Change is the key to success and survival

The recent economic crisis and increased regulation of the industry have placed considerable strain on the loss adjuster. This has caused a metamorphosis necessary to ensure that they survive the next cycle – and survive they will.

As insurers have tried to curtail claim costs by attempting to deal with claims in-house, the historic number of claims previously outsourced has declined. This has meant that the smaller, less complex claim – the bread and butter of many loss adjusting companies – has by and large disappeared.

In other instances, where a loss adjuster would normally be required to become involved, insurers have sought to restrict their involvement to a specific task like determination of quantum, thereby reducing the potential number of hours usually billed by the adjuster on the claim.

The result is that growth has been stifled.

That there is a lack of a sufficient number of suitably qualified loss adjusters countrywide is in no doubt, and this shortage was highlighted during the latter part of last year and beginning of this year when severe storms struck parts of the country.

A spike occurred in the number of claims being outsourced and instantaneously, the loss adjusters services were sought to deal with those claims which would normally have been dealt with by insurers in-house. They could not cope with the increased volume.

This was good news for turnover but sadly, service levels suffered and not only does this affect the loss adjuster, but the industry as a whole.

More qualified persons must be lured into the profession, but their longevity will depend on the influx of work which the next cycle will bring.

The drive by insurers to expand into Africa presents new and exciting opportunities and, loss adjusters keen to earn foreign currency and escape some of the cut throat rates currently being thrust upon them, are able to capitalise on increased hours and rates, and create a stimulus for future development.

Loss adjusters possess a unique set of skills which can easily be adapted to suit different circumstances. Those who want to diversify are presented with a host of other specialist tasks, like compliance audits, which have become an everyday part of the industry as a consequence of the new regulations. Compliance audits have become a recent income stream of certain adjusting companies.

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Change is inevitable and the key to success, development and survival.

ALAN BLEM,
Managing Member of Associated Loss Adjusters