missed and we look forward to your attendance at either our upcoming Mid-Year Meeting to be

held in conjunction with the USA based National Association of Independent Insurance Adjusters (NAIIA) conference at the Westin Cape Coral Resort in Cape Coral Florida USA on Thursday May 11, 2023, or at the Annual General Meeting.

Membership in any organization, can be rewarding but needs the members participation to reap those rewards and make a strong and vibrant organization. During my upcoming year as President, I will continue to follow my predecessor in growing our ranks throughout the world. I ask that the membership continue to promote the institute, especially promoting like-minded industry colleagues to join our organization so that we may continue to be relevant in the Global Claims environment.

In closing, I am honored to be the President of the International Institute of Loss Adjusters and pledge to lead with enthusiasm and a steady hand following the example of my predecessors.

With kind personal regards, I remain,

Very truly yours,

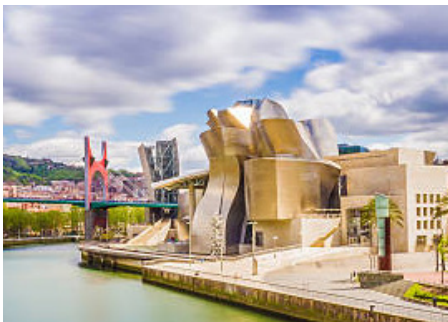
Thomas E. Erhardt,
President



International
Institute of
Loss Adjusters

2023 IILA Pre-Conference Tour

Ahead of the Institute's Annual General Meeting, a pre-conference tour has been planned to be held in Northern Spain from September 27th through September 30, 2023.



Bilbao, Spain

The pre-conference tour will begin in the Basque Country in the City of Bilbao, which is an internationally recognized urban center for its avant-garde architecture. Also on the agenda will be visits to the cities of San Sebastian and Santander.

The arrangements are being made by Pre-Conference Chair Daniel Paz, which will feature first-class cultural and culinary tours in this most historic region of Spain.

Information and registration information on the Pre-Conference tour will be forthcoming to the membership in the near future.

IILA 2023 Mid-Year Meeting

The 2023 IILA midyear meeting is scheduled to be held on Thursday May 11, 2023 in conjunction with the USA based National Association Independent Insurance Adjusters Conference in Cape Coral Florida USA.

The meeting is to be held at the Westin Cape Coral Resort in Cape Coral, Florida USA. The venue is located in the Southwest portion of the State of Florida directly on the Gulf of Mexico.



The Westin Cape Coral Resort, Florida

Attendees wishing to register for the NAIIA Conference can do so by visiting its website at www.naiia.com. Hotel reservations can be made directly with the hotel by calling telephone # 239-541-5000 to make a room reservation. Discounted room rates are in affect until April 12, 2023. If calling, please make sure you are under the NAIIA room block to receive the discounted rate.

A meeting agenda will be submitted to the membership as this meeting date draws nearer.

Coronavirus Update

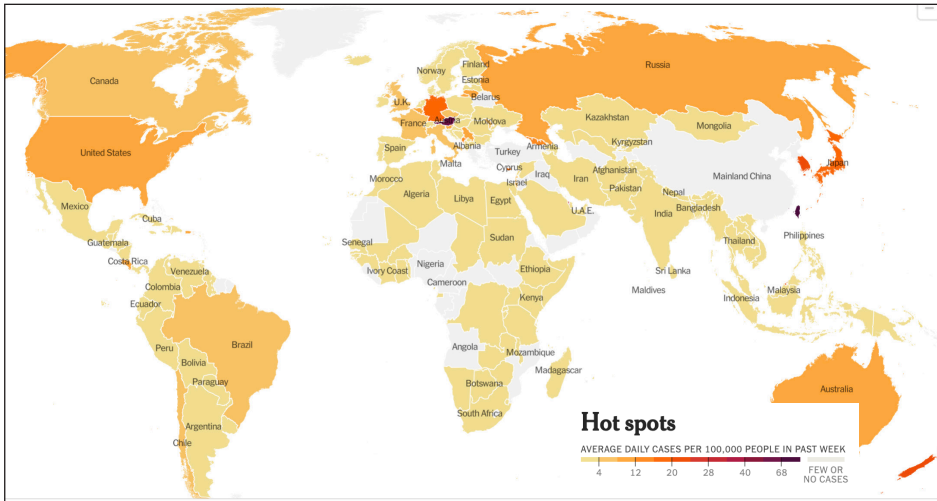
The World Health Organization (WHO) has seen a substantial decline in the infections in the majority of the world with the exceptions being China & Hong Kong.

As of February 2023, the WHO reports 677 million confirmed cases and over 6.7 million deaths globally.

As more and more people are vaccinated and boosted, the ability to overcome Covid-19 increases significantly. Death and hospitalization rates remain higher among the unvaccinated population. Millions of vaccinated people have gotten sick from the Omicron strain, but the vaccinations served the most importance function, namely, preventing severe illness.

During the Omicron wave, vaccination with a booster reduced the chance of hospitalization and death by more than 90%. Sudden spikes in cases from the fast moving variant have pressured health systems, but the outlook for the average Covid patient has improved significantly.

The Covid-19 Pandemic has reached 228 countries and territories. There are more than 64 countries with more than 1 million cases, with 29



of those having more than 4 million cases.

The countries with the most cases after the United States (which has 104.7 million cases) are India (44.68 Million cases) France (39.56 Million cases), Germany (37.91 Million cases), and Brazil (36.93 Million cases).

We are in a much better place with the disease, however it still bears watching since a lot of the Pandemic restrictions have been relaxed.

Global Economic Outlook

The Covid-19 Pandemic created a great deal of uncertainty worldwide with supply chain shortages, along with the Russian invasion of Ukraine and the political and economic sanctions that have followed.

The World Bank has reduced its 2023 global economy growth outlook to 1.7% for 2023 from its earlier projection of 3%.

This would mark the third weakest pace of growth in nearly three decades, being overshadowed only by the global recessions caused by the Pandemic and the 2008 global financial crisis.

The International Monetary Fund (IMF) on the other hand expects the world economy to grow 2.9% this year. They are citing aggressive interest rate hikes by central bankers which are expected to slow consumer demand and improve inflationary pressures. In addition, as China eases its zero-Covid policies, this marketplace will rebound and assist in the growth of the global economy.

In certain economic circles, forecasters are calling for a shorter and milder recession to most major economies due to aggressive central bank rate tightening to limit demand and reduce inflationary pressures.

Geopolitical uncertainty remains with the Russian action in Ukraine, strained relations with China and United States along with rising tensions in the Middle East.

These areas bear watching as fallout from these events can cause considerable destruction both politically and economically.

Lloyd's/London Market Report

The Lloyds marketplace is projecting gross written premium to increase by a 14.3% level over the 48.9 billions pounds sterling over GWP experienced in 2022.

Lloyds of London Chief of Markets, Patrick Tieran has advised the marketplace that the hard market that is being experienced is due to a confluence of high inflation, rising interest rates, elevated catastrophe losses and uncertain capital flows.

Cyber Insurance and Directors and Officers insurance continue to be the fastest growing classes of business in Lloyds. Currently, Lloyds manages over 20% of the global cyber premium.

Lastly, Richard Dudley has been appointed to the position of working member of the Council of Lloyd's. Mr. Dudley, is the global head of climate strategy at Aon and has worked in the Lloyds market for nearly 30 years.

2023 Europe Report

The Swiss Re Institute Group Chief economist, Dr. Haegeli is forecasting an inflationary recession which could expose existing structural vulnerabilities in the insurance marketplace. This is due to the following factors;

- Inflationary Recessions are in the making for Key Advanced Economies
- More Persistent, High Inflation for longer
- Continued Monetary Policy Tightening in the near term higher interests' rates for longer
- Heightened Geopolitical and Internal political risks

The Swiss Re Institute is forecasting a below trend growth of 2.1% on average in real terms with the growth in advanced markets slowing while emerging markets will improve.

The commercial property & liability lines will continue to grow as rates keep rising due to the hard market.

Fitch Ratings, the US based rating firm, advises that most insurance payouts due to the earthquake that tragically hit Turkey and Syria will ultimately be borne by global reinsurers. The earthquake and

series of aftershocks that struck Southern and Central Turkey and Western Syria was the most severe earthquake in the region since 1999.

At the present time, insurable losses are hard to estimate as the situation is still evolving, but they appear likely to exceed (2) billion US dollars and could reach (4) billion US dollars or more. The vast majority of insured losses would be covered by the reinsurers, but the amount exceeded is likely to be insignificant in the context of the global insurance market, with no implications for reinsurers ratings.

The Turkish Catastrophe Insurance Pool (TCIP) was created after the Izmit earthquake of 1999 to cover earthquake damage to residential buildings and urban areas.

However, it does not cover human losses, liability claims or indirect losses, such as business interruption. Moreover, earthquake insurance covers are technically mandatory in Turkey, but is very often not enforced and practiced. As a result, many residential properties are not insured, particularly in many of the affected areas, where low household income can strain affordability.

The TCIP is heavily reinsured. Estimates that the reinsurance tower

provides protection of just over (2) billion US dollars, following the January 2023 reinsurance renewals.

Local and international commercial insurers that provide property and business interruption policies to industrial clients in the region, will face claims as factories and infrastructure, including airports and ports that have been severely damaged. It is assumed that the involved coverages would be heavily reinsured.

Bermuda Market Report

The Bermuda Market continues to be both a reinsurance and captive insurance center in the worldwide insurance marketplace.

The member companies of the Association of Bermuda Insurers and Reinsurers (ABIR) reported continued growth in its market share as a leading reinsurance marketplace.

The 2022 combined ratio will approximate 93-94% as catastrophe losses will present 10-11% points of the 2022 combined ratio, primarily from Hurricane Ian.

For 2023, underwriting performances are poised to improve further as accelerated premium rate increases from the hardening

insurance market outpaces deteriorating loss-cost trends such as economic and social inflation.

The US based rating agency Fitch Rating values the Bermuda insurance market at 118.7 billion US Dollars in 2022. The market is expected to grow at more than 8% from 2023 to 2025.

North American Market Report

The North American Property Casualty Market by all accounts will see a firming marketplace with increased deductibles, valuation adjustments reductions and capacity and continued rate increases although not on a double digit basis.

Global insured losses continue to outpace averages, with Hurricane Ian and Nichole shattering the hope for return to a more stable market environment in the near future.

Loss estimates for Hurricane Ian are projected to fall between (41) billion and (70) billion for this one event, including (10) billion to (17) billion in uninsured losses, with Hurricane Nichole nearing another (2) billion in losses.

Insurers are grappling with the decrease in supply and increased demand for reinsurance, with global

deducted reinsurance capacity reduced by over 40 billion in the past year alone. With minimal meaningful capacity entering the market from either the insurance or reinsurance side, insurers are now entrenched with strict underwriting guidelines, and continued scrutiny of underwriting data, 2023 may prove to be the most difficult property renewal season yet.

Challenges will continue in 2023 for risks with significant exposure to wildfire, named storms, convective storms and flood. Certain occupancies like food, wood products, recycling and frame builders risk projects will continue to face pressure to improve risk quality, while experiencing rate increases, limited capacity and increased deductibles.

Asia-Pacific Market Report

The insurance analytics data firm, Global Data, is forecasting that inflation and natural disasters will impact both insurers and reinsurers in 2023. Further, the region will continue to combat their exposure from risk related matters in the ongoing conflict in Ukraine.

A recent report from Global Data shows that over the last three decades, the Asia-Pacific region has experienced the highest number of natural catastrophe events of

any region around the globe. The natural hazards impacting the region including flooding, drought, typhoons, earthquakes and heatwaves. These disasters if they continue combined with inflation, could hinder growth on the regions insurance and reinsurance markets.

The top reinsurance markets in the region are Japan, China, Australia, Hong Kong and South Korea, which hold a collective 84% share of the Asia-Pacific market as of 2021.

Munich Re estimates the regions suffered around (70) billion US dollars in losses in 2022 with around (10) billion US dollars of those losses being insured.

According to Swiss Re Institute, the actions of various nations central banks increasing interests' rates to slow down inflation may result in negative implications to various countries economies as well as to the insurance marketplace. The Swiss Re Institute expects inflation of exposure values and rate hardening to drive premium growth by some 7% in spite of an economic slowdown. Geopolitical conflicts could also come into play to disrupt the marketplace.

A bright spot in the region is India which has one of the fastest

growing insurance markets in the world in terms of total premium volumes. As of 2021, it was the 10th largest insurance market globally and the 2nd largest of all emerging markets behind China. Swiss Re Institute is forecasting its premium growth will average 9% per annum for the next decade. At that rate, India would be the 6th largest insurance market in the world by 2033, ahead of Germany, Canada, Italy and South Korea. Their projection is based upon expectations of strong economic growth, rising levels of disposable income, India's young population, increased risk awareness and also digital penetration and regulatory developments.

Pacific Tropical Cyclone/Typhoon Outlook

The Pacific Tropical Cyclone/Typhoon season typically develops between May and October.

The US based National Oceanic and Atmospheric Administration (NOAA) in its forecast for the Eastern and Central Pacific basins calls for a total of 10-13 named storms, 3-7 typhoons and 0-3 major typhoons.

Of course, uncertainty also exists when making long term weather and climate forecasts. The factors that were considered for this outlook will become more certain as the year

goes on. It should be remembered that even in a below normal season, individual systems that do form can still have significant impacts to life and property.

Latin American Market Report

Most economists are forecasting Latin America's growth to slow significantly. While this may be beneficial from an inflationary standpoint, yet inflation will remain above most Central Banks comfort zones, until well into 2024. Furthermore, there is a risk of physical deterioration driven by political and social pressures as growth fails to recover to pre-pandemic levels and social inequality becomes even deeper. The key takeaways being the following;

- Economic Growth to Slow
- Interest Rates to Peak in 2023
- Physical Deterioration is probable for 2023
- Nearshoring & Commodity Exposure will remain supportive of Latin American Financial Assets

The 2023 outlook for the Latin American Insurance sector is neutral and most markets are based upon a stable industry profile and

operating environments according to Fitch Ratings, a US based rating agency.

However, financial market volatility may affect profitability in some markets. Fitch expects the insurance sectors in Argentina, Columbia, El Salvador, Peru, and Chile will deteriorate, considering lower economic growth, currency depreciations and persisting high levels of inflation may continue to affect commercial claims costs that may not be completely offset by pricing adjustments. Sovereign ratings and their potential affects will influence some insurance sectors, given that investment portfolios remain exposed to government bonds and operations are concentrated in domestic economies.

IILA Welcomes New Member

It is with distinct pleasure that the Institute welcomes our newest full member, namely Steven L. Brown of Legion Claims Solutions, LLC of Baton Rouge, Louisiana USA.

Mr. Brown is the CEO of his firm with his area of expertise in the handling of complex property loss related matters. He is a member of the US based organizations, National Association of Independent Insurance Adjusters, Loss Executives

Association, Louisiana Claims Association, Mississippi Claims Association and the Tampa Bay Claims Association.

Mr. Brown looks forward to attending the Institute's Mid-Year Meeting and is looking forward to participating at the AGM in the fall.

2022 World Cup Championship

The Institute salutes the 2022 World Cup Champions from Argentina in one of the most thrilling championship games of recent memory.



**FIFA WORLD CUP
Qatar 2022**

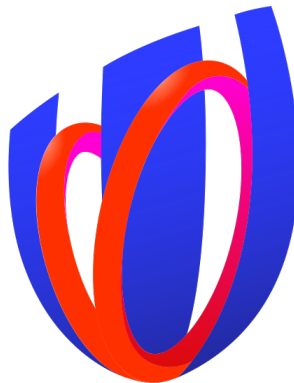
FIFA has announced that the 2026 Men's World Cup will be hosted in North America by Canada, United States and Mexico. Two sites have been selected in Canada, (11) sites in the United States and (3) in Mexico. Locations for the particular matches, including sites of the opening matches and final will be announced at a later date.

This event will be the first time that the tournament will be expanding to (48) teams, instead of the current (32) team format. It will also be the

first time the tournament is staged across three hosts nations.

2023 Rugby World Cup

The 10th Edition of the Rugby World Cup, the quadrennial world championship for men's rugby union teams will take place in France from September 8th through October 28, 2023 in (9) venues across that Country.



**RUGBY
WORLD CUP
FRANCE 2023**

There will be a total of (20) nations competing in the event from the following regions; Africa-South Africa & Namibia; Asia-Japan; Europe-France, England, Ireland, Italy, Scotland, Wales, Georgia, Romania, & Portugal; Oceania-Australia, Fiji, New Zealand, Samoa & Toga; South America-Argentina, Chile & Uruguay. Absent from this years tournament will be Canada and the United States.

The early betting favorites to win the championship include France, Ireland, South Africa, New Zealand and Argentina.

Treasurer's Note

Our Treasurer, Michael Nardulli advises that the 2023 dues notices were sent out to the membership in January. While the vast majority of members have paid their dues, a number of the membership have not as yet responded to that notice. Our treasurer happily points out that in order to keep the Institute properly funded, the membership needs to respond to its obligations in a timely fashion.

A round of dunning notices will be sent out shortly to those members who are delinquent . Please check your records and if you have no record of payment, please contact Michael Nardulli at:

michael.nardulli@mclarens.com or call 1-001-631-318-4476

To make the necessary arrangements to settle your account.

Editorial Note

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Charles J. Reilly, Jr.

Editor

Tom Moss

Chairman - Publication/Publicity

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