



CONSEQUENTIAL LOSSES . . .

the sharp edge
of the stick

Since the commencement of the COVID-19 pandemic, the claims space has been a flood with consequential losses. Lengthy legal debates and court cases have seen public perception move, from moderate to hostile, and the outcome of the latest court appeal has done little to bolster the image of many insurers.

The mass of claimants, particularly those in the hospitality industry, have witnessed the evolution, on a grand scale, of the 'public adjuster' who has entered the fray and fulfilled the role of saint and savior on behalf of many claimants.

Garnering the support of the media and, more importantly, the courts, they have managed to attain a favorable outcome for those who they signed up. Earning contingency-based fees that far outweighed those of their counterparts, they (public adjusters) have reaped significant rewards for the risks taken, and with the recent SASRIA riots which occurred in July of last year, many new customers have added their names to the growing number of cases that they are currently dealing with.

Loss adjusters endure workload

We, as loss adjusters, have naturally not been immune to the goings on, and those specialists tasked with handling the business interruption claims that have flowed from the pandemic, have had to endure a workload never seen. Competent adjusters have found themselves thrust into a pressure cooker, loaded with an expectant air of urgent delivery. Forty-hour work weeks have turned into fifty-hour work weeks, and more, with little sight of the horizon in the distance.

Claims which were previously rejected have been re-opened, adjusted, and re-adjusted based on the ever-shifting legal landscape, and debate has and continues to still rage in the landlord/tenant space, where rental relief has been granted and then been claimed by the former.

Technical aspects such as "suppressed demand" have been raised by insurers, and re-insurers, and we still find ourselves having to shuffle our feet and views to adjust each process.

Losses on the back of poor advice

On the broking side, we have seen that brokers with a technical understanding of the workings of business interruption insurance have done justice to the policy, and based on their sound advice, have managed to spare claimants from further pain, the result of underinsurance. Those with little knowledge of business interruption insurance have, however, unfortunately found themselves on the sharp edge of the stick, and where significant underinsurance has arisen, public adjusters have taken them to task and intend recovering these losses on the back of poor advice.

In the months that follow, when we commence with a deconstructive approach and analysis of the chapter that was, we will consider the lessons learnt, with a view to always striving towards a more efficient free flowing process.



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