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IILA World Headquarters

Ottawa, Canada

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Our members are represented in these countries

Argentina	Japan	Spain
Australia	Kenya	Thailand
Austria	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	
Italy	Singapore	

IILA 2021 MIDTERM MEETING



The Institutes 2021 midyear meeting is currently scheduled to be held on Thursday May 6, 2021 in conjunction with the USA based, National Association of Independent Insurance Adjusters Annual Conference, being held at the Westin Hotel in Hilton Head South Carolina, USA.

The host facility is first rate and is located in the low country region of South Carolina which is located along the Atlantic seaboard.

The National Association of Independent Insurance Adjusters Annual Conference will be running from May 3rd through May 6, 2021 and will feature many leading insurance industry speakers and educational programs. Additional information concerning this meeting will be forthcoming as the meeting date draws nearer.



PRESIDENT'S MESSAGE

Mr. Daniel Paz



At this late date, with the Pandemic still ongoing and the suffering that it brings to each of our countries, I would like to offer you a message of faith and hope in our collective future.

First of all, congratulations to one and all for your continued professionalism and hard work to bring about fair and equitable settlements for our insurer clients and their policy holders. This is no small task during a pandemic and we must continue to persevere and service the industry while taking care of our families and staffs.

Unfortunately, due to the pandemic, the Institute had to suspend its Mid-Year as well as its Annual General Meeting. Recent reports from the United States, indicate that two vaccines for the Covid-19 virus are at hand-waiting for governmental approvals prior to its distribution. This development along with a rapid vaccine deployment worldwide could very well lead to putting this pandemic behind us. Hopefully this development will lead to a

reopening of travel so that our scheduled meetings can be had. I strongly encourage our members who have not yet attended an Annual General Meeting, to seriously give it some thought, as it offers a unique opportunity to meet with your distinguished counterparts.

The Institute will continue to communicate to the membership via our newsletter (International Monitor) and the Institute's website and I continue to encourage your likeminded industry colleagues to join the Institute, so that our organization can continue to be relevant in the global claims environment.

The Institute will continue its goal of increasing the interrelation of our group with the Worldwide Insurance Market and I invite you also to

collaborate with the members of the Institute's Board, so that these goals can be reached.

It no doubt has been a trying time for one and all during this pandemic, but I encourage you to endeavor to persevere, as in my mind due to our collective efforts we will beat this virus.

In closing, I wish to thank the membership for its trust and support and would like to extend my warmest and sincere best Christmas wishes along with a Happy and Healthy New Year.

Best regards,

Daniel Paz,
President



International
Institute of
Loss Adjusters

2021 IILA Annual General Meeting

The 2021 IILA Annual General Meeting is slated to be held on October 24th through October 30, 2021 at the Hotel Contessa, which is located on the River Walk section of San Antonio, Texas USA.

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

Additional information concerning this meeting will be forthcoming as the meeting date draws nearer.



San Antonio River Walk

2021 IILA Preconference Tour

Ahead of the Institute's Annual General Meeting, a pre-conference tour is being planned to be held in New Orleans, Louisiana, USA from Thursday October 21st through

Sunday October 24, 2021.

Arrangements are currently being made by Pre-Conference Chair Johnny Michalek which will feature a first class cultural and culinary tour of one of the more famous Southern Cities in the United States.

Keep an eye on further updates as we get nearer to this event.



New Orleans French Quarter

Coronavirus Update

The World Health Organization (WHO) has advised that the Corona Virus Pandemic has found fresh legs across the world and has reported the number of cases being in excess of 54 million and has confirmed deaths passing 1.3 million mark.

The United States leads global infections with over 11 million confirmed cases followed by India (8.81 Million), Brazil (5.85 Million),

Rank	Confirmed	Deaths	Recovery	Recovery %
1	54,224,000	1,311,000	34,880,000	64.3%
2	8,810,000	150,000	4,405,000	50.0%
3	5,850,000	100,000	2,925,000	50.0%
4	1,950,000	30,000	975,000	50.0%
5	1,930,000	25,000	965,000	50.0%

France (1.95 Million) and Russia (1.93 Million).

All continents are seeing new outbreaks which are causing concern amongst Governmental leaders, which in turn are causing the reimplemention of quarantines and other social distancing measures.

The European Union of 27 nations are in discussions over a proposed 2.1 Trillion Euro budget and Corona Virus recovery fund.

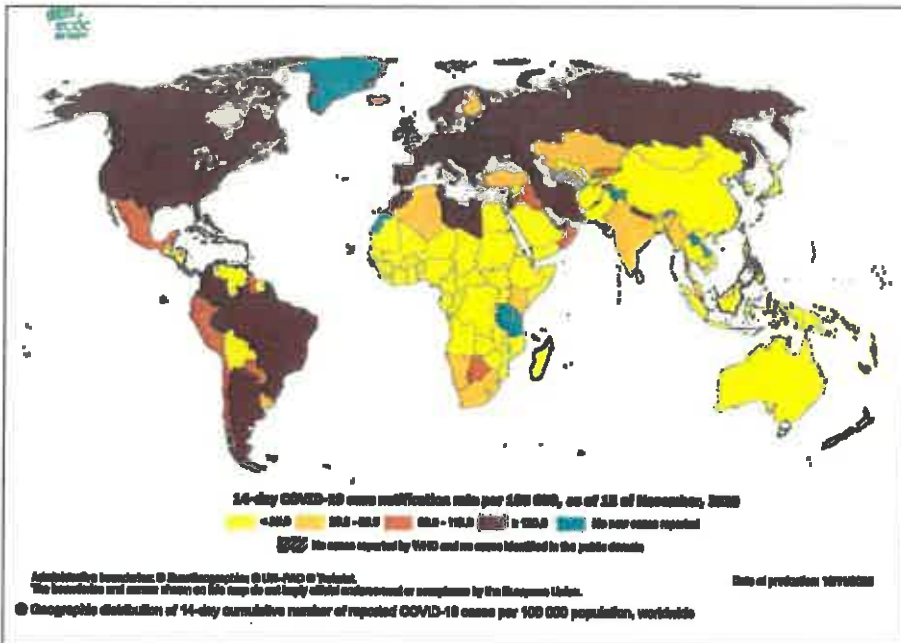
COVID-19 Vaccines and Treatments

The US Pharmaceutical giant Pfizer announced on November 11, 2020 that its Covid-19 vaccine in stage three clinical trials has seen a 95% success rate in its testing in keeping people from getting the disease.

The Pfizer vaccine consists of genetic material called mRNA enclosed in tiny particles that shuttle into the body's cells. From there, it simulates the immune system to make antibodies that protect against the virus.

Pfizer is requesting the US Federal Government's Food and Drug Administration for an expedited review of its results for peer review so that an expedited approval can be had in early December for distribution in early January 2021.





These developments bear watching and hopefully the necessary approvals are had with the implementation of a vaccine inoculation program on an expedited basis worldwide.

Lloyd’s/London Market Report

Underwriters at Lloyds had previously projected COVID-19 losses would be approximately 107 billion US according to Reuters. However, Lloyds Chairman, Bruce Carnegie-Brown advised that the pandemic related losses would be on par with the 2017 Hurricane catastrophe losses which totaled 144 billion.

The Lloyds marketplace advised that it paid 2.4 billion pounds in pandemic related claims for the first six months of 2020.

In other news, Christopher Croft (CEO) of the London & International Insurance Brokers Association report that the property and casualty premiums for US businesses was some twenty five percent higher in 2020 when compared to the same period in 2019. Reinsurance premiums coming from the US also rose, posting a year-on-year increase of forty percent.

Croft advised that the growth

In addition to the Pfizer announcement, the United States Food and Drug Administration gave preliminary approval of the Eli Lilly Covid-19 drug Bamlanivimab.

This drug is a monoclonal antibody which will be available for people 65 years or older or who have an underlying health condition. This drug would be used for people who have mild to moderate Covid-19 illness, but who are not sick enough to be hospitalized. This drug can speed up the time it takes for the body to rid itself of the virus. The FDA is restricting the use of the Eli Lilly treatment to individuals who have a 10% chance of needing hospitalization.

In addition to the Pfizer and Eli Lilly announcements, Moderna, a biotechnology Company based in Cambridge, Massachusetts, USA, has

announced that its Covid-19 vaccine has reached a 94.5% success rate in its phase III clinical trials. Both the Pfizer and Moderna vaccines require two shots, given several weeks apart. The company is applying for an expedited review of the vaccine by the US governments, Food & Drug Administration.

If the Food & Drug Administration allows the emergency use of the Moderna or Pfizer’s vaccine, there would be limited, rationed supplies before the end of the year.

Dr. Anthony S. Fauci, the Director of the US based National Institute of Allergy & Infectious Diseases, reports that the Pfizer and Moderna vaccines “game changers” and potentially could knockdown the Covid-19 pandemic by the second quarter in 2021.

indicated that US businesses had given a vote of confidence in the London Market and its ability to handle the more challenging risks, even during these difficult times.

Last year, the US Surplus Lines Market reported a premium growth of 11.25 percent.

North American Market Report

The United States Property and Casualty market has seen an uptick in catastrophe losses resulting from the wildfires in the Western part of the United States as well as Hurricane related losses in the South Eastern section of the Country.

Some analysts are expecting higher loss ratios due in part from the rioting/civil commotion/looting events which followed the Black Lives Matter protests which occurred in many urban cities, following the death of George Floyd, while in the custody of the Minneapolis -St. Paul Police Department in Minnesota, The property, casualty, and excess liability insurance markets are all seeing increases except for the workers compensation line of insurance. Renewals are also experiencing higher deductibles and reduced limits according to industry experts.

The Corona Virus has substantially impacted the retail, commercial

real estate, hotel and travel industry which has led to many bankruptcies due to the associated Covid-19 quarantines that have been put in place by the various governmental agencies.

With the resurgence of the corona virus throughout areas of the United States, the financial impact will not be known until the second quarter of 2021.

The bright spot within this marketplace is the fact that a vaccine against the virus may be at hand with a possible implementation in the first quarter of 2021.

Latin America Market Report

Standard & Poors, the US based rating agency continues to see an economic contraction of Gross Domestic Production (GDP) in the Latin American market, due to the COVID-19 Pandemic, which like the rest of the world is seeing a surge in new cases.

It is forecasting an 8 ½ percent drop in Argentina, a 7 percent decline in Brazil, 6 ½ percent contraction in Chile, with a 5 percent drop in Columbia and an 8 ½ percent drop in Mexico.

As a result of the reduction of economic activity, S & P expects

a continued contraction in gross written premiums in the property insurance field. As a result, the Latin American market will be the slowest to recover after the Pandemic is behind us, as some economists are forecasting.

The record breaking 2020 Atlantic Hurricane Season has greatly affected the Caribbean basin along with sections of Central America, namely Mexico, Nicaragua and Honduras.

Hopefully with the developments that are being seen with the COVID-19 vaccines in both the UK & US, will lead a worldwide distribution and start an economic recovery to this region in the third quarter of 2021.

European & Asia Market Report

As previously reported, agents and brokers are encountering a hardening market for all types of property and liability coverages in Europe as well as in Asia.

In the UK, the FCA Business Interruption Tests Case found for its policy holders concerning Covid-19 related losses. A majority of the insurers, such as Hiscox are appealing the decision and this legal battle will be continued to be watched very closely by the insurance market.

Further, the UK and European union are continuing their talks/ negotiations concerning the Brexit terms which need to be in place by year end. Most pundits are opining that a deal/no deal won't occur until the 11th hour of negotiations.

Hardening market conditions for renewal rates are being seen in the Middle East, India, Australia, New Zealand as well as in Asia.

The Hong Kong Government has seen mass resignations by leading independent minded politicians due to recent developments by the Beijing Government, which will no doubt continue to cause uncertainty and volatility in the financial markets with some firms looking at moving operations to Singapore, Taiwan or Japan.

A number of Asian underwriters, namely Sampo, Tokio Marine, MS & AD and Samsung Fire & Marine have announced that it is their intention to stop insuring new coal fired power plants. The resurgent of the Corona Virus in China, Japan and India are leading the reinstatement of quarantines to limit the spread of the virus amongst those populations.

What the financial impact the Covid-19 Pandemic will have on the region's economy and its insurers remains to be seen.

Bermuda Market Report

The Bermuda Market continues to be a reinsurance center which has been gravitating more and more to a hub for insuring international catastrophe risks.

In 2019, the Bermuda Market wrote 109 billion US in Global gross written premiums with 96% of the gross premium written by companies traded on a major stock exchange. Currently, Bermuda reinsurers make up approximately 36% of the global reinsurance market based upon property/casualty net written premiums.

In the United States, the Bermuda Market provides approximately 25% of the reinsurance for the Texas Windstorm Pool. It provides more than 60% of the hurricane reinsurance in the states of Florida and Texas. In the event of a San Francisco earthquake, it would reinsure approximately 22% of the claims arising from such an event.

In the UK and Europe, the Bermuda Market provides 35% of terrorism reinsurance along with supplying 40% of UK Broker-Property Catastrophe reinsurance.

In Asia, the Bermuda Market paid 9.6 Billion arising out of the 2017 & 2018 Japanese typhoons.

Globally, its members responded to 25% of the reinsurance losses for the 2016 Alberta Canada Wildfires and 50% of reported losses for the 2012 Costa Concordia Cruise Liner sinking.

Due to a historic Atlantic & Caribbean Basin Hurricane season, the Bermuda Market will be responding to its client companies in Central America, Mexico as well as the United States.

Global Economy Outlook

The surge in new Covid-19 cases on all continents are having governmental authorities reexamining their quarantine and social distancing measures which were relaxed during these most recent months.

The surge has created a great deal of uncertainty with many of the advanced economies wondering what the way forward looks like.

While the US pharmaceutical industry has reported two very effective RNA vaccines and one antibody treatment, it remains uncertain as to when the approvals will be put in place and how and when the vaccines will be made and distributed.

As such, the outlook for the remainder of 2020 is uncertain, and it will take time to reestablish GDP

levels for up to one to two years from the present date.

Actions by many countries central banks have softened the Covid-19 declines however, many governments are considering additional stimulus plans in the wake of the viruses reemergence in an effort in keeping their economies from falling into a depression.

Selected Insurers Third Quarter Results

In the last three months ending September 30, 2020, there have been mixed results by different insurers during the worldwide pandemic.

The US based international insurer, AIG reported its net income for the third quarter being \$281,000,000.00 US, a huge drop from \$648,000,000.00 US during the same period last year.

Its general insurance line of business reported \$490,000,000.00 US pretax (net of reinsurance) or 13.5 combined ratio points, resulting in a combined ratio of 107 .2, an increase from last year's 103. 7.

AIG Chief Executive Officer, Brian Duperreault reports that recent leadership transition and corporate structural moves have positioned the company to be a market leading

franchise in 2021 and beyond.

Another global giant, Allianz reports that for the third quarter their revenues for business were down 6.1 percent to 31.4 billion euros. The company's earnings release attributed the six percent decline being driven by mostly its life/health business segment.

In the property and casualty area, Allianz noted that its operating profit was impacted by the COVID-19 Pandemic and a lower run-off result with total revenues declining by 1.8 percent to 12.9 billion euros. Allianz CFO, Giulio Terzariol, advised that he is pleased by the resilience of the business's underwriting profitability and that excluding COVID-19 affects, improvements were had to its combined ratio.

The UK Insurer Hiscox reports that it is joining five over UK carriers to appeal the FCA decision directly to the UK's Supreme Court.

Hiscox has been hard hit as it has been a large player in the event cancellation insurance arena and it is bolstering its reserves if the COVID restrictions continue into 2021.

As such, it is warning of a profit slide come year end.

London based RSA reports that its net written premiums fell three percent in the third quarter to 4,663

million pounds from third quarter 2019 and that its combined UK & International premiums being down six percent to 1,998 million pounds.

RSA has further announced to the market that it has been approached to be taken over by Intact Financial, the largest provider of P & C insurance in the Canadian market.

Discussions are ongoing and it remains to be seen if a formal bid comes out of those discussions.

Global broker, Marsh & McLennan (MMC) reported it third quarter net income had increased by fifteen percent to \$540,000,000.00 US with its adjusted operating income increasing by nine percent. No doubt being the recipient of the hard market.

Crawford & Company Acquires Australian Legal Entity

Crawford & Company, the United States based international adjustment firm has announced its acquisition of the Australian legal entity, HBA Group. The move comes as Crawford looks to expand its range of legal offerings under the Crawford Legal Services (CLS) banner.

The HBA Group is comprised of HBA Legal, a legal service that works with

underwriters, brokers, insurers and self-insured companies across the Australian and the London market; Paratus, a claims management business; and Pillion a legal process and technology provider. Currently located in the UK, CLS is an independent legal practice integrated into the Crawford & Company claims management process. It provides professional and technical support in the handling of volume, niche, complex or high value claims. It remains to be seen if this development will expand to other countries, where having a legal entity working under the corporate umbrella of a claims adjusting firm might be seen as a definitive conflict of interest situation.

Brexit Talks/Current Developments

The UK and European Union are in the midst of last ditch talks to reach a post-Brexit trade deal after the current transition period expires on December 31, 2020. Both sides remain divided on two of the thorniest issues that have long dogged the negotiations, namely, competition rules and fishing. With under a month before the transition ends, both sides have

stepped up negotiations on a deal that would protect nearly a trillion dollars of trade from possible disruption.

While the UK was an EU member, it was automatically part of trade deals which the EU had with more than seventy countries. In 2018, these deals represented approximately eleven percent of total UK trade.

Thus far, more than twenty of these existing deals, covering fifty countries or territories have been rolled over and will start on January 1, 2021. This represents about eight percent of total UK trade based on 2018 figures.

Recently, the UK signed a new trade agreement with Japan and has come to terms on a new deal with Canada. Discussions/negotiations are ongoing with the United States.

About Our Vice President

The institute's First Vice President, Thomas E. Erhardt, CIA, CIU is a second generation adjuster, who followed his father's footsteps, who founded the well regarded independent adjustment company, Cardinal Claims Service in 1954, (a firm that is still active to this day).

Tom began his career with Cardinal in 1973 and 15 years later founded Erhardt Adjustment Company, which specializes in first party commercial and personal lines adjustments on behalf of interested insurers and underwriters in the Greater Metropolitan New York area.

He has been active and has taken leadership roles in the following professional organizations; New York Association of Independent Adjusters, Inc (NYAIAI-Past President), National Association of Independent Insurance Adjusters (NAIIA-Past Regional Vice President), Loss Executive Association (LEA-Associate Member) as well as the International Institute of Loss Adjusters.

He served in the United States Marine Corps. He is a graduate of Nassau Community College and Adelphi University and holds the professional designations, Certified Insurance Appraiser (CIA) and Certified Insurance Umpire (CIU). He is a happily married man and the father of three grown children (including a third generation adjuster and future IILA member-Michael Erhardt). He resides with his lovely wife Ginny in Remsenburg, New York.

Treasurer's Note

Our Treasurer, Michael Nardulli would like to remind one and all that dues are now past due. A round of dunning notices have recently been sent out to the members who have not yet responded to the earlier notices.

Please check your records and if you have no record of a 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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