

TAKING A PROACTIVE APPROACH TO INSURANCE

New digs in Newcastle for UAA National Claims and NSW Underwriting teams.

IN JUNE, UAA OPENED ITS NEW OFFICE

in Newcastle for its Australian National Claims and NSW Underwriting Team. Newcastle is the birthplace of UAA.

UAA started in 1972 specifically insuring cranes and supporting the crane industry with its niche insurance product, and while it boasts underwriting and sales offices across all major cities in Australia and other parts of the world, UAA is very proud to announce its opening of the new office in Hunter Street in a complex which towers over the working Newcastle Harbour.

“It is a huge step up in a modern building after almost 30 years in the former office in Scott Street and most deserving to the incredible team in NSW” says the UAA Executive Team

of Murf (Michael Murphy), Stan Alexandropoulos, George Grasso and Jane King.

A deep understanding of the industry and a responsive approach to incidents are key reasons UAA remains the number one insurer for the crane sector.

Michelle Morrissey, National Claims Manager and Keith Palmer, Regional Manager for NSW and ACT explain the importance UAA places on every team member understanding the challenges faced by the crane sector.

Morrissey has been with UAA for 11 years and she oversees claims for all of Australia. She manages a team of 12 Claims Consultants who manage claims across every state in Australia from start to finish for everything from a small

EWP (Elevated Work Platform) to some of Australia’s largest Cranes as well as machinery across all other industries in-between.

Palmer is the Regional Manager for New South Wales and ACT and he looks after his team of underwriters. Within his team there are nine underwriters and two business development managers (BDMS). He has been with UAA for 14 years having started in 2007 as a BDM himself. He has over 40 years of experience in the insurance industry.

Palmer explains how UAA assesses individual crane clients and prepares an insurance schedule and premiums to suit individual business needs.

“UAA provides insurance products and services through licensed insurance



Keith and Michelle flanked by the Underwriting and Claims teams in Newcastle.

brokers, as underwriters we don't deal with clients direct. When a broker comes to us with a new client, they will present a quotation slip which outlines the covers required and a schedule of cranes and other equipment. In the submission we will be looking for a 'claims experience' which would date back five years at least. We obtain information regarding the client's experience in cranes, ascertain the type of works they are involved in, whether it be stevedores or wind farm work for example. There is a questionnaire relating to 'damage to lifted goods cover' where we determine what they are lifting and its acquired value, so we determine that sort of exposure. We have ratings for various types of cranes including mobile cranes to Frannas, tower cranes and crawlers and each type of crane has its own rating. Premiums are determined on the mix of the schedule and also the clients 'claims history' and experience.

Palmer then explains how premiums are determined in accordance with risk.

"We will examine the type of work the insured is undertaking and in which area, taking into account if it is metro (i.e Sydney) or regional areas for example. We examine the high risk work they may undertake such as wind farm work which means they have a higher exposure to risk. We also examine some of the additional issues such as whether the client dry hires the equipment or cranes, and if so, what the formal terms of the hire arrangements involve and whether there are damage waivers provided.

"Damage Waivers increases our exposure because the damage waiver falls back onto the insured and waving rights to subrogation (recover from other party). All this is a determination in the premium. We will certainly have a look at the 'damage to lifted goods' aspect and what level of cover they require.

We will also examine the types of items they are lifting. As I've said, they might be working on the stevedores or at a naval base, or they might be consistently lifting high value items such as boats or aircraft. We will examine this and determine what level of exposure they

might have in these areas," he said.

Morrissey explains what happens when there is an incident and how UAA, with the broker, work quickly to get resolutions in place.

"Our response to an incident begins with the initial notification of claim, but sometimes with our 'high severity incidents' we may end up notifying the broker. As you can imagine if a crane rolls over it can be big news, so we monitor social media and news outlets to ascertain if it is one of our mutual clients and if so, we will initiate the claims process as an immediate response to assist the client.

"Depending on the severity of the incident, the initial process will be to mobilise assessors to the site and see if they can assist in anyway with the potential recovery process of the crane. It also provides them with the ability to mitigate any potential additional damages to the crane and assist with controlling costs to save on the clients' claims experience and reduce any unnecessary loss of time. The assessor will begin interviewing all the parties and depending on the severity of the incident we might have investigators accompanying the assessor to the site to collect additional evidence associated with the event that may assist the client and UAA deflect liabilities to other responsible parties," she said.

"Once the item is recovered, we assess the severity of the damage and determine if it is a total loss or a repairable situation. In the background, we are always trying to mitigate any potential loss of income for the client by reducing down time. If we are in a position where the item is repairable, we have the repairs done to the highest quality and as quickly as possible. We want to get the crane back into the hands of the insured and back working as soon as possible.

"If needed, and if possible, we will see if we can source, repair or manufacture required parts locally instead of going overseas and therefore dependant on shipment time frames. The assessment and examination of a damaged machine and it causation assists in streamlining

the indemnity process. Once all costs are finalised and paid, whether it is repaired or a total loss, UAA further examines subrogation actions required and continues to manage the claim until it is finalised. We are one of the only insurers in Mobile Plant and Machinery in Australia that has the authority to act quickly, lodge, pay and finalise claims in house, here on shore in Australia," said Morrissey.

Palmer explains how policies are tailored to individual businesses taking into account the profile of the cranes in the fleet, nature of the lifts they are conducting and the industries they are servicing.

"Fundamentally, tailoring insurance packages to meet the requirements of individual clients is the job of the broker. Though we do assist the broker in ensuring all appropriate covers are considered in accordance with client risk profile. The broker is the clients' insurance advisor and they need to discuss with the client their particular circumstances. We need to ascertain all types of information received, such as, what type of income the crane is generating and also consider the potential repair period for the crane if there was an incident. For example, a motor vehicle might be a two to four week period, generally with cranes you can be looking at a six month period or longer particularly in the current climate. Indemnity periods also needs to be calculated, what level of lost income the crane potentially has and also what potential alternatives might be available in the market to hire another crane to minimise the loss, whilst the crane is not in use.

"These are some of the factors the broker needs to consider with the insured and quite often the broker will consult with us to discuss what might be appropriate in certain circumstances. Right now, the economy is travelling fairly well with a lot of infrastructure work, for example, and a lot of the cranes are constantly out working so there might not be too many alternatives in terms of replacement cranes, and there might be times when you can't



UAA has a brand new office in Newcastle's CBD.

hire a crane, even though you want to. Potentially, we would see this as a loss of revenue situation and appropriate cover to consider. So, there are many factors to take into account," he said.

For UAA to be able to accurately assess the risk involved with a new or renewing client and then set premiums accordingly, the broker works closely with his team providing information that the premiums will be based on, says Palmer.

"The important information is generally included in the claims experience. If it is a well-managed crane company with experienced and competent staff that reflect low frequencies in incidents and claims experiences, this will then favourably impact the clients' premiums over time. The types of cranes can also be a factor. The articulated pick and carry for example, seem to have a higher frequency of incidents and have a different (higher) underwriting rating compared to other types of cranes. If there are a number of this type of crane in the fleet schedule, then it is obviously reflected in the premium and deemed a higher risk," he said.

Morrissey then discusses the various steps that follow an incident.

"The key is to get the right people and experts on the claim as soon as an incident occurs. Our reputation as a viable insurance partner to our mutual clients is based on how quickly we can respond, the experience of our experts we appoint, and how quickly we can assist a mutual client

in getting their machine back to work again, this so critically important to us and extremely imbedded into the culture of our claims team," she said.

There are nine underwriters in the UAA underwriting team. The team members come from various backgrounds with varying experience. The Operations Manager has been with UAA for six years and there is over 60 years of combined underwriting plant and machinery experience in our team. The claims side of the business features a solid team with various degrees of experience and expertise, all within the insurance industry.

There are 12 claims staff that manage all claims nationally from UAA's Newcastle office, each individual with the responsibility of managing claims for each designated state of Australia. Their responsibilities also include managing the relationships with Insurance Brokers and mutual clients in their respective allocated State, claims cycle time, quality and cost and quick outcomes for clients.

"As I've said, generally speaking we as underwriters don't have too much direct involvement with the industry clients. Because we deal with intermediaries, we don't deal with clients direct and the contact is mainly through the broker. That's not to say our management don't on occasions, meet with and speak with the clients direct, generally in conjunction with a broker," said Palmer.

"Being a service industry, service

is our primary focus and we pride ourselves on quick response times and we set a high bar for ourselves. UAA has always been highly regarded for its high level of service, our nimbleness and this has been the corner stone of our success, competitive advantage and differentiation in the market over the years," he said.

"With our claims team, we want our guys to be very involved in the industry. We want them to be aware of any particular nuisances with equipment, particularly with cranes. We often send team members out with assessors so they can have an understanding of how an assessment takes place and to really work with the experts to understand the mechanics of the machines, certainly seeing the industry at first hand assists in putting things into perspective and further respecting the challenges the crane industry faces on a daily basis and the enormity of their machines, as opposed to viewing in 2D, often black and white via a desk " said Morrissey.

"The claims team deals with some fairly complex claims including everything from wear and tear to structural damage. The team works with our assessors and the engineers so at any one time they can fully understand how a failure and or incident has occurred. We are focused on Australian regulations and industry standards around the operations of the machines, contracts that the insured has entered into as well as working with assessors and investigators to fully understand the complexities of the incidents which have caused damage.

"We also like to ensure that when our team members learn something new about a particular circumstance, that we use the information as an education piece for other team members, our brokers and our mutual clients. This ensures they are focused on mitigation practices, helping our insureds create awareness of certain set of circumstances to hopefully drive changes in their own business and ultimately the entire industry to ensure these events don't happen again," said Morrissey. ●