

# Fitzgerald's Loss Adjusters are unique in that they openly act for both insurers and policyholders!

*Irish Broker magazine recently spoke to Alan Fitzgerald regarding an area of the business often misconstrued within the industry*

**You are one of the few, if not the only Chartered Loss Adjuster in this country openly acting for both Insurers and Policyholders. How did this come about?**

When I went out on my own in 1999, the panel system had not come fully into play. I was assured of work from General Accident, Generali etc. but following mergers and withdrawals, I saw my support base decline within a two year period. At the same time I kept a keen eye on the situation in the U.K. and was in contact with colleagues in smaller Chartered Firms there and noted that they had entered the Loss Assessing market as they too were being squeezed out of the panel system. The Chartered Body, C.I.L.A., issued a protocol for Chartered Loss Adjusters acting for the public and put their full support behind the concept.

**When you announced that you would take instructions from Brokers and their Clients, how did your insurance company supporters regard it?**

I was pleasantly surprised in that they supported it completely as they realise that if you are outside the mainstream panel system, it is impossible to exist in the present climate. Indeed I suggest that if you took a poll of the Claims Handlers within the major Insurers, most would say they did not agree with the panel system, primarily because it stifles competition. We still get instructions from the larger insurers on niche work, for example, claims that fall outside the panel criteria such as public or product liability claims involving property damage. We are also supported by the specialist or niche Insurers.

**What are the benefits to the Client and the Broker in having you involved in a property damage claim?**

The Client, indeed the Broker has access to experience and qualification heretofore available only to Insurers. Having been on the "receiving end" of claims, there is a whole new perspective when presenting and negotiating on the basis that you are fully aware of the scope of cover and also the best way to present and negotiate a claim. We realise the Client's full entitlement under the Policy and help them through the complex claims procedure. The process dictates that we enhance the Broker's prospect of Client retention and indeed acquisition and can save the Broker significantly in terms of an in-house claims service. One of the major advantages is that we can work within the relationship the Broker has with the Client and provide support in relation to such matters as Policy Liability which before now was unavailable to Brokers. Being a Broker's son, I believe I have an understanding of the significance of the Broker-Client relationship. We provide the Broker and Client with precisely the same professionalism, technical expertise and negotiating skills that Insurers bring to bear in their own interests.

**Do Brokers only refer difficult cases or claims that have been declined to you?**

Initially this was the situation and in many cases they sought a second opinion but indeed there were cases which we turned around, having successfully argued points vis-à-vis proximate cause or interpretation of particular parts of the Policy. Some Brokers have regarded the use of Public Loss Assessors as reneging their duties on the basis that they felt the claims process was the Brokers. This is an outmoded view as Brokers, especially the smaller firms, cannot possibly have the experience necessary and which can only be garnered from full time involvement in claims such as serious

fire damage, oil contamination, stock reconciliation etc. Brokers are under increasing pressure, both in terms of regulation and maintaining existing, and securing new business – they cannot afford to get caught up in the claims process and I suggest that they owe their Clients a duty to direct them to the best possible advisor.

**What do you see as the main obstacles in developing this area?**

Public Loss Assessors have had some bad press and on occasions this has been warranted. Any time there is a big storm or flood, quasi Assessors come out of the woodwork and you have builders etc. approaching people to present and negotiate all aspects of their claim. Those Assessors involved full time are invariably professional but I do think there is a slight element of misgiving on the Brokers part because, on balance, Assessors do not come from an insurance background. As a Chartered Insurance Practitioner and critically a Chartered Loss Adjuster, I feel my services prove particularly attractive to Brokers. The response from my Loss Adjusting colleagues has been very positive and there is an element of mutual respect which facilitates the negotiation process.

**Does your approach differ from the norm?**

Where a Broker recommends my services I will issue a full Preliminary Report to the Broker with photographs etc. and dealing with other issues such as value at risk. This is much the same as the format of report issued by Loss Adjusters to insurance companies and contributes to maintaining the hands on approach preferred by Brokers in the claims process. The claim is presented on a specification/schedule basis and we use a Quantity Surveyor and/or an Engineer.

**What about fees?**

Every Broker knows that the cost of presenting and negotiating a claim is not recoverable under the Policy. Whilst Insurers will pay Loss Adjusters to represent and protect their interests, they will not meet the Policyholders costs in this respect. In the U.K. there is a move to writing this cover as an add-on and I eventually think that Policies will develop to cover claims presentation fees for certain listed professionals. Indeed this is an ideal opportunity to regulate and control Assessors. Our Clients have generally found that the net settlement terms we secure demonstrate the economic benefits of our involvement.

**Are you optimistic for the future?**

As a Loss Adjuster – no, as a Loss Assessor – yes! The large panel Insurers have significant control over Loss Adjuster's fees and these are being driven down on an annual basis due to competition for panel places. As a result, Loss Adjusting Firms are under pressure and some experienced and qualified Adjusters, particularly in the U.K., are leaving the profession, some to work as Assessors. It would be ironic if the strength in qualification and experience shifted to the Policyholder side, the ideal scenario would be a balance on both sides. On a personal basis, I am enjoying the experience diversification is bringing and I am happy to compete in an open and unrestricted market. My experience as a Loss Assessor certainly improves my skills as a Loss Adjuster and vice versa.

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