

Introduction:

The concept of insurance dates back to ancient times, with early forms developed by Babylonian, Chinese, and Indian traders. Life and health insurance practices by the Greeks and Romans have persisted across cultures. Maritime insurance began in Italy in 1347 and evolved in England with Lloyd's in the late 1600s. Property insurance emerged following the Great Fire of London, with the first fire insurance company, Hamburger Feuerkasse, established in Germany in 1676. The first U.S. insurance company, founded in South Carolina in 1732, offered fire coverage.

Over time, insurers like Lloyd's expanded from specific types of insurance to a broader range of property-liability coverage. However, insurance management and practices vary significantly across countries. Distinctions exist between a "Loss Adjuster," who settles claims for the insurer or insured, and an "Expert," who investigates the causes of loss and assesses damage. These roles and practices are influenced by local regulations and insurance contracts.

Nevertheless, it is becoming increasingly common for insurance companies to insure property or entities in foreign countries. In order to manage these cross-border claims,

vrs Adjusters was created as a network of international partners between loss adjusting firms located in different countries.

Gielisch GmbH is a founding member of vrs Adjusters.

With over 300 offices in 140+ countries, vrs Adjusters, LLC can service your claims anywhere in the world.



In upcoming newsletters, the specificities of loss adjusting in different partner countries will be discussed, starting with France.



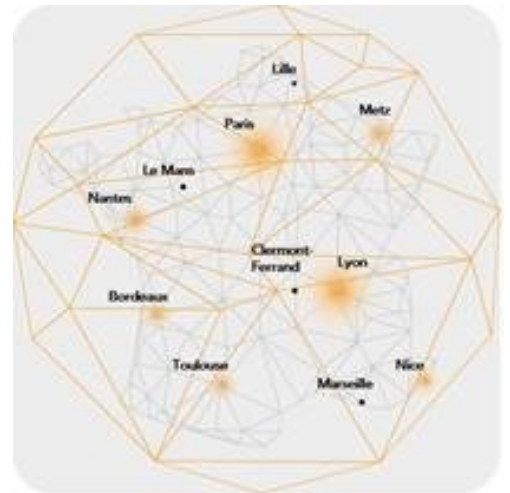
About vrs Vering:

Vrs Vering was founded in 2014 as a spin-off of SERI Expert, one of the founding partners of vrs Adjusters.

Vering is a member of the ADENES Group, one of the leading players on the loss adjusting market in France.

The aim of Vering is to provide insurers with high value, tailored made solutions, to handle their most complex corporate claims.

It operates throughout France but also internationally on all types of corporate claim in the following fields: Building and Civil Engineering, Machinery and Technical Risks, Stock, BI/CBI and Liability Claims.



In 2023 Vering had 115 employees, including 55 experts. It generated sales of €22m and received 5,413 assignments.

The role of the French Expert:

Just like in Germany, the French insurance expert is generally a technician whose role is to investigate the circumstances, cause and extent of a loss.

In France, no official certification is required to become an Expert (except for motor claims).

There are, however, qualifications, promoted by our professional association (CEA member of FUEDI) that enable adjusters to show insurers that they have the appropriate skills to handle claims (TEA, EEA, CRAC, etc.). These qualifications are not compulsory to work as an Expert, but they give comfort to insurers who appoints an expert on claims with higher economic stake.

For accuracy, CEA (Compagnie des Experts Agréées) is the only national organisation of Property and Liability loss adjusters.

The CEA represents experts with different specialisations and enables them to keep abreast of developments in the profession.

The CEA is in constant contact with the French insurance world: the FFA (Fédération Française de l'assurance), the CCR (Caisse Centrale de Reassurance), the MRN (Mission Risques Naturels), and presents its actions and current issues to a Liaison Committee which meets once a year.

Through FUEDI (The European Federation of Loss Adjusting Experts), of which it is a founding member, the CEA has access to the European Union, and is in contact with the Insurance and Pensions Unit of the Internal Market Directorate, which enables it to monitor work relating to the insurance business.

The CEA will shortly be merging with the FSE (Fédération des Sociétés d'Expertise) and the CFEC (Compagnie Française des Experts Construction).

Together with CEA Développement, CEA offers a wide range of expert training courses and produces professional publications, including the quarterly magazine L'EXPERT and the Civil Liability guide (legal concepts for experts).

CEA and CEA Développement are actively involved in the EEA (Expert Evaluator et d'Assurance) certification of insurance experts, and have also introduced two expert certifications: the TEA (Technique d'Expertise d'Assurance) certificate of competence and the ERCCI (Expert en Recherche de Causes et Circonstances d'Incendie) accreditation.

CRAC (Convention de Règlement de l'Assurance Construction) accreditation is only for Construction Experts.

Other professional roles:

In France the expert may be appointed by the insurer but also by the policyholder as a Consultant/ Expert representing the interest of the insured (loss assessor). The fees of the insured's expert can be covered by the insurer according to predefined limits on the policy.

Other professionals are forensics like fire investigators or forensic accountants. These people are usually paid by the insurer of the injured party and are commissioned at the request of the expert, with the company's agreement. In case of subrogation, their invoices will be included in the final amount. However, their role is much less frequent than in the Anglo-Saxon world and they are typically involved on large or complex claims.

In France, for large claims it is common to have an insurance inspector on the claim that follows the operations together with the expert.

Depending on the company, the insurance inspector must be notified by the expert if the value of the claim exceeds a certain threshold.

In other cases, it may be the Insurance Company who informs the inspector of the need to follow a specific claim with the expert. This may be the case for sensitive claims, for example if there is a dispute with the insured, if there is a suspicion of

fraud, if there are political or media interests, if there are doubts about the interpretation of the policy or if the financial stakes are very high.

The inspector assists the expert in his analysis and liaises with the company in order to decide on the strategy to adopt in the event of a claim and on the interpretation of the policy.

Agreements between insurers:

In France, property and liability insurance cover is very extensive. In many areas, insurance cover is even compulsory.

In order to speed up the handling of claims between insurers, many agreements (conventions) have been signed by insurers: IRSI (Convention d'Indemnisation et de Recours des Sinistres Immeubles) for small water damage and fire claims up to 5 000 €. The purpose of this agreement is to appoint a lead insurer responsible for managing the claim, to organise leakage investigation procedures, to simplify damage assessment by setting up a joint expert appraisal, to decide the insurer assuming liability for the damage and to arrange recovery between insurers. CIDECOP (Convention d'Indemnisation Degats des Eaux en Copropriété) for water damage outside IRSI. The agreement establishes that the insurer covering the injured party has to pay for the damage, with specific subrogatory procedures depending on the case. The injured party is the occupier of the flat in the case of damage to fixtures, fittings and furnitures, and the condominium association in the case of damage to private and communal property. CIDPIEC: for claims in apartment buildings outside IRSI and CIDECOP, defines which insurer lead the claim and the subrogatory mode, etc.

In Germany insurers for example have an agreement in case of double insurance (getting insurance for the same risk with more than one insurer). The compensation for the claim is paid proportionally to the amount that each insurer were to pay under its contract if it was the only covering the claim. In France, the same principle applies for cumulative insurance, with a split of the indemnity between the insurers.

The most important of these agreements in France is the "expertise amiable contradictoire" (English: amicable and adversarial expertise).

Unlike in Germany, in the case of a claim where the damaged party is different from the liable party (and once the liable party's insurer has been identified and notified), the experts from both parties must carry out the assessment together.

A factual report setting out the causes and circumstances of the loss, as well as the assessment of damage, should be drawn up and signed by both parties at the end of the survey.

Insurers will use this document as a basis to perform subrogation.

Court expertise:

If the parties are unable to reach an agreement at the end of the amicable process, they may refer the matter to a mediator or a third expert.

If no settlement is possible, the dispute is brought before court, which may appoint a Court Expert.

Court expertise is a longer and more expensive process but sometimes necessary as the judgement is binding for both parties.

Natural disasters:

In 1982, the French government set up a compensation scheme for natural disasters.

The natural disaster compensation scheme has made it possible to compensate for a lack of cover for natural hazards, which had previously been very poorly insured.

Approval of a natural disaster decree (e.g. earthquake, flood) by the French government gives access to additional guarantees.

These are mandatory for all insurance property contracts. This extension gives rise to the payment of a uniform premium throughout the country, the rate of which is set by the State.

The perils usually covered are: Flooding (flooding and mudslides, flooding caused by rising water tables, marine submersion), Drought, Landslides, Cyclones and hurricanes (cyclonic winds averaging 145 km/h over 10 minutes or gusting to 215 km/h), Earthquakes, Avalanches, Volcanism, Tsunamis. This list is not exhaustive.

Conclusion of a claim

In the context of property claims, the French loss adjuster is sometimes required to agree on the amount of the loss with the insured by submitting a letter of acceptance.

This document may be a letter of acceptance on the amount of damages or on the final indemnity.

The main purpose of a letter of acceptance for damages is to define the value of the damage, irrespective of the interpretation of the policy which is typically outside of the scope of the expert.

The letter of acceptance of indemnity is typically used for small property claims and when there is no doubt on the interpretation of the policy.