



John T. Kidd, Managing Director, John Kidd Loss Adjusters L.L.C, Dubai

John has been actively engaged in the adjustment of large and complex losses in and from the Middle East region for over 30 years. He served as the Regional Director of two major corporately owned adjusting houses in that time but has now, in conjunction with his partners, opened a dedicated technical lines practice where the customer and his clients come first.





Presentation at Karachi Insurance Institute Seminar on 09 February 2016

Prepared by John T. Kidd
John Kidd Loss Adjusters LLC
Dubai, U.A.E



CLAIMS MANAGEMENT – A LOSS ADJUSTER’S PERSPECTIVE

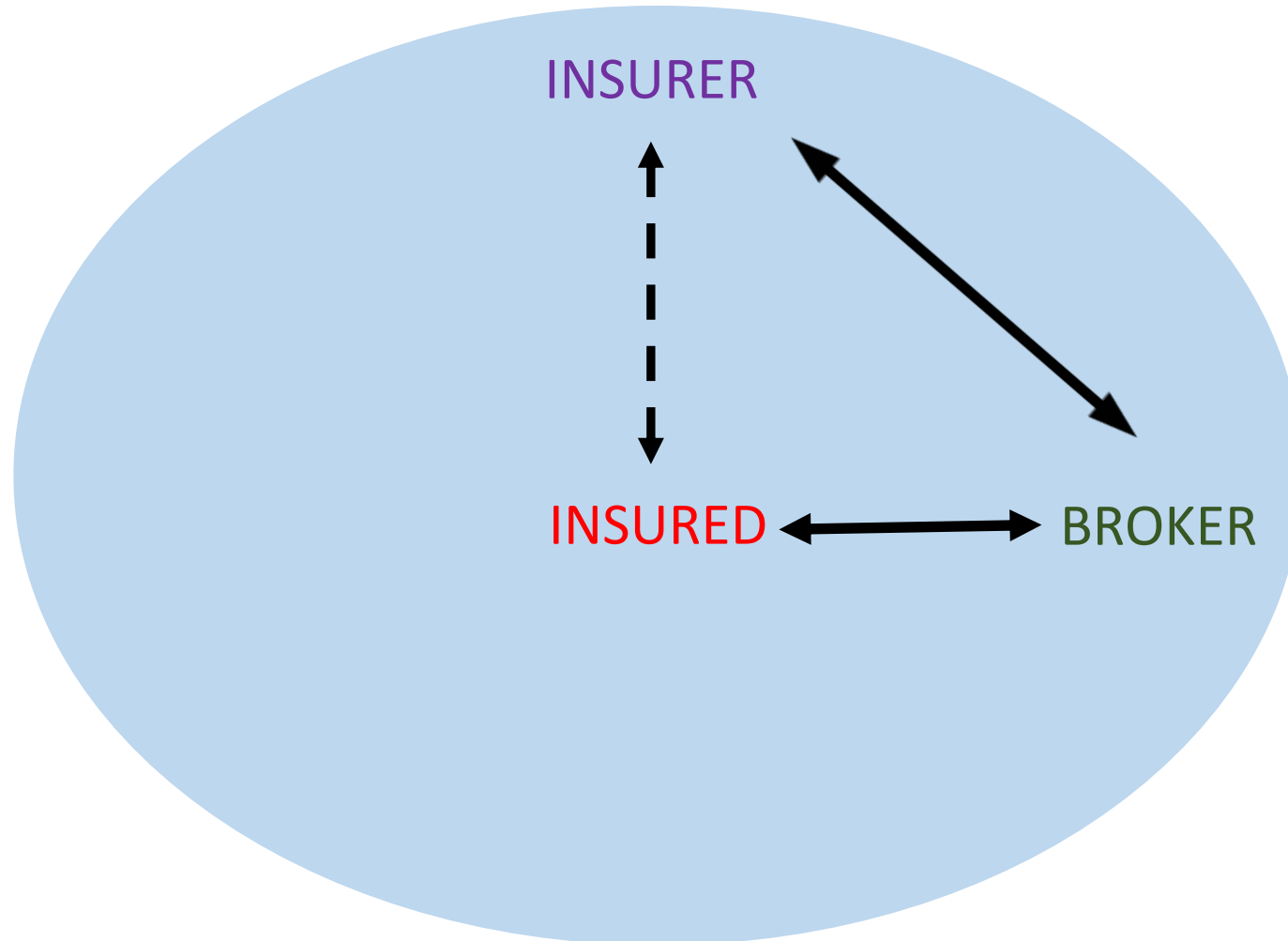
- Claims Management - All stakeholders need to understand what we are managing.
- Claims or Claim – A loss programme or one-off losses
- Expectation Management – A key aspect – Not just in claims



Let's set some basics:-

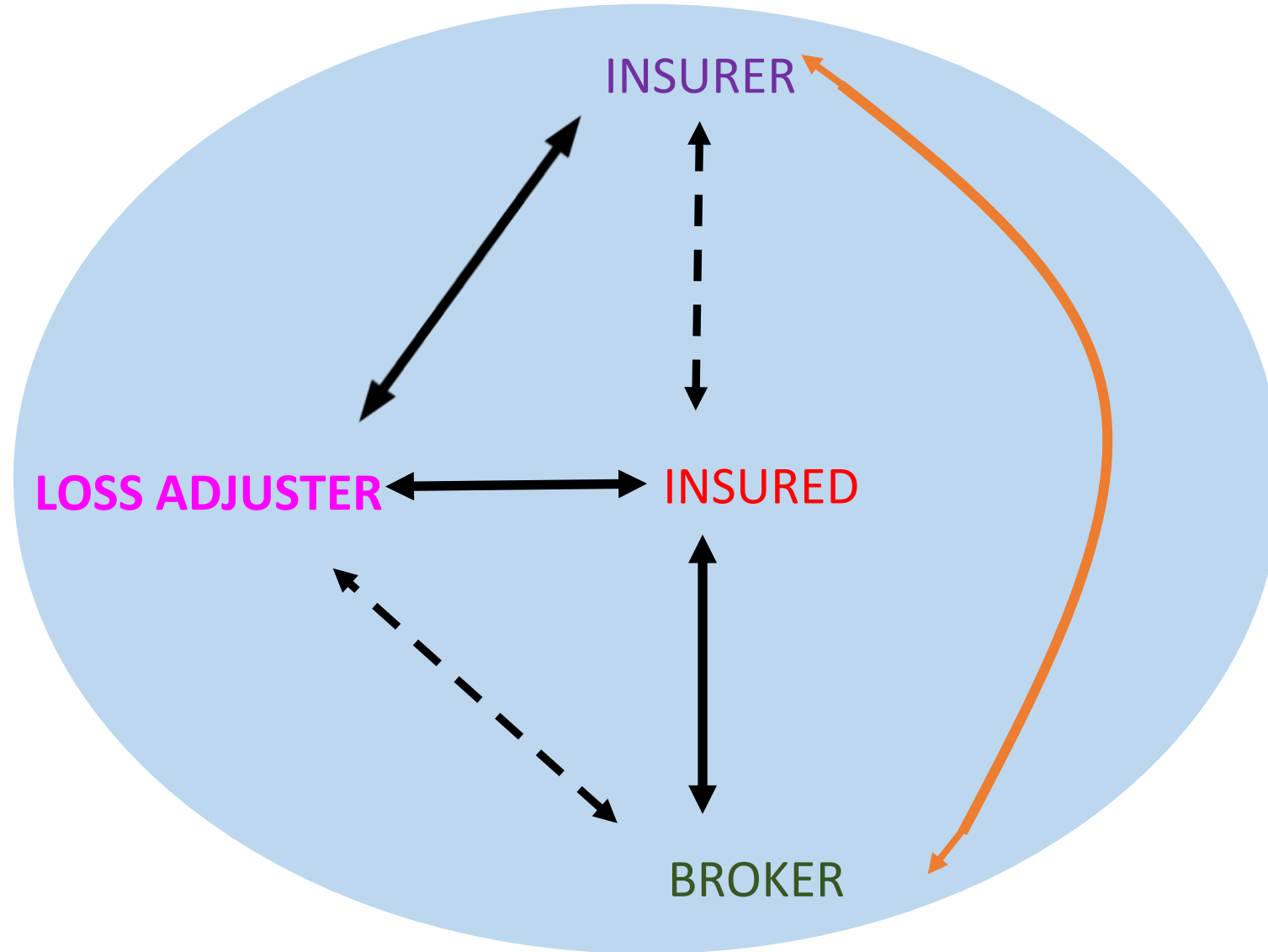
- Who sits centre stage in the claims process?
- The buyer of insurance – no customer - no claims – no insurance.
- How does the customer fit in centre stage.

The Customer = The Insured. The Insured generally engages an Insurance Broker. The customer remains centre stage. The communication lines are:-



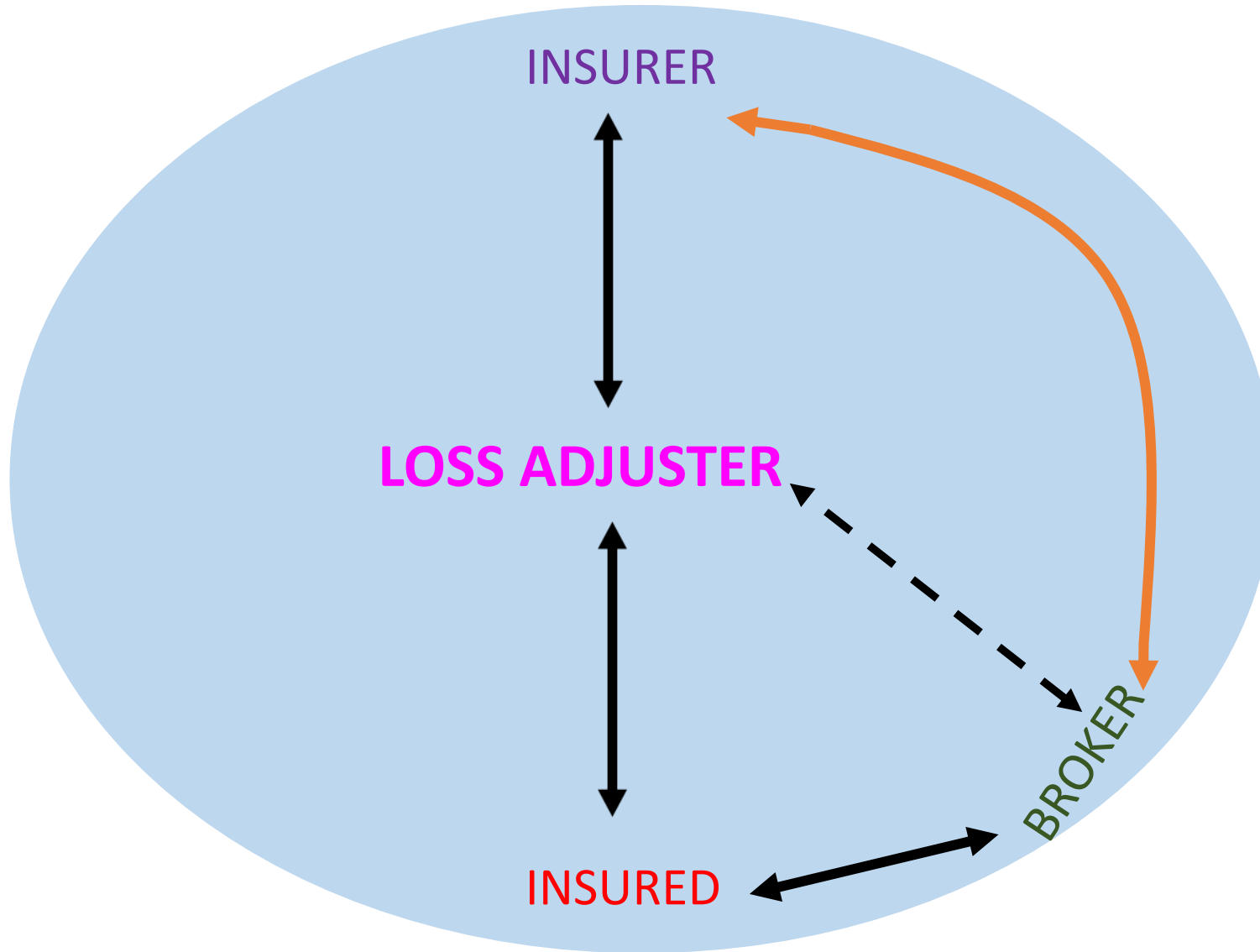


The communication lines change if and when loss occurs.

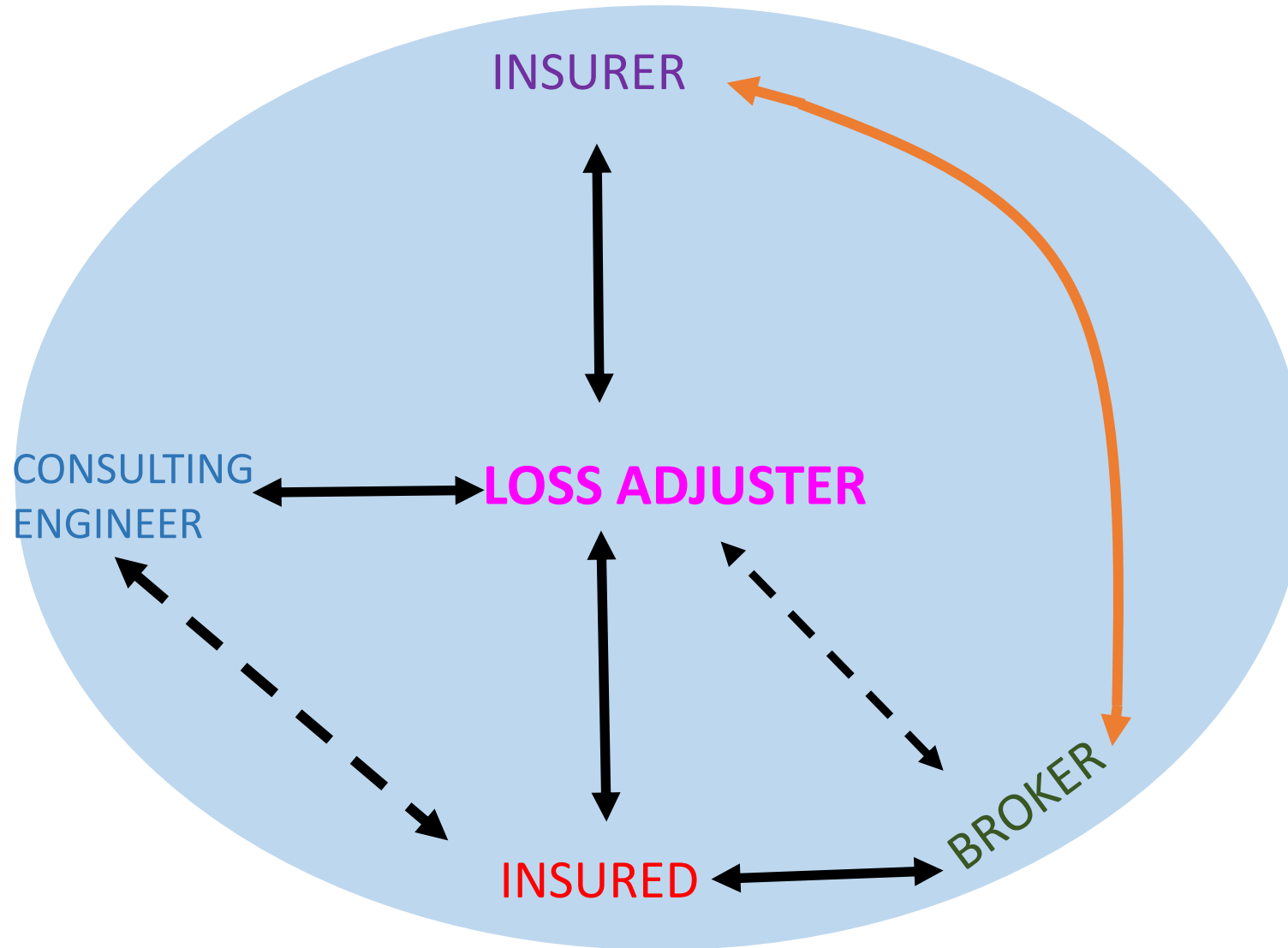




From the Loss Adjuster's perspective he moves centre stage.



The Loss Adjuster **manages** the claim process and co-ordinates different functions which may be required to proceed to its conclusion. For example:-





The consulting engineer will normally provide independent technical input to the adjuster on :-

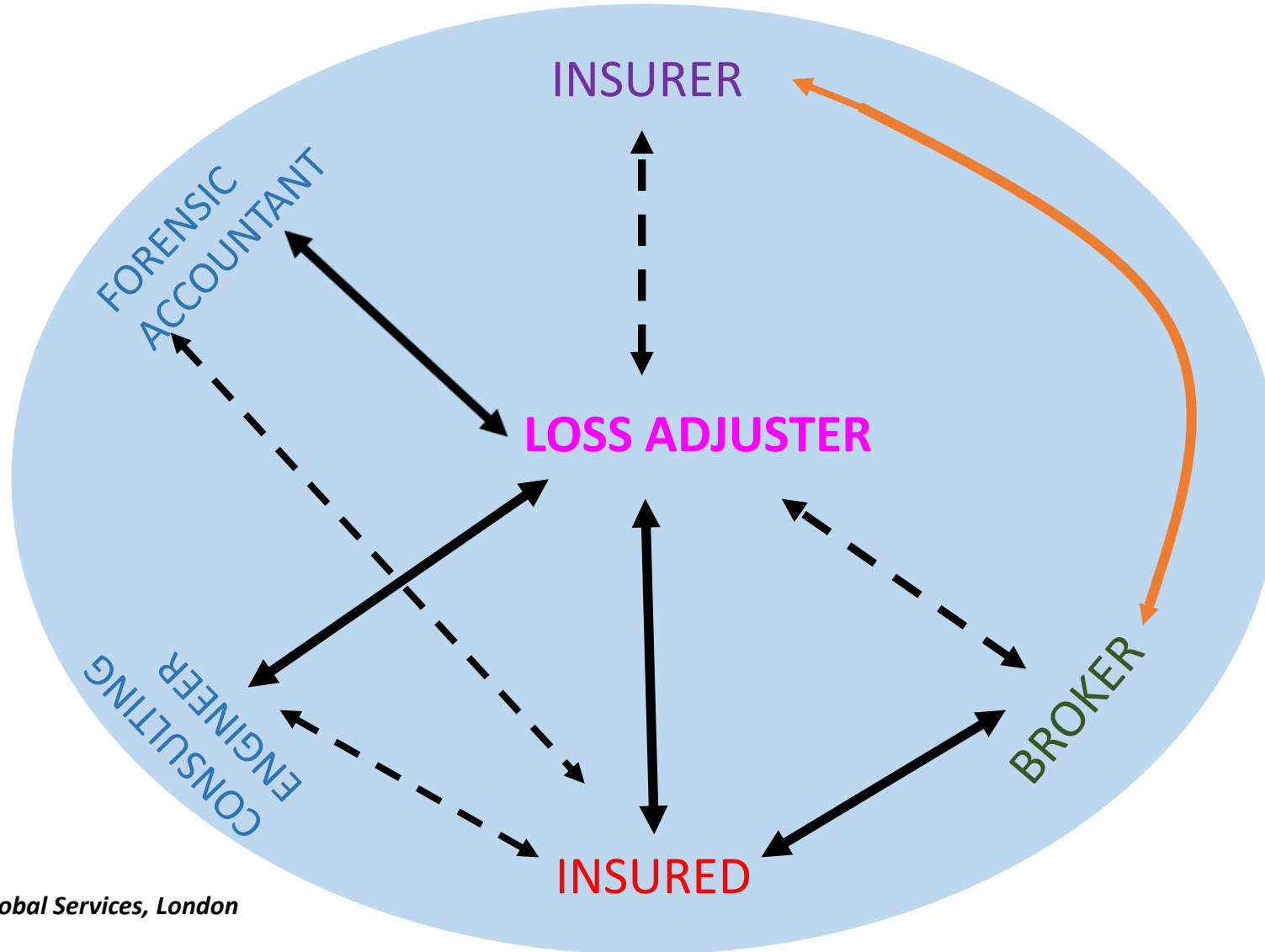
- cause of loss,
- extent of damage
- scope of repair.



Depending on the type and nature of the loss the consultants could be:-

- forensic scientists, etc
- structural engineers,
- materials engineers/ scientists,
- mechanical or electrical engineers,

In the case of financial investigations of the type required to evaluate a business interruption loss another specialist service which may be required is the Forensic Accountant. The communication lines change again:-





What does the Loss Adjuster do:-

Let's start with what, generally, he would not do:-

- Life insurance claims
 - Medical claims
 - Workers compensation claims
 - Motor Claims
 - Aviation claims
 - Marine claims
- } However, there can be cross-over – it is not an absolute.



The Loss Adjuster's principal areas of work are-

Losses involving property or assets including liabilities arising therefrom for any form of commercial or industrial organization.

That includes business interruption losses consequent upon the physical damage which is the subject of the claim.

It also includes financial lines business e.g., Fidelity Guarantee claims.



The losses arise for:

- Risks under construction
- Operating risks
- Political Violence risks



The industry sectors from which losses arise could be:

- Oil and Gas industry
- Power sector
- Chemicals/ Fertilisers/ Plastics/ Fabrics
- FMCG's factories
- Hotel and Resort Developments
- Retail sector – Mall Developments



In managing a claim the Loss Adjuster completes the enquiries necessary to:-

- Allow Insurers to establish liability under the policy. Yes/ No/ Maybe.
- Determine the methodology of satisfying the indemnification requirements of the policy— cash or reinstatement.
- Determine and agree the costs of that indemnification to close out the claim.
- Deal with policy limits/ sub limits/ under insurance.



The Loss Adjuster's primary source of information is from the Insured.

The information is collected, distilled and consolidated to enable the Loss Adjuster to present a report to Insurers which serves as a platform for them to deal with the claim that arises from the loss.

The quality of information retrieved from the Insured is paramount to smooth handling.

Policies have conditions which the Insured must observe.



The Objective – The timely processing of payable claims to achieve a sense of satisfaction all round that the product purchased actually delivers the promise.