



**EUROPEAN COMMISSION  
DG INTERNAL MARKETS  
UNIT INSURANCE & PENSIONS**  
SPA 2 02/44  
1000 BRUXELLES  
Belgique

Paris, 12<sup>th</sup> July 2013

**Ref : Green Paper on the Insurance of natural and man-made disasters**

Dear Sirs,

Compagnie des Experts - CEA France - is pleased to answer to question 20 of the green paper, concerning loss adjusting.

**Questions**

**(20) Are there specific aspects of loss adjusting which would benefit from more harmonisation? If so, which? Are there practical difficulties for loss adjusters to operate cross-border?**

CEA (Compagnie des Experts), the French national association of Loss Adjusting Experts which counts 800 individual feels of its responsibility to bring a response to the question **(20) of the Green Paper on the insurance of natural and man-made disasters** as it directly concerns its members.

CEA is the French representation of FUEDI which in turn represents the Loss Adjusting Profession for property losses and liability claims though out Europe. FUEDI which was created 40 years ago and now counts some 17 Europe national members is known to the DG Internal Markets and Services, Unit H5 Insurance and Pensions. In the previous months, the French CEA through FUEDI had formally expressed its desire to see the provisions related to the Loss Adjusting Experts activities not withdrawn from the draft IMD recast (IMD2) despite opposite recommendations of EP ECON Committee. However CEA understands that IMD might perhaps not be the best vehicle for loss adjusting experts activities recognition.

In its letter dated 13/02/2013 to the EP ECON Committee, FUEDI had already underlined the need *“for more loss adjusting consistent competencies in Europe which will fulfill cross border loss adjusting needs”* especially in *“anticipation of the implementation of natural*

*disasters schemes*”... Compagnie des Experts- CEA is obviously still of the opinion that a greater harmonization of the loss adjusting activities would be beneficial to the claimant consumers.

Natural or Man-Made Disasters by essence generate a sudden very important rise of claims numbers, the insurers or any other compensation organization have to deal with. The rise of claims to be handled can in some circumstances exceed above one year of average normal volume.

At the other end of the after sales chain the expectations of the injured consumers are legitimately greater than usual given the dramatic situation they suddenly face. The insurers or the compensation bodies have therefore to ensure that the Loss liquidation activities are not only swiftly expedited but also consistent otherwise the injured consumers would be treated unequally despite having bought the same insurance or the like product.

Consistent and swift loss liquidation can be achieved subject to the following conditions:

1. The field Loss Adjusting Experts have a sufficient level professionalism as being often the first people attending the devastated areas they face dramatic human or economical situations. CEA’s mission is the promotion of education of this complex profession.
2. The field Loss Adjusting Experts present a as uniform as possible level of “expertise” whichever their normal country of activity is allowing this way the insurers or any other compensation bodies in charge to trust, find and use adequate professional independent Loss Adjusting Experts resources from other areas, regions or countries in order to cope with the sudden rush of claims their local markets are not accustomed to nor fitted for.

This will generate “de facto” a passport scheme whereby insurers can call for remote loss liquidation forces.

This virtuous circle would also benefit to the reinsurers and coinsurers who should not receive from the primary market or the Leading insurers unequal loss liquidation results.

3. Depending on the countries, if the European independents Loss Adjusting Experts are often relatively small or medium size businesses they are also often part of partly or fully integrated international networks.

These international networks allow for cross border activities which are also required with the existence and the development of FOS (Freedom of Service) insurance policies having significantly increased the geographical reach of the Loss Adjusting Experts especially in case of Natural Disaster. Any initiative resulting from the Green Paper consultation should promote this emerging trend giving a pan European consistency of the specific Natural or Man-Made disasters after sales management.

In essence, a greater fluidity and independency of Loss Adjusting activities throughout Europe allowing the concentrated mobilization of great qualified resources as well as an



enhanced and more uniform treatment of the claims following Natural or Man-Made Disasters would help for a better protection and a fair treatment of consumers.

These goals can only be achieved through an official recognition of the Loss Adjusting Expert profession that a simplified declaration (such as the IMD recast draft was including) would grant. Alternatively, occasional individuals or organizations not exercising on a regular basis this activity could be called for assistance or could emerge to offer opportunist assistance in order to cope with the unusual volume of claims to be handled after the Natural Disasters bringing thus potential dissatisfactions.

Yours Faithfully

A handwritten signature in blue ink, appearing to read 'Yves Legoux', with a horizontal line extending from the end of the signature.

Yves Legoux  
Président  
**Compagnie des Experts**

Christophe Fournial  
Commission de l'international  
**Compagnie des Experts**