

Visibility of the Role of the Insurance Loss Adjuster

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I have been invited, as President of APCAS, by Consorcio de Compensación de Seguros to share in this magazine my perspective on the extraordinary loss event caused by the cut-off low-induced floods in Southeast Spain, which began on 29 October 2024 and, as of the publication date of this issue, marks one year since the event.

First and foremost, I wish to remember the deceased victims and extend my condolences to their families for the loss of their loved ones. I also want to acknowledge the non-fatal victims who suffered personal and material damage, whose way of life was deeply affected.

In the face of these extraordinary insured losses, Spain benefits from the permanent organisation and infrastructure of Consorcio de Compensación de Seguros, which, given the nature and extent of the damage, as well as the impact on people, homes, vehicles, industries, infrastructure and more, has played a pivotal role in providing insurance coverage for this catastrophe.

From the outset, APCAS made itself available to Consorcio de Compensación de Seguros, holding several meetings to offer ideas and solutions for such an extraordinary loss event, as well as with insurance companies through UNESPA, demonstrating our full willingness to collaborate.

APCAS also carried out internal procedures with its individual loss adjusters and associated firms to inform them of the situation, provide technical support, draw up a manual with risk prevention measures and, warn of the need for professionals to who would be required to deal with the significant volume of claims, among other actions.

Likewise, APCAS immediately contacted the entire insurance sector and society through the media and social networks to correct misinformation or confusing information that inevitably arises in times of chaos and to inform victims collectively and individually about the most appropriate measures to facilitate the management of their claims. Transparency and accurate information are key to avoiding confusion and ensuring that the recovery process is as efficient and swift as possible.

Throughout this year, APCAS has participated in various forums to collaborate in analysing the consequences and circumstances of the cut-off low and the handling of the resulting claims.



APCAS loss adjusters and partner firms have shown their ability to adapt to the extremely challenging circumstances presented by this event and have contributed the technical knowledge and infrastructure to deal with it, enabling Consorcio and insurers to fulfil their obligations to policyholders.

This severe loss event highlighted for society as a whole, and particularly for the insurance sector, **the importance of the insurance loss adjusters' role in such events, the real activity carried out by them — often unrecognized —, and especially the need for personal interaction with victims.** In those difficult moments, victims see only chaos and loss; **they need people who can provide knowledge and instil confidence, peace of mind, certainty and solutions to the serious problems they are facing.** It became clear that the work of insurance loss adjusters goes beyond mere technical functions, assessing and analysing damage thanks to their in-depth technical knowledge, impartiality and with ethical commitment. Their work also emphasise the need for the loss adjuster's personal presence, providing empathy, support to victims, understanding of each individual's situation, and offering necessary personal — even psychological — assistance in such circumstances, showing their willingness to serve those affected. APCAS associates have been perceived by victims as a helping hand, offering support and collaboration. The high ratings these professionals have received in satisfaction surveys conducted by Consorcio de Compensación de Seguros in other loss events confirm this fact.

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All of this aims to achieve the ultimate goal of expertise: ensuring that fair, personalised and transparent decisions are made in the resolution of claims for the benefit of all parties involved, and to enable those affected to return to their pre-disaster situation as soon as possible.

The efforts made by APCAS insurance loss adjusters and their relocation outside their usual work area for several months must be taken into account. In addition to the challenge of handling the large volume of claims caused by the floods in such a short period, they had to redouble their efforts to continue handling the usual daily claims, as insured events continued to occur across Spain and all victims required attention and claim management by loss adjusters.

Now is the time for the whole insurance sector to speak about this work and service, and the Consorcio's invitation to contribute to this magazine is an example of that, helping to ensure that our work is more respected, recognised and valued by society.

Insurance loss adjusters are still today working on handling and resolving claims related to these floods, as Consorcio continues to receive compensation claims (1,240 in the last three months) and there remain 4,971 claims at various stages of damage assessment, including those presenting greater complexity, such as claims related to industry¹.

This episode has demonstrated that in major loss events with such catastrophic consequences, improvisation is not an option. Spain has an entity to handle extraordinary insured events — Consorcio de Compensación de Seguros — which allows for a prompt and coordinated response to foreseeable or routine claims. However, this system can understandably be overwhelmed in cases like this flood, a massive surge of claims concentrate in a very short period (more than 250,000 claims).

As experts in claim resolution, insurance loss adjusters ultimately want to contribute ideas and solutions

for a better response to catastrophic events in general, and specifically those of such high intensity, which we can summarise as follows:

- Now that the management of Valencia Floods-related claims is coming to an end, the entire insurance sector must engage in self-criticism and analysis of what was done well and what could have been done better. We must reflect on three clearly distinct phases: before the loss event, during its occurrence and after the catastrophe.
- We must collectively analyse claims caused by extraordinary risks and inform the various authorities to ensure proper prevention.
- Insurance loss adjusters have a significant potential role in prevention as regards losses caused by extraordinary risks, which should be recognised and contracted.
- Consorcio de Compensación de Seguros should be the coordination centre for managing catastrophic loss events on insured property.
- It is essential to establish new collaboration channels between public administrations and insurance companies (strengthening public-private partnerships for better resolution of catastrophic loss events).
- Continuous relationships must be established across the insurance sector to analyse catastrophic risks, as their frequency is expected to increase in the coming years.
- Protocols for handling severe insured loss events must be established, especially those involving high claim volumes concentrated in short periods, with participation from all stakeholders. Plans to handling claims cannot be drawn up without involving insurance loss adjusters, as their role cannot be improvised nor can other professionals perform insurance expertise functions, since they are unfamiliar with the specific tasks related to claims covered by Consorcio de Compensación de Seguros.
- These protocols should also assist public administrations in handling uninsured loss events in coordination with Consorcio, enabling clear delineation of different areas of action and expertise.
- Ongoing training must be provided for insurance loss adjusters on protocols for managing extraordinary risks claims involving Consorcio de Compensación de Seguros. This will ensure that loss adjusters who do not regularly work with Consorcio are familiar with its procedures, information requirements and its structure and operations, enabling them to collaborate when needed. APCAS offers, through its CEAPS training centre, to coordinate this training with for its members with Consorcio, and to extend it to other insurance sector entities. The goal is to raise awareness of the specific role of the insurance loss adjuster in extraordinary risks.
- Communication and digitalisation protocols must be established to allow insurance loss adjusters who do not regularly work with Consorcio to integrate easily with their own digital systems into the management of catastrophic loss events requiring additional resources, ensuring they can operate under the same conditions as Consorcio's loss adjusters.
- Catastrophic loss events require verifiable information channels for the media to reduce confusion that typically arises during such events.

¹ [24th CCS Briefing Note regarding the DANA of October 2024](#)

- Populations in high-risk areas must be educated on preventive measures to avoid personal losses and minimise material damage in catastrophic events, especially in areas where such events occur repeatedly.

Our final conclusion is that all of us involved in the insurance sector can and must do our part to improve assistance and solutions for insured extraordinary loss events.