



INTERNATIONAL MONITOR

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IILA 2020 Midterm Meeting Cancelled



IILA World Headquarters Ottawa, Canada

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Our members are represented in these countries

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

The Institute's 2020 Midyear Meeting to be held on Thursday May 21, 2020 in conjunction with the USA based National Association of Independent Insurance Adjusters Annual Conference, being held at the JW Marriot Starr Pass Resort in Tucson, Arizona USA has been cancelled due to the COVID-19 Pandemic.

The virus has impacted the United States in a large way which has led the Federal and State Governments to ban large group gatherings and has impacted air travel severely.

The IILA Board of Directors is currently communicating with the National Association of Independent Insurance Adjusters concerning the date and venue of that organization's 2021 Annual Conference. Once that information has been provided, the IILA Board will notify the membership of the date and venue for the 2021 Midyear Meeting.



PRESIDENT'S MESSAGE

Mr. Daniel Paz



To my IILA Colleagues, first and foremost I hope you and your families are healthy and safe during this tenuous time.

The COVID-19 Pandemic has now touched almost every continent and country in our world. The virus has shown great ability in spreading across our populations and has severely impacted the elderly as well as people with preexisting medical conditions. As a result, governments are requiring their citizens to shelter in place and in turn have severely limited air transportation specifically, international travel.

The IILA Board of Directors has been monitoring the developments particularly in the United States and due to the uncertainty of international travel and governmental restrictions I would like to inform you that the IILA Mid-Year Meeting being held at the JW Marriot Starr Pass Resort in Tucson Arizona on Thursday May 21, 2020 has been cancelled.

In abundance of caution, the IILA

Board has also decided to cancel the Annual General Meeting which was scheduled for October 25th through October 30, 2020 in San Antonio, Texas, USA.

Going forward I along with the rest of the Board will continue to promote the Institute as well as its members. In that regard, I am asking that each member reach out to qualified individuals in your respective regions, to encourage and persuade like minded property loss professionals to apply for membership and join our organization. Other initiatives include expanding the Institute's presence via social media through the good work of Jose Vicente Arrufat. Also we will be looking to expand the publication of our newsletter to enlighten our membership and friends of the Institute as to the developments

which are occurring in the Insurance markets with which we all serve.

Lastly, I along with the Board of Directors will be announcing in the near future the venues for the 2021 Mid-Year Meeting and Annual General Meeting.

In closing, I look forward to the time when we can all be together in person and I would like to extend my best wishes and warm regards to all and to your continued good health and safety.

Best regards,

Daniel Paz,
President



**International
Institute of
Loss Adjusters**

2020 IILA Annual General Meeting Cancelled

The Conference and Program Chair Johnny Michalek, (Past IILA President) has announced the cancellation of the 2020 IILA Annual General Meeting, which was to be held from October 25th through October 30, 2020 at the Hotel Contessa in San Antonio, Texas, due to the COVID-19 Pandemic.

The reason for the cancellation was due to the uncertainty relative to the lifting of governmental sanctions for large meetings as well as problems with international as well as domestic air travel.



San Antonio River Walk

Discussions are being had for the 2021 Annual General Meeting date which will be forthcoming to the membership in the not-to-distant future.

Coronavirus Update

The World Health Organization (WHO) formally declared a worldwide pandemic in late

February/early March which has impacted six out of seven continents and almost every country in the world.

The WHO reports over 3,000,000 cases and 205,000 deaths associated with the virus. The most heavily impacted country thus far is the United States with over 1,000,000 confirmed cases and over 55,000 deaths, the majority occurring in late March and April.

Other countries severely impacted include China, Italy, Spain, France, Russia, and the United Kingdom.

Many nations are attempting to mitigate the spread of the virus by initiating quarantines, cancelling public events and having businesses operate remotely where they can.

International travel restrictions have been instituted as well as domestic air travel in certain countries.

The Pandemic has greatly affected the worldwide investment community with the stock markets worldwide severely contracting during the last few weeks.

Some countries are reporting a slowdown in hospital admissions and that the “curve” is starting to flatten and decrease in certain areas.

It is hopeful that the spread of the COVID-19 Virus will dissipate with the moderating spring and summer weather.

The situation will continue to be monitored closely by the worldwide authorities as well as the insurance industry.

COVID-19 Financial Impact

It is estimated by some economists that the governmental shutdown measures in place in various countries throughout the world will be leading to a twenty to twenty five percent reduction in economic activity in most advanced markets. The different sector compositions of countries will be a main factor in determining the size of the impact. Emerging markets are likely impacted more given their larger (in relative terms) consumer-facing sectors. Meanwhile, large public services and manufacturing sectors will contribute to stronger resilience in some other economies.

The key factors cited by certain economists include the following;

- Shutdown measures in major advanced economies lower overall economic activity by around one quarter, the biggest hit coming in the services sector.

- Every week of shutdown costs about .5 percent of annual Gross Domestic Product (GDP).
- Emerging markets are more vulnerable with a 22-29 percent of loss in output.
- Sectors to suffer the most are hospitality, wholesale and retail trade, air travel and other consumer facing services.
- The extent of overall output losses will depend on length and severity of shutdowns, sectorial compositions of economies and governmental policy measures.

While the end of the pandemic is uncertain, it has indeed severely impacted the world's financial markets and worldwide economy that will have a lasting impact through 2020 and perhaps into 2021 as well.

Lloyds Market Report

The Chief Executive of Lloyd's, John Neal has remarked to the Financial Times that the COVID-19 Pandemic could prove to be one of the most expensive events in the history of the market.

While most commercial policies do not compensate for business

interruption due to losses arising out of a pandemic, numerous Lloyd's Underwriters cover such perils particularly in the contingency and specie market. Claims have been coming into the various Underwriters and time will tell if the Pandemic will negatively impact the Lloyd's Underwriting results for 2020.

North American Market Report

United States based insurers are facing a looming threat as legislators in some US States contemplate proposals that would require insurers to payout business interruption losses, even if the policy explicitly excludes losses caused by the COVID-19 virus.

Typically, commercial property policies in the United States and elsewhere require "direct physical damage to the insured property which would trigger coverage". In addition, most policies exclude loss attributed as a result of an illness/pandemic. Typically, policies that cover a Coronavirus event are found in the contingency market as well as with manuscript policies crafted for large multinational companies. Losses incurred by those entities would be handled on a case by case basis.

Due to the restrictions being placed on travel by governmental authorities, several insurers are now offering their policy holders discounts on their premiums, particularly in the automobile market.

The financial impact will not be known until late in the second quarter and third quarter of this year.

Latin America Market Report

AM Best & Company, the global credit rating agency, news publisher and data analytics provider specializing in the insurance industry, is forecasting a stable market segment outlook despite the COVID-19 outbreak.

They are forecasting an economic contraction for some countries, such as Argentina, Brazil and Ecuador.

However, with an economic contraction, AM Best is forecasting a reduction in claims volume with a lower frequency reducing overall claim costs for the insurers operating in this marketplace.

European & Asia Market Report

Around the world, insurance and financial markets have grown extremely volatile, leaving companies and consumers alike acutely uncertain.

The economic contraction has severely impacted the demand

side of many markets particularly in commodities such as oil and minerals. Supply chains for various manufacturing entities have been compromised due to the Governmental restrictions on travel.

While few insurers offer commercial products covering pandemic risks, Allianz and Swiss Re report that they are receiving claim notifications from companies around the globe under business interruption

extensions of property policies. Loss investigations have commenced to determine whether coverage for communicable diseases exists in the respective policy wordings.

Here again, it remains to be seen how big a financial impact the COVID-19 Pandemic will have on insurer's balance sheets.

Treasurer's Note

Our esteemed Treasurer, Michael Nardulli would like to remind one and all that dues are now past due. For those who are delinquent, please contact Michael Nardulli at

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

in the event his earlier dues emails were missed.

Editorial Note

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