



# INTERNATIONAL MONITOR

March 2020

A publication of the  
International Institute of  
Loss Adjusters  
[www.iila.com](http://www.iila.com)

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## IILA 2020 Midterm Meeting



## IILA World Headquarters

Ottawa, Canada

Email: [info@iila.com](mailto:info@iila.com)

## Our members are represented in these countries

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

The Institutes' 2020 midterm meeting is to be held on **Thursday, May 21, 2020** in conjunction with the US based National Association Independent Insurance Adjusters Annual Conference, being held at the JW Marriot Starr Pass Resort in Tuscan, Arizona. The conference starts on May 18, 2020 and features in depth presentations from leading insurers and service providers to the insurance claim industry. Presenting at this conference will be Phillip Godwin, Head of Claims for Lloyds of London. He will be addressing the attendees on the Lloyds Market claims response to the various worldwide catastrophes that affect its policyholders.

All details concerning the conference can be accessed by the [attached link](#) »



# PRESIDENT'S MESSAGE

## Mr. Daniel Paz



**As I begin my term of office, I look forward to advancing the mission of the Institute as one of the leading associations of its kind,**

where likeminded property loss professionals meet and promote the profession to the insurance industry in general and the property market in particular.

I would be remiss in not thanking our current Board of Directors for their support during my term of office.

I would also like to thank Charles J. (Chuck) Reilly, Jr for his efforts in hosting a truly remarkable Annual General Meeting in Southampton Bermuda, where the Institute was reintroduced to the Bermuda Market.

One of my initiatives this year is for the need to increase our membership roles and I am asking

that each member reach out to qualified individuals in your respective regions, to encourage and persuade likeminded property loss professionals to apply for membership and join our organization. Other initiatives include expanding the Institute's presence via social media as well as looking to host a Conference and/or Annual General Meeting on the European Continent in the not too distant future.

The IILA will be holding its Mid-Year Meeting in conjunction with the US based National Association Independent Insurance Adjusters Annual Conference on Thursday May 21, 2020 which is being held at the JW Marriot Starr Pass in

Tucson Arizona USA. Details of this conference can be downloaded from this newsletter.

In closing, I look forward to serving the membership and working with the Board of Directors to further enhance the institute's presence in today's insurance market.

Best regards,

**Daniel Paz,**  
*President*



**International  
Institute of  
Loss Adjusters**

## 2019 IILA Annual General Meeting Southampton, Bermuda Report

For those who could not make it, the 2019 Annual General Meeting was held in Southampton, Bermuda which is one of the world's leading insurance and reinsurance markets. In addition to its insurance centric economy, it is also one of the most beautiful island paradises in the Atlantic.

The host hotel was the Fairmont Southampton Hotel, which is one of the leading hotels on the island and the base of operation for the institute's cultural and educational programs that were put in place for the conference attendees.

The Education component of the conference featured leading executives representing the primary, reinsurance, captive and Bermuda markets. These executives provided the attendees their company's 2020 outlook not only as it related to their operations but how they saw potential changes developing in the marketplace. Their presentations were also rounded out with presentations from industry service providers, BMS-Catastrophe and that firms challenges and experiences from the 2017 hurricanes that affected the

Caribbean Basin. In addition to that presentation, the forensic engineering firm of Envista Forensics provided an update on the current developments in the cyber/digital claim world.

### **The keynote speaker was Suzanne Williams-Charles, Director of Policy and Regulation for the Association of Bermuda Insurers and Reinsurers,**

the industry trade group for the Bermuda market. Mrs. Williams-Charles provided the attendees with the details of the Bermuda Market and how its members interact in the primary, captive and reinsurance marketplaces along with providing the group with insight as to how Bermuda differs from a regulatory standpoint from other "offshore" insurance marketplaces.

The attendees were treated to "great" weather and thoroughly enjoyed touring the Bermuda sites by land and sea.

The AGM concluded with a lavish banquet which included the introduction of the Institute's new officers as well as its outgoing officers. Congratulations again to Charles J. (Chuck) Reilly, Jr for organizing an executing a truly remarkable conference.

Click to see [photo gallery](#) and [education program, featured speakers](#)

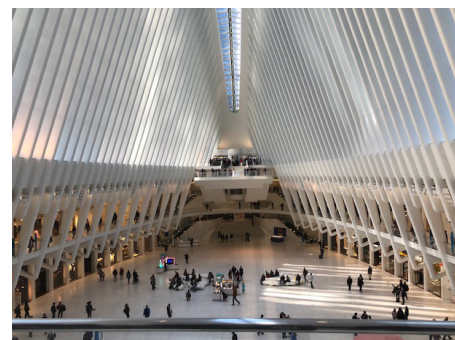
## 2019 Pre-Conference Tour

Prior to the 2019 AGM, a Pre-Conference tour was arranged for interested Institute members to visit New York City.



Grand Central Terminal-IILA Group Shot.

The host site for the Pre-Conference Tour was the Downtown Association in lower Manhattan. This venue is one of the oldest private clubs in the City of New York, which was founded in 1860. The venue was the launching point for our group which consisted of several walking tours which highlighted historical lower Manhattan. It featured visits



The Oculus (Interior View)

to Federal Hall, Trinity Church, the Canyons of Wall Street, Battery Park, the World Trade Center, the 9/11 Memorial & Museum as well

as historic taverns and restaurants which dated back to the American Revolutionary War. The Pre-Conference tour ended with a group dinner at the famous Broadway Restaurant “Sardi’s” before taking in the Broadway show “Aladdin”.

Kudos to Charles J. (Chuck) Reilly, Jr for arranging such an outstanding visit to the City of New York for the Institute members and their guests.

## 2020 IILA AGM

The site for the 2020 IILA Annual General Meeting will be **San Antonio Texas, USA**.

The conference and program chair will be Johnny Michalek, Past IILA President with Golf Coast Claims in Houston Texas.



The conference is slated to be held in the Fall of this year and an announcement concerning the host hotel and applicable dates will be forthcoming to the membership in the near future.

## Bermuda Market Report

The Bermuda Insurance and Reinsurance market reported that its gross written premiums exceeded \$100 Billion (US).

The Bermuda Market companies (underwriter insurance and reinsurance) from underwriting centers in Bermuda, Europe, Asia, North and South America. The involved insurers wrote in excess of \$100 Billion (US) in global gross written premium on a capital and surplus basis of \$120 Billion (US). The reported net income of nearly \$4,300,000,000.00 in their global businesses with the gross premium to equity ratio for the group being .83 to 1.

The President and CEO of Association of Bermuda Insurers and Reinsurers (ABIR) John M. Huff, reported that while the group sustained high severity natural catastrophes in 2017 and 2018, that the underwriting standard were firming and that the Bermuda market would continue to be a leader in natural catastrophe coverage, due to their capital, expertise and talent in the catastrophe business but also a leader in the cyber and specialty lines businesses.

**The Bermuda market is looking to continue its growth during 2020 and beyond.**

## Lloyds Market Report

After two years of steep losses from natural catastrophes such as the typhoons in Japan, hurricanes in the Caribbean basin and wildfires in the United States due to enhanced underwriting discipline Lloyd’s of London experienced a profit from its operations in 2019.

The rating agency, Fitch Ratings has revised the 2020 outlook for the London market to stable from negative amid the improving pricing landscape and the market wide profitability review initiated by Lloyds.

**“The stable outlook reflects our view that the challenges of rising claim costs and low investment will be counterbalanced by improved underwriting and pricing discipline”**

says Fitch in its UK Non-Life Insurance 2020 outlook.

The efforts of Lloyds to improve the profitability of the marketplace has resulted in the closure of a number of syndicates in recent times, while others have announced plans to cease writing certain business lines that are failing to meet cost of capital requirements.

## Lloyd's Plans for Brexit

The United Kingdom Members of Parliament of voted in favor of leaving the European Union based upon the public referendum held in June 2016. The United Kingdom stopped being a member of the European Union (EU) on January 31, 2020.

### **While the UK has agreed the terms of its EU departure, both sides still need to decide what their future relationship will look like.**

This will be worked out during the transition period, which began immediately after Brexit day and is due to end in the 31st of December 2020. This period is meant to give both sides some breathing space while a new free trade agreement is negotiated. If agreements can not be agreed in time, then the UK faces a prospect of having to trade with no deal in place. This could mean tariffs on UK goods traveling to the EU and other trade barriers.

The Lloyds marketplace has established a European hub in Brussels, Belgium to insure its customers operating in its market, that they can guarantee continuity of service to customers in the European Union.

## North American Market Report

The North American property market outlook according to analysts at rating firm A.M. Best, cite improved market conditions and improving levels of risk-adjusted capitalization that have helped insurers whether short term probability challenges.

This outlook is based upon underwriting discipline now being imposed on various lines of business due to elevated catastrophe losses which were suffered in 2017 and 2018.

The industry surplus resumed an upward momentum in 2019 due to lower reported catastrophe losses and tighter underwriting guidelines.

## Corona Virus Update

The World Health Organization (HOA) formally declared a global health emergency in late February 2020 as the virus continues to spread throughout China and other countries.

The virus has claimed more victims than the 2003 SARS outbreak and is impacting business operations and supply chains around the world. The number of deaths associated with the outbreak has claimed the lives of over 1,500 people.

In addition to the cancellation of

major public events in China, many international businesses have curtailed operations in the country, instructed employees to work from home and restricted employee travel to and from China to limit exposure as the virus spreads.

After weeks of shrugging off the threat, worldwide investors have panicked, and stock markets have tumbled recently. In the United States, the Dow Jones Industrial Average has fallen and more than 15%, the worst week for stocks since the financial crisis. Treasury bonds rose as investors have flocked to safety, pushing yields on the ten year and thirty year US Treasury securities to new lows.

In the interim, various world health organizations are instructing the public to follow certain sanitary procedures to limit the spread of the virus.

Countries such as Italy and Spain are initiating quarantines in certain regions to limit the spread of the virus.

The situation will be continued to be monitored closely by the Worldwide authorities as well as the insurance industry.

### IILA Dues Notices

The Institutes' dues notices were sent to all members in January. Currently, approximately 60% of the membership has remitted their dues to the treasury, for with which our treasurer thanks you.

In the event that this matter has been overlooked, the Institute treasurer, Michael Nardulli, asks that if you have not as yet paid your dues, to do so in a timely fashion in order to avoid receiving a dunning notice from his office.

### Featured Conferences

#### IILA 2020 Mid-Term Meeting

May 21, 2020, 9:00AM

JW Marriot Starr Pass

Tucson, Arizona

#### IILA 54th Annual General Meeting & Conference

Austin, Texas USA

(Meeting dates and venues  
to be announced soon)



International  
Institute of  
Loss Adjusters

## REGIONAL VICE PRESIDENT REPORTS

An ever – expanding global economy is changing virtually every aspect of the business world. Nowhere is this economic fact of life more manifest than in the insurance claims adjusting industry. Please take a look at our regional vice presidents' reports to learn more.

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**Charles J. Reilly, Jr.**

*Editor*

**Tom Moss**

*Chairman - Publication/Publicity*

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