

MSM Loss Management

Specialists in
loss management
and quantum

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MSM Newsletter

Keep up to date with the latest MSM news, industry views and profiles from your Inbox or via our website msmlm.biz.

MSM Newsletter

MSM email newsletter for clients and industry members covering:

MSM training:

Details on MSM training programs and content

MSM News:

Keeping you up to date with MSM's independent services and initiatives

Current Industry Issues:

Across the insurance, risk management, legal and construction industries

MSM profile:

A brief profile of MSM consultants

MSM Training Update

MSM will again be running Business Interruption Insurance training in 2006 for NIBA. MSM directors from Sydney (Greg Sutton), Melbourne (Colin Chinner), Brisbane (Peter Rink) and Perth (Mark Davidson) will be running courses around Australia.

Dates for the NIBA Introductory and Advanced Business Interruption training will be advised in future newsletters and by NIBA.



SYDNEY
Greg Sutton



MELBOURNE
Colin Chinner



BRISBANE
Peter Rink

Do you have a Product Recall Plan?

MSM have been involved in a number of product recalls and product liability claims. We've found that in a number of cases, SME's have not had a product recall plan or strategy and have looked to their insurance broker for guidance. The broker has then sought our assistance.

So what should you do if one of your clients finds their product has a substandard component and needs to be recalled? Firstly you should check whether there has been an event that triggers a policy response, in particular under a products liability policy.

We advise clients to check with their legal advisers. Whilst we do not provide legal advice, generally from an insurance and trade practices viewpoint the 'acting as a reasonable person' criteria is relevant. Recalling the product once you have become aware of a substandard component appears to be part of a reasonable course of action.

Once it is decided a product recall needs to occur then it must be advertised in accordance with legislation. Product Recall information can be accessed from the Trade Practices Act web-site which details the requirements for Product Recalls.

See www.consumersonline.gov.au and www.recalls.gov.au .

We believe the client or broker should disclose the recall to their relevant underwriter as a matter of good faith. A product recall would appear to be a material fact affecting the risk which is now known. All material facts affecting the risk need to be disclosed to the underwriter. Again informing the underwriter appears to be part of a reasonable course of action.

Compliance – Ivan's Ideas & Greg's Gifts

Who said "A Change is as good as a Holiday ?"

We are not sure exactly who coined this phrase but as far as the Insurance Broking industry is concerned, with the FSRA regime and other changes in the regulatory framework, if the phrase were true, then insurance Brokers would have been on holidays for the last couple of years !

We all know the reality is that FSRA changes have been anything but a holiday for insurance Brokers with constant action points to address.

Current issues facing brokers that require specific action include:

- Understanding the changes brought about by the December 2005 Regulations.
- Explaining the above changes to staff and updating systems, procedures and documentation accordingly.
- Maintaining an External Compliance Review program in accordance with original Licence Applications.
- Deciding how to tackle the new concept of Distributors.
- Ensuring that your Compliance Breach reporting systems are in line with ASIC requirements, especially important if you are selected as part of an ASIC Surveillance Project.
- Maintaining an effective Compliance Officer role within your business.
- Keeping up to date with the numerous ASIC Class Orders.
- Deciding what impact the Federal Governments discussion paper on Foreign Unauthorised Insurers means to your business.
- Deciding what impact the new General Insurance Brokers Code of Practice will have on your business, and its systems and documentation requirements.

If you are looking for some practical solutions (rather than legal mumbo jumbo, or guesses from a part time compliance person) to these issues or just want to have a chat about how to address compliance issues that you are currently grappling with, MSM can help you.

MSM can customise and bring your FSG up to date with the recent Regulations so that it fits on the front and back of one A4 page for a one of fee of \$110.00. Think of the money you will save on paper and mail costs, and more importantly the client may actually read the document!

With over 250 insurance brokers as clients we are now the leading compliance supplier to the small to medium sized insurance brokers throughout Australia.

We know a change to MSM would be like giving yourself a holiday from Compliance (Well almost !).

Changes in MSM Victoria

Is there a Doctor in the house?????

Mohammed Aba-Bulgu who has been with MSM for nearly 7 years as a Senior Consultant recently graduated with a DBA (Doctor in Business Administration) following acceptance of his thesis titled "Financial Crisis Management: Application to SME's in Australia". A precise of his findings will be included in our next edition. Congratulations to Mohammed in reinforcing MSM's commitment to high calibre personnel and ongoing professional development

Peter Hawkins who is well known throughout Victoria, Tasmania & Western Australia has joined an expanding MSM Victoria as a specialist claims consultant. Peter is a Chartered Accountant, Chartered Loss Adjuster & Senior Associate of ANZIIF and will specialise in Business interruption, Material Damage and Fraud Investigations as well as providing expert reports for litigation.

PROFILE – ROBERT MARTIN

Robert is a Director of MSM. He holds a Bachelor of Business degree from the University of Technology Sydney and is a Certified Practising Accountant.



Robert has a wide range of experience both within the accounting profession and the insurance industry. He was employed by Ernst & Young working predominantly in its Insurance Audit Group before joining the Winterthur group's insurance operations. Over the next ten years Robert worked in both the accounting and operations side of that business.

He spent over 4 years consulting to the Liquidators in the complicated HIH Insurance administration. In particular he was involved in maximising returns on a number of complex insurance matters for the estates. He has experience in technical, legal and detailed accounting matters as well as the ability to negotiate favourable outcomes.

Robert manages the preparation, lodgement and the resolution of insurance claims for a diverse range of MSM clients ranging from Australian stock-exchange listed companies and their subsidiaries through to small to medium enterprises.

He has liaised with senior counsel and solicitors and compiled expert reports on quantum of loss claims for mediation and litigation matters.

MSM CORPORATE PROFILE

MSM Loss Management (MSM) is Australia's premier provider of business interruption, litigation support, claims management and related support services.

Services include preparation of economic and consequential loss claims, business valuations, policy reviews business continuity planning. The practice has focused on business interruption, economic loss consulting, forensic accounting and litigation support as well as providing training and compliance services. The MSM team has gained technical and practical experience through years of involvement in thousands of claims and litigated matters, across a broad range of industries, including mining, construction, metals and energy, manufacturing and transport. MSM has a multi-disciplined, professional team which includes chartered accountants and CPAs with experience across a diverse range of industries and organisations.

Claim Services – including Claim Preparation

- Management, preparation, review and settlement of material damage, business interruption, advanced loss of profits, product liability and related claims requiring the establishment of quantum.
- Advice on business interruption cover including rights and obligations, policy response and a review of the adequacy of the sums insured.
- Timely advice, allowing informed decisions on critical issues such as recovery actions and options affecting the treatment of payroll.
- Claims management.
- Identification and quantification of economic losses.

Pre-Loss Consulting Services

The pre-loss consulting services include:

- Reviewing the adequacy of declared values, limits, sub-limits and indemnity periods.
- Establishing pre-loss procedures.
- Business continuity planning.

Litigation Support

MSM undertakes assignments on behalf of major law firms, acts as expert witnesses, and provides expert opinion and advice in a broad range of matters across a variety of industries.

For more on MSM's services, visit our website at www.msmlm.biz

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Expert advice on Business Interruption ▪ Claim Preparation ▪ Economic Loss ▪ Litigation Support
Forensic Accounting ▪ Business Continuity Planning ▪ Compliance ▪ Third Party **Claims** Administration ▪
Training and related areas to Insurance Brokers ▪ Risk Managers ▪ Solicitors ▪ Accountants and our
respective clients.

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