



# INTERNATIONAL MONITOR

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

March 2022

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## IILA 2022 Midterm Meeting



The Institute's 2022 midyear meeting is to be held on Thursday, May 19, 2022, at the JW Marriot Starr Pass Resort & Spa in Tucson, Arizona, USA, in conjunction with the USA based, National Association of Independent Insurance Adjuster's Annual Conference.

The National Association of Independent Insurance Adjusters Annual Conference will be running from May 17th through May 19, 2022 and will feature many leading insurance industry speakers and educational programs.

The host facility is a first rate venue and is located in the Santa Cruz River Valley in the Southwest portion of the State of Arizona, just 60 miles north of the Mexican Border. Tucson is on an alluvial plane in the Sonoran Desert, surrounded by five minor mountain ranges: the Santa Catalina Mountains, the Tortolita Mountains to the north, the Santa Rita Mountains to the south, the Rincon Mountains to the east, and the Tucson Mountains to the west. The temperatures in Tucson can be 10 to 20 degrees cooler than in the City of Phoenix in May.

If you plan on attending in person, please contact the JW Marriott Starr Pass Resort telephone # 520-792-3500 and make sure you book under the NAIIA room block to receive the discounted rate. The cutoff date for the block of rooms is on April 14, 2022.

## IILA World Headquarters

Ottawa, Canada

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



## PRESIDENT'S MESSAGE

Mr. Daniel Paz



**It is my distinct pleasure to be in contact with you again and it is my sincere wish that you and your families are healthy, safe and navigating through the Pandemic which has challenged our society throughout the world these past two years.**

Just as we are emerging from the throws of the Covid-19 Pandemic, we are now faced with a global tragedy in the hostilities that have been brought on the country of Ukraine. The invasion has caused a universal condemnation against Russia and it is my sincere hope that diplomatic solutions and worldwide moral suasion will lead to a resolution of this conflict.

Now more than ever organizations like the International Institute of Loss Adjusters need to continue to convey the spirit of brotherhood, collegiality and professionalism in our industry. I ask that you 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.

In addition, I like to reaffirm that your Board of Directors objectives

have remained intact, such as keeping our members informed, publicizing the professional work of our task as loss adjusters as well as connecting the Institute with various regional insurance markets. Therefore, I ask that our membership continue to keep us informed of events related to our profession and your comments and ideas to that end are greatly appreciated.

We must continue to embrace innovation and knowledge in our work as being impartial loss adjusters. One must change to meet the demands of a challenging world in transition and as such, we must maintain our professional education at the highest level, so that we may continue to offer superior service in our area of the insurance industry.

I would like to encourage one and all to attend the Institute's Annual

General Meeting, which is to be held this October at the Hotel Contessa in San Antonio Texas, USA. If you have not attended an Annual General Meeting, I strongly suggest that you review your schedules and make time for this event. Our conference chair, Johnny Michalek is putting together a first class event that we can all look forward to attending.

In closing, I want to thank all of the membership for your continued support as it is most appreciated on my part. I look forward to seeing old friends and new friends at the Annual General Meeting in San Antonio in the fall.

With kind personal regards, I remain,

Very truly yours,

Daniel Paz,  
President



International  
Institute of  
Loss Adjusters

## 2022 IILA Pre-Conference Tour

Ahead of the Institute's Annual General Meeting, a pre-conference tour is being planned to be held in Fort Worth, Texas, USA from Wednesday October 19, 2022 through Sunday October 23, 2022.

Fort Worth is the fifth largest city in the state of Texas and the thirteenth largest city in the United States.



Downtown, Fort Worth

The City of Fort Worth was established in 1849 as a stop on the legendary Chisholm Trail, where millions of herds of cattle were driven north to market. Fort Worth became the center of these cattle drives and later the ranching industry.

Arrangements are currently being made by Pre-Conference Chair Johnny Michalek which will feature a first class cultural and culinary tour of this most famous Texas city. Keep an eye on further updates as we get nearer to this event.

## 2022 IILA Annual General Meeting

The 2022 IILA Annual General Meeting is slated to be held from October 23rd through October 27, 2022 at the Hotel Contessa, which is located on the River Walk section of San Antonio, Texas USA.



River Walk, San Antonio

San Antonio is a major City in South Central Texas which is located in the San Antonio River Valley. The City is rich in colonial heritage and is the site of the Alamo, the 18th Century Spanish Mission where the 1836 Battle for Texas Independence from Mexico occurred.

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.

## Coronavirus Update

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

As of March, the WHO reports confirmed cases totaling over 464 million with over 6 million deaths.

Europe has registered the most confirmed cases in excess of 191 million followed by the Americas in excess of 149 million, South East Asia in excess of 56 million, Western Pacific in excess of 36 million, Eastern Mediterranean in excess of 21 million and Africa in excess of 8 million confirmed cases.

The WHO reports that 64% of the world population has received at least one dose of a Covid-19 vaccine. There have been over 11 billion doses administered globally and approximately 17 million doses are now being administered each day. The WHO further reports that the vaccines are much more available in low income countries which have substantially upgraded their vaccination programs.

There is some concern in the medical community regarding a more transmissible Omicron subvariant called BA.2. So far, there is no reason to believe that the new subvariant causes

more severe disease. There is indication that these case rates are rising in countries such as the United Kingdom, Switzerland, Greece, Monaco, Italy and France. Epidemiologists and public health leaders suspect that the Americas could be next. However, officials believe that the BA.2 variant will have a less of affect in the Americas due to the warmer weather and vaccination rates.

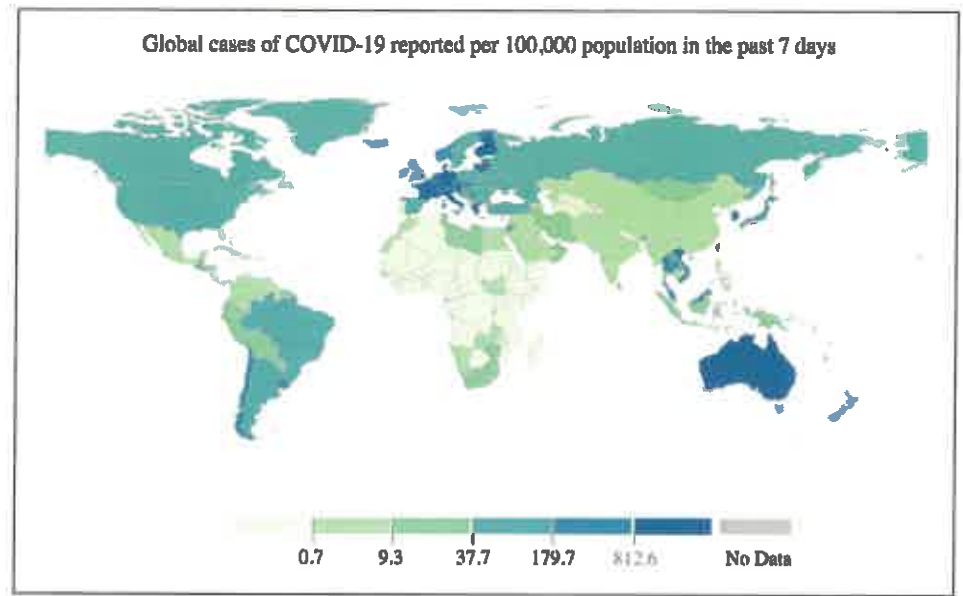
The United States leads global infections with over 48 million confirmed cases, followed by India (34 Million), Brazil (22 Million), United Kingdom (9 Million) and Russia (9 Million).

All Continents have seen outbreaks and the WHO is reporting the number of cases by region as follows; Americas (100 Million), Europe (78 Million), South East Asia (16 Million), Eastern Mediterranean (7 Million), Africa (4 Million) and Western Pacific (2.5 Million).

While we are in a much better place with this disease, it still bears watching since a lot of the pandemic's restrictions have been relaxed.

## Global Economic Outlook

While the Covid-19 Pandemic created a great deal of uncertainty worldwide with supply chain shortages, the Russian invasion



of Ukraine and the political & economic sanctions that have followed, have created a great deal of uncertainty in the world's energy and commodity markets.

The invasion of the Ukraine by Russia, which is the worlds second largest oil exporter, along with the sanctions imposed on it by the European Union and United States, has caused increased vitality in the energy market with oil prices ranging from 95 US dollars per barrel to 130 US dollars per barrel.

Other commodities such as corn or wheat, are also surging as both Russia and Ukraine are considered the bread baskets of Europe.

Together they represent more than a quarter of Global export market and a significant slice of the worlds corn market. Consumers can expect to see rising prices as this conflict continues.

In addition, the economic sanctions

that have been put in place will cause problems with countries who have relied on Russian oil and gas in the past. Some economists are predicating a Euro Zone recession maybe in the works along with inflationary pressures maintaining throughout the year.

In certain economic circles, forecasters are calling for a mixed recovery to most major economies, with the US being the lone exception. Economists are anticipating a US GDP growth in excess of 4% but have lowered their forecast in the Euro Zone and China with other markets taking longer to rebound.

Due to the geopolitical uncertainty with the Russian action in Ukraine, certain economic pundits are calling for continued market volatility and disruption until there is a resolution in the Russia/Ukrainian conflict. The fallout from this event will have very

long lasting effects both politically and economically, and bears watching for the foreseeable future.

## Lloyd's/London Market Report

The US rating agency Fitch expects the pricing conditions in the London market to remain favorable throughout 2022. Rate increases have accelerated further with a number of underwriters reporting double digit rates across underwriting portfolios. Further, concerns over inflation, elevated catastrophe activity and worsening experience on the cyber book of business as a result ransomware claims are the key drivers behind these rate increases.

Fitch believes that market modernization and continued focus in reducing operating expenses will improve underwriting profitability in the London market. Lloyds expects its strategy with aims to digitize most market activities over the next two years to gain headway. Once implemented, Lloyds is expecting the program to deliver significant operations efficiencies with a reduction of approximately 3% of total operating costs across its market.

Following the February 24th Russian invasion of Ukraine, Lloyds of London is supporting the economic sanctions that have been leveled

against the Russian government and its markets by the Euro Zone.

### **Lloyds of London could face a sizable loss from its 2 billion US dollar share of political risk insurance in Russia.**

Political Risk Insurance (PRI) includes claims relating to expropriation, war, embargos and border closers due to government intervention.

Further, one of Lloyds relatively large underwriting classes is the energy insurance market which totaled 4% of premiums in 2020.

In addition, the UK Government is imposing sanctions preventing UK insurers and reinsurers for covering Russian firms. The London market is one of the larger insurers in the Russian Aviation and Energy markets.

## Bermuda Market Report

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

The US Financial rating agencies, Fitch Ratings and AM Best are forecasting a stable but improving market for this marketplace in 2022. Underwriting performance is primed to improve further as continued premium rate increases take hold.

The full year 2021 combined ratio was 99.1% which was down from the 103.4% in 2020 reported for the top (8) reinsurers in the Bermuda marketplace.

### **Bermuda is one of the largest markets for aviation financing**

and recently the Bermuda Civil Aviation Authority have suspended the certification of all Russian -operated aircraft registered in the territory following the implementation of sanctions as a result of the Ukrainian conflict. Approximately 700 aircraft will be affected by this development.

Bermuda reinsurers continue to make up approximately 36% of the global reinsurance marketplace with Bermuda reinsurance executives being upbeat on its ability to increase its worldwide market share of the catastrophe insurance and reinsurance business.

## North American Market Report

Fitch Rating, the US Rating Agency is forecasting that the North American Property Casualty market plays its position for further underwriting profits in 2022 with uncertainty tied to the cost of inflation, stabilization of the personal auto market and natural catastrophe experience, but net earnings growth will be

measured as recent investment market gains in the equity market which occurred in 2021 may not reoccur this year.

Industry executives are concerned with the following areas in the year ahead;

- Labor Shortages
- Supply Chain Issues
- Inflation
- Extreme Weather Events
- Russian/Ukrainian War

Industry sources are seeing the following pricing developments within the marketplace by the following coverage lines of business;

COVERAGE LINES	% INCREASE
Commercial Property	5% to 15%
Commercial Auto	10% to 25%
Cyber Liability	15 % to 50%
Director's & Officers	5% to 35%
EPL	10% to 25%
General Liability	2 ½% to 15%
Workers Compensation	2% to 5%

The US Rating Agency, AM Best is also forecasting rate increases in the first half of the year along with continued lack of capacity in the Directors & Officers and Cyber Liability lines of business. They are also forecasting a slower growth rate in premium pricing for the latter part of the year.

## Asia-Pacific Market Report

Various rating Agencies expect improving operating results for the Asia Pacific Region, following the lifting of Covid-19 related restrictions to drive revenue growth and provide for stable leverage for insurers operating in this region.

That growth will also parallel the economic recovery of the various host countries. However, China's economic slowdown bears watching as China's Central Bank has reduced the liquidity in the real estate market as well as changing the operational perimeters for certain tech related industries.

### **A recent Covid-19 outbreak in China, Hong Kong and South Korea bears watching, as travel bans could play havoc with those economies.**

Another area of concern would be geopolitical overflow from the Russia/Ukraine conflict specifically, the expansion of economic sanctions against Russia and its supporters. This bears close monitoring as it could lead to an economic fallout and possible recession in this region.

## 2022 Reinsurance Market Outlook

**The economists associated with the various industry rating agencies are forecasting continued growth in the reinsurance sector of the industry.**

This is due in part to the abatement of Covid-19 related litigation as well continuing favorable pricing on both the treaty and facultative reinsurance business. The rating agencies believe that the pricing increases will continue throughout the calendar year. A headwind may rear its head as it relates to the Russia/Ukraine conflict and that a number of reinsurers are withdrawing from the Russian Marketplace to abide by their countries sanctions as it relates to that conflict.

## Latin American Market Report

The Fitch Ratings outlook for the Latin American Insurance marketplace is neutral to stable. Premium growth will parallel with the economic recovery of the host countries economy from the Covid-19 Pandemic.

Due to the Russia/Ukraine conflict, large exporters of grain, such as Brazil, Argentina, and Paraguay

could see increased market share for their grain exports to the Euro Zone as well as to other parts of the World.

Insurance Executives in this marketplace have the same concerns as their North American counterparts.

## Insurers/Reinsurers/ Brokers Leaving Russian Market

European insurers and reinsurers such as Allianz, Generali, Zurich, Hanover Re and SwissRe announced that they are not accepting new costumers in Russia and will not be renewing existing business there.

Insurance brokers Willis Towers Watson, Marsh & Aon have also announced they are withdrawing from the Russian market.

**The involved insurers and reinsurers along with the brokerage firms play a large part in providing insurance cover for large capital projects such as energy instillations in Russia.**

Management with those insurers, reinsurers and brokers are winding down their operations in an orderly manner.

## IILA Welcomes New Members

It is with distinct pleasure that we welcome our newest full members, namely Andrew Simmonds and Edmond A. Hutchful.

Mr. Simmonds is associated with Whitelaw Loss Adjusters, LLC of the United Arab Emirates and is the Country Manager and Shareholder of that firm, which trades under Advanta Whitelaw. He is an associate of the Chartered Institute of Loss Adjusters and his area of expertise is in major and complex losses, commercial property and business interruption matters. His office services the Middle East as well as North Africa. Congratulations and welcome to the Institute-Mr. Simmonds!

Also joining the Institute is Edmond A. Hutchful who hails from Ghana, Africa. Mr. Hutchful is the Senior Executive Loss Adjuster with Advocate International Consulting, Ltd. His area of expertise is in both Marine Surveying and Property Loss Adjusting with his office servicing the entire Country of Ghana. Congratulations and Welcome to the Institute -Mr. Hutchful!

The Institute also welcomes our newest Associate Member namely, Genius Enoch who is a

senior loss adjuster with Advocate International Consulting, Ltd. Her area of expertise is also in Marine and Non-Marine areas and operates throughout Ghana. Congratulations and Welcome to the Institute-Ms. Enoch.

## 2022 World Cup Championship

The qualifying rounds have commenced for the 2022 World Football Cup Championship to be held in Qatar.



**FIFA WORLD CUP  
Qatar 2022**

Currently, the following national teams have qualified to be in this event; Qatar, Germany, Denmark, Brazil, France, Belgium, Croatia, Spain, Serbia, England, Switzerland, Netherlands, Argentina, Iran, South Korea, Japan, Saudi Arabia, Ecuador, Uruguay & Canada.

The 2022 World Cup is scheduled to be played in Qatar from November 21-December 18, 2022.

Best of luck to one and all for their respective countries in making the tournament as our esteemed President is very happy that Uruguay qualified for the event.

**IN MEMORIAM****Dr. Jaime Ponce Garcia**

It is with deep regret that the Institute announces the passing of Dr. Jaime Ponce Garcia who was a longtime member of the Institute from Bolivia.

Dr. Jaime Ponce had an extraordinary career as a professional, politician as well an academic. In his political career, he was the Bolivian Minister of State, Vice President and Director of Bolivia's Central Bank as well as holding prominent positions with other public institutions. Dr. Jaime Ponce was an attorney who specialized in Insurance Law and was the CEO of Fidentia Bolivia, S.A. and International Inspection Services (Bolivia) Limited, insurance loss adjusting firms since 1988.

In addition, he was an Arbitrator of the Conciliation & Arbitration Center of the Bolivian Chamber of Commerce and the Bolivian Bar Association since its founding.

He was an outstanding jurist, generous professor and mentor for many generations of professionals in both the legal and insurance fields.

He is survived by his wife Cecilia, his sons Jaime, Jr and Sergio, daughters-in-law Jessica and Daniela, his sister Alicia and grandchildren, Valentina, Tamara, Joaquin and Aitana.

The Institutes condolences are extended to his loving family and industry colleagues as he will be dearly missed.



### Treasurer's Note

Our Treasurer, Michael Nardulli advises that the 2022 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@mcclarens.com](mailto:michael.nardulli@mcclarens.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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