



ASSOCIATION OF
Average Adjusters

Independent adjusters are set to outperform AI apps, assert speakers at the annual dinner of the Association of Average Adjusters

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Calls for marine insurance and legal professionals to recognise the indispensable value of independent average adjusters – notwithstanding the giant strides by artificial intelligence – were made at the 2023 annual dinner of the Association of Average Adjusters in London. It was stressed that average adjusters' skills would remain unmatched by the latest technological innovations. AI applications would be confounded in handling marine casualties efficiently and reliably because they lacked human qualities such as emotional intelligence and intuition. No-one should be dazzled by the theoretical possibility that AI 'bots' might soon be able to 'pass' even the tough exams for eligibility of Fellowship of the Association.

The 200-plus members and guests at the Savoy Hotel event who expressed admiration for the long-held traditions of the 154-year-old Association were assured that, with trust a priority and no room for error, average adjusters would continue to tender their expertise at a level that would out-rival generative products.

Eagerly awaited each year in the global marine insurance calendar, the Association of Average Adjusters dinner takes place on the evening of the day in which the annual general meeting – now styled as the annual conference – takes place. It was announced at the conference that Burkhard Fischer had been elected as chair of the Association for the 2023-24 term, in succession to Sir Nigel Teare who held the position for the 2022-23 period.

The message of faith in their profession from members of the Association was delivered to underwriters, insurance brokers, stalwarts of the legal profession and representatives of the London and international shipping community who dined on May 11 in the illustrious setting of the Savoy's Lancaster Ballroom.

Proposing a toast to the Bench and legal profession, Heather Robinson, a Fellow of the Association who is director of marine adjusting (Middle East) for Richards Hogg Lindley, asserted: "Representing our industry is an absolute privilege, and I am confident that we can work to inspire the next generations. I may be biased, but I do believe adjusters will continue to play a crucial role in what our industry looks like in tomorrow's world."

“The use of independent adjusters should be supported for the long-recognised benefits this confers on both owners and their insurers to ensure that claims are dealt with fairly and commercially. If the option for independent adjusters is to endure into the future, there needs to be sufficient cases being handed out for a new generation of trainees to learn from.” She encouraged everyone in the audience to continue to support the work of the Association and to actively seek opportunities to instruct independent adjusters.

“The membership is the beating heart of the Association, which plays a crucial role in the cultivation and preservation of this profession,” said Ms Robinson. “Each one of us has an obligation to the profession to make sure the skills, education and professional standards of the Association endure.

“When reinsurers proactively instruct adjusters in respect of claims, the adjuster lends transparency to the claims process. This is especially important in markets where the claims leader is a local insurer and retaining very little of the original risk – effectively a reinsurance broker. Without the involvement of an independent adjuster, there is a very real risk of a gap between what local insurers do with the claim and what they ask from reinsurers.”

She spoke of her 14 years in average adjusting, a niche profession with a relatively small population of qualified Fellows, and where people had an impressive variety of skills. “I was fortunate to be trained by senior average adjusters with many decades of experience, which they generously shared with me. It’s this sense of community and sharing of knowledge and skills in marine insurance, especially in London, which is truly invaluable and makes it one of the strongest insurance communities globally.

“This career is built on variety. A variety of people, cases and skills required. Every different situation presents new issues and areas of grey. The expertise of the practitioners in this profession is in helping to navigate these areas of grey.”

Responding with a toast to the Association, Jeremy Russell KC, arbitrator at 10 Fleet Street, affirmed the valuable support provided by average adjusters, including the collection of security in salvage agreements – one of the lesser-known aspects of their services.

Proposing a toast to guests and subscribers, Melis Otmar, who is qualified as an Associate within the Association, said that the industry had to determine its approach to Artificial Intelligence, which could scan everything in a document and reach a conclusion within seconds.

“Where do I stand,” Ms Otmar asked rhetorically, “against AI which might achieve becoming a Fellow of the Association in just four hours” – judging by the time it took Google’s Alpha Zero programme to self-learn chess and ‘smash’ the rival computer reigning world champion. “Where do I stand against AI who may learn by heart every marine insurance condition, case, and adjustment available in minutes? Where do I stand against AI who may do a Lloyd’s Open Form salvage award calculation in seconds?

“Previously technology replaced unskilled tasks, and new technology coming in created new jobs. However, currently, AI can perform white-collar jobs more efficiently; and the degree of existential risk posed by AI is to be debated. Nevertheless... marine professionals survived with their innate knowledge and intuition; no marine casualty can be handled successfully without human emotional intelligence or intuition – this is what AI lacks. General average will be general and average to AI but only on paper, not in action.

“In the words of Churchill: ‘We are still masters of our fate. We still are captains of our souls.’ “

Ms Otmar is claims director of H&D Marine at BMS Group. Having qualified as a Lloyd’s broker in 2005, she is chair of the London & International Brokers Association marine claims sub-committee. Ms Otmar thanked the average adjusters “without whom I or any claims broker or underwriter would not be capable of conveying the required claim services to our clients.” She made special reference to the contribution to the industry of seafarers “to whom we all owe so much.”

Responding to her address, and proposing a toast to the Association, Jörn Groninger, president of Verein Deutscher Dispatcheure, lamented that some people in shipping and insurance tended “to forget [average adjusters] are there” and it was critical to train young people in the business about their role.

The Association had a year earlier after a break obliged by pandemic regulations resumed hosting the annual black-tie dinner. The dinner event has a record of 142 years, and since 1967 has almost every year been at the Savoy.

The Association is in robust health after earlier decades of decline, and one of its chairmen had many years ago rashly suggested that it would become obsolescent because the widespread use of radar was likely to reduce collisions and other casualties to negligible levels.

As usual, there was a strong contingent at the latest dinner of overseas visitors, who like their UK colleagues enjoyed the splendour of the elegant Ballroom, which named after the Duchy of Lancaster, dates from 1910 and is redolent of an 18th century Parisian salon.

In addition to Mr Fischer and Sir Nigel Teare, Mr Russell and Mr Groninger, those at the top table included Supreme Court Justice and Honorary Fellow Lord Hamblen of Kersey; Andreas Bisbas, chairman of the International Chamber of Shipping insurance committee; David Clancey, the Association of Average Adjusters convenor of the advisory and disputes panel; Barbara Holland, president of the US Maritime Law Association; Nick Austin of the British Maritime Law Association; Vibeke Kofoed of the Nordic Average Adjusters Association; Joseph Grasso, chairman of the Average Adjusters Association of USA and Canada; Kiran Khosla of the International Chamber of Shipping; Richard Cornah, a past chairman of the Association of Average Adjusters and Honorary Fellow; Stefano Cavallo, president of Associazione Liquidatori di Avarie Marittime; Keith Jones, Fellow and a past chairman of the Association of Average Adjusters; and Esteban Vivanco, president of the Association Mondiale de Dispatcheurs.

Note to editors: The Association of Average Adjusters promotes professional principles in the adjustment of marine claims, uniformity of adjusting practice, and the maintenance of high standards of professional conduct. Irrespective of the identity of the instructing party, the average adjuster is bound to act in an impartial and independent manner. The Association plays an important part in London insurance market committees and has strong relationships with international associations and insurance markets.

Please see www.average-adjusters.com