

# SPRING BREAK

## Your Guide to the Educational Event of the Season

**S**pring is a time of growth, renewal, and opportunity, and nowhere is that more true for claim professionals than at the Property Loss Research Bureau/Liability Insurance Research Bureau's (PLRB/LIRB) annual claims conference.

This rite of Spring is one of the year's biggest claim-focused events, both in sheer scope and attendance. It's a one-stop shop for claim professionals to load up on knowledge and trends in the industry, and it provides them with the opportunity to implement new strategies in their daily struggle to handle claims efficiently and effectively.

Comprising the conference's 13 curriculum areas are more than 111 sessions and 220 presenters. Since the show is only four days long, some hard decisions will have to be made in terms of which sessions to attend and which to forego. We hope the following information will help make those decisions easier for the many heading out to the event, which takes place March 22-25, 2009, at the Washington State Convention Center in Seattle, Wash.

### What's Blooming?

PLRB/LIRB's conference committee is well aware that certain topics will always be in vogue. But it also goes out of its way to plant new seeds each year in an effort to see what germinates.

"One thing we noticed is that there is a reduced interest in mold, so we removed it as a curriculum and placed it in the Adjusting Property category," said Scott Powell, assistant vice president of educational and technical services for PLRB/LIRB. "Replacing it is a new curriculum named Alternative Dispute Resolution. ADR continues to be a major area of importance due to the fact that it is an alternative to litigation and is a time- and cost-saver."

New curriculums aren't the only things sprouting up this year. For the first time, PLRB/LIRB is offering attendees the chance to earn a California Earthquake Claims Handling Accreditation certificate.

"The California earthquake certification program in our Catastrophe track consists of three specific classes," explained Powell. "We worked with the California Earthquake Authority and Vale Training Solutions to put this program together. Attendees who participate in all three classes will earn the certificate, which will be issued by Vale."

The accreditation is valid for three years, and it is accepted by most insurance companies for which adjusters work. Because there are stiff penalties for insurers that use unaccredited adjusters on California earthquake claims, conference organizers con-

sidered it a worthy addition to the program. As it turned out, not much had to be done to ensure the correct amount of accreditation credits would be earned, either.

"We already offered two [of the accreditation] classes in the past," said Valerie Berka, meetings manager for PLRB/LIRB. "As we planned for this year's event, we realized that if we added just one more class, attendees could earn the certification. In this case, the classes are all in one place, and if you are a PLRB member, you can earn the certificate without incurring additional costs." Berka went on to say that PLRB/LIRB plans to offer the certification again at its 2010 conference in San Antonio.

PLRB/LIRB's exhibit hall is also sowing opportunities for attendees — the committee expects more than 400 vendors. "We really reached out to more casualty-oriented claim exhibitors this year," said Powell. "Our members are interested in diversity of service providers, and that is reflected in the wide variety of companies coming this year. Many are first-timers, and many are coming with new products and services. It's not just the same exhibitors every year."

### Fertile CE Opportunities

PLRB/LIRB's conference is an excellent source of continuing education credit, too. For adjusters, North Carolina's Department of Insurance approved the conference as three separate days for a total of 16 credit hours. Florida, New Hampshire, and Texas approved specific sessions for adjusters, but not the entire show. Approved sessions are listed at [claimsconf.org](http://claimsconf.org), and updates on additional continuing education credit will be posted there, as well. All necessary forms and filing instructions will be available at the conference. A valid, current adjuster license in the states to which you are applying for credit is required.

Additionally, Chartered Property Casualty Underwriters (CPCUs) who attend the entire event will earn 15 points under the continuing professional development program. Members of the Society of Registered Professional Adjusters can also earn as many as 15 hours of continuing education credit.

For those looking to increase their estimating system technical acumen, a special training class will be offered for both beginner and experienced users on Sunday, March 22. MSB, PowerClaim, Symbility Solutions, and Xactware will be on-site to conduct the training, which will teach adjusters how to fully utilize each company's estimating system.

Not to be outdone, the *Claims* editors previewed three sessions that will be of particular interest to our readers. You will find them on the pages that follow. With this kind of information overload, going sleepless in Seattle is a definite possibility. ■

## Attracting and Retaining Quality Adjusters

Despite the recession, the insurance labor market will continue to grow, according to the U.S. Bureau of Labor Statistics. As more Baby Boomers retire, the need to fill jobs in sales, customer service, finance, and especially claims and underwriting will become even more pronounced. Simply put, there are more jobs nationwide than qualified workers with whom to fill them.



**“Different age groups are motivated by different things.”**

—Susan Henry, Senior Vice President,  
The Jacobson Group

“Compounding the problem is the fact that the industry has not been adept at pulling in new faces in years past,” said Susan Henry, senior vice president at The Jacobson Group. “Many insurers formerly had college recruiting programs, offering a ‘claims school’ of sorts. The people who attended those became future leaders of the industry. Because of burgeoning expenses, however, many of those ceased to exist.”

One solution Henry and Lisa DeCubellis, assistant vice president at Amica Mutual Group, will propose at this PLRB/LIRB session is for TPAs and insurers — particularly those with large claim departments — to consider this brand of recruiting again and hire and build from the ground up.

As the duo will explain, attracting fresh talent begins with a concerted effort to change skewed perceptions. “The younger generation may think that insurance is boring because we advertise ourselves as being secure and conservative,” Henry said. “This diminished appeal makes other industries seem more exciting. We need ambassadors who can communicate the dynamic nature of the industry and explain how pricing products, taking those products to market, and evaluating and settling claims can be both exciting and enriching. They also need to emphasize the long-term career potential when an employee enters claims.”

Once adjusters are in the door, it is imperative to find creative ways to retain them. Compensation, though crucial, is not the sole predictor of whether an employee will stay or leave. In fact, altering certain environmental factors may cost very little but nonetheless be very effective.

“Examples are respect for an employee’s lifestyle and the capability of a company to provide autonomy and new challenges, which doesn’t necessarily translate to opportunities for promotion,” Henry said.

In addition, different age groups may be motivated by different things. “In my opinion, there is a misnomer about Generation Y in that they lack work ethic,” Henry said. “They are just motivated by different things. I think that employers can get just as much work, hours, loyalty, and dedication out of them as with the baby boomers. This generation is concerned with how employers give back to the community and are increasingly interested in green projects. Flexible schedules and telecommuting options are also popular.”

### Sessions to Watch

Below are the 13 curriculum areas that round out this year’s PLRB/LIRB claim conference event. While conference organizers stressed that all sessions will be useful and educational, they listed topics in each curriculum that have generated high interest either through attendee feedback or the organization’s advisory board.

#### Adjusting Property

- ★ Green Building in the Insurance Arena
- ★ Mortgage Clause Claim Issues
- ★ Rule School: Ethics of Adjusting Property Claims

#### Alternate Dispute Resolution

- ★ Appraising Large Complex Losses

#### Business Interruption

- ★ Business Interruption: Measuring Small Losses

#### Casualty Campus

- ★ Casualty Case Law: Recent Updates
- ★ Criminal Acts, Terrorism, and Liability Claims

#### Catastrophe

- ★ Trio of Earthquake Claim Handling Sessions

#### Claim Management

- ★ Attracting and Retaining Quality Adjusters

#### General Interest

- ★ Business Writing for Claim Professionals
- ★ Ethical Decision Making
- ★ Interactive Training and Presentation Techniques

#### Large Property Loss

- ★ Managing High-Profile Fire Loss Investigations
- ★ Renewable Energy Losses

#### PLRB

- ★ PLRB/LIRB Web Services

#### Property Coverage

- ★ Property Case Law Update

#### Special Investigations/Fraud

- ★ Fraud Problems in Property Insurance

#### Subrogation

- ★ Subrogating the Large Property Loss

#### Technology

- ★ Artificial Intelligence: Presenting the Enterprise of the Future
- ★ Medical Equipment Restoration and Recertification

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As Seen In the  
March 2009 Issue of

**Claims**  
COVERING THE BUSINESS OF LOSS

# Business Interruption: Measuring Small Losses

Here's a simple truth: Claim adjusters are not accountants. So when adjusters are presented with business interruption claims, many dial up their forensic accountants and leave the calculations to the professionals.

However, today's economic reality means every penny counts, and adjusters can save company dollars by handling some of these losses themselves. After all, not all business interruption losses contain the same level of complexities. Some losses, such as short outage retail interruption losses, can be handled easily by adjusters, especially with the advent of a tool now available to PLRB members. That's the message Certified Public Accountant Suzanne Tarchala, partner at Matson Driscoll & Damico, LLP, hopes to impart during her PLRB/LIRB presentation.

"I want attendees to have a comfort level in looking at accounting records and leave our session with the confidence to attempt some business income loss calculations for short-outage, retail losses," she said. "So many people fear the accounting side of the business, but I am confident that we can make it simple enough so that adjusters can make the calculations themselves."

Together with her co-presenter Tim Owen, vice president and executive general adjuster at McLarens Young International, Tarchala will provide attendees with a basic understanding of accounting terminology, explain the flow of accounting information, and describe the types of financial records adjusters can



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expect to encounter. Additionally, the duo will shed light on some common misconceptions about business interruption losses.

"Even if a business is not making money, it can still have a business income loss," explained Tarchala. "You can't just stop at the bottom line. You have to understand the expenses and what brought you to the net loss to begin with and what happened during the loss period."

Tarchala and Owen also will introduce a business income template that they have developed for PLRB/LIRB members, which is available on PLRB's web site. "Functionally, the template allows the user to input basic information and then calculate the business income loss," said Tarchala. "As long as the adjuster using it understands the basics and follows the instructions, it can walk them through how to do it."

In other words, do not be afraid to attempt those short outage retail interruption loss calculations — but keep your forensic accountant on speed dial in case a more complex loss finds its way to your desk.

## Mortgage Clause Claim Issues

Across the country, home values are steadily dropping, and foreclosures — once a wince-worthy occurrence — are becoming more and more commonplace. It is evident that, as the current mortgage and foreclosure crisis deepens, so will the implications for property claim handlers.



**"We will explore how the foreclosure process works, offering background information and an overview of state-specific laws and procedures."**

— Charles J. Noel, Attorney, Charles J. Noel & Associates

In their session, "Mortgage Clause Claim Issues," George A. Ham, Jr., regional product manager at Crawford & Company, and Charles J. Noel, attorney at Charles J. Noel & Associates, will provide a synopsis of the current situation and the extent of its impact on the insurance sector. They will also explain the nature of the burgeoning claims submitted by mortgagees during the

foreclosure process and offer case law interpretations of policy provisions relevant to claim managers, adjusters, examiners, and defense lawyers.

"We will look at the parties to mortgages and explore how the foreclosure process works, offering background information and an overview of state-specific laws and procedures," said Noel.

Both Noel and Ham will enumerate unique issues that have surfaced and discuss the related policy language and exclusions, including the responsibility of the mortgagee to notify a change in ownership, occupancy, and substantial change in risk — and what constitutes each. For instance, with a vacant property, is the mortgagee still entitled to submit a claim? What happens if there are vagrants living in a foreclosed home or vandals strip copper piping for salvage? These are just a few of the many issues that require careful consideration on the part of insurers today.

"I think it's fair to say that many of the issues to which we allude have been present for a long time but are being exacerbated by the sheer volume of foreclosures," said Ham.

The second half of the presentation will involve tackling hypothetical scenarios in a roundtable setting. Attendees will collaborate and propose effective strategies to deal with current claim challenges, including multiple mortgagees, fraud schemes, significant changes in risk and insurable interest, and more. ■

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