

The Association of Average Adjusters Then and Now
Plotting a Course for the Future
October 6, 2016

During the past year as your chairman, I was fortunate to attend the following events representing this association:

- In November I was invited to attend the annual dinner of the American Institute of Marine Underwrites here in New York City
- In May of this year, I was invited to attend the Board Luncheon of The Maritime Law Association of the United States which was held at the New York Yacht club on May 5th as well as their annual dinner which was held on May 6th
- Also in May of this year I was the guest of the Association of Average Adjusters in London where my wife Maria and I attended the then Chairman, Andrew Paton's dinner at the Royal Exchange Bank on May 11th the following day I attended the Association's Annual meeting held in the Old Library at Lloyds where Andrew gave his address ***"Hull clauses and claims - time for some marriage counselling?"*** The day ended with the black-tie dinner at the Savoy Hotel

I would like to thank all my hosts at each of these events for their hospitality and friendship.

I would like to begin my address with a review of some historical information.

➤ **THEN**

I spent some time at the Saint John's library reviewing several of the annual meeting minutes, looking at the membership reports, by-laws, rules of practice and some of the chairman's addresses.

The first meeting of the association was held in New York on October 14th, 1879, there were 12 people in attendance and membership at that time consisted of 26 Full members and 17 Associates.

Through my research I found an early version of the by-laws that were dated as amended to January 1, 1901 and back then they were call Rules. They state the Title and Objects of the association as follows:

" I. This Association shall be entitled "The Association of Average Adjusters of the United States."

Its objects shall be the promotion of correct principles in the Adjustment of Averages, uniformity in practice among Average Adjusters, and similar purposes

Membership classes at that time were:

1. **Members** – Average Adjusters who have practiced as such for three years in any port of the United States and are practicing at the time of their nomination
2. **Associate Members** – Associate members of two years standing, who at the time of their nomination for membership shall declare their intention to practice as Adjusters, and as to whom the Executive Committee shall report that having personally examined them on their qualifications they are satisfied of their competency to assume the duties of average adjusters (As amended November 1st 1887, p. 62.)
3. **Representative Members** – shall consist of the presiding officer of each of the following Bodies, located in the city of New York.
 - a. The New York Board of Underwriters
 - b. The National Board of Marine Underwriters
 - c. The Chamber of Commerce
 - d. The New York Produce Exchange
 - e. The Maritime Association of the Port of New York
 - f. The Ship Owners Association, and
 - g. The Boards of Trade and Transportation
 - h. The Presiding Officer of similar organizations in other ports of the United States where this Association is represented by a member.
4. **Honorary Members** – Honorary Members may be chosen by ballot

Who may attend Meetings and Vote – All classes of Members may attend any meeting and take part in the discussion of questions; but only members shall be entitled to vote.

The earliest version of by-laws that I could find were dated as adopted January 12, 1922

The name of the Association remained the same, but the objects of the Association were expanded upon

The objects of the Association shall be:

1. The maintenance of the honor and dignity of the profession of Average Adjusting
2. The promotion of correct principles in the adjustment of Averages
3. The promotion of uniformity in practice among Average Adjusters
4. The Promotion of other such matters as may be deemed of benefit to Average Adjusters

Membership Classes were expanded upon as well

The Members of this Association shall consist of five classes, namely, Full Members, Junior Members, Resident Associate Members, Foreign Associate Members and Honorary Members

Full Members – Average Adjusters, who have practiced as such for two years in ports of the United States, and who at the time of their election, are so practicing; and, as to whom, the Executive Committee shall report that, having examined the candidates, in writing, as to their qualifications, they are satisfied of their competency to assume the duties of Average Adjusters

Junior Members – Employees, of two years standing , of Average Adjusters practicing in the United States, and who, at the time of their election, are so employed; and, as to whom the Executive Committee shall report that, having examined the candidates qualifications they are satisfied of their fitness to become Junior Members of this Association.

Resident Associate Members – shall consist of:

- Officers, Underwriters, Managers and agents of Marine Insurance Companies and Associations of the United States
- Resident Underwriters, Agents and Managers of foreign Marine Insurance Companies and Associations, which are entered in the United States, and which are doing business there
- Claim Settlers of Marine Insurance Companies and Associations of the united States and of foreign Marine Insurance Companies and Associations, entered in the United States and doing business there, who have been engaged as such for two years, and who, at the time of their election, are so engaged; and, as to whom the Executive Committee shall report that, having examined the candidates qualifications, they are satisfied of their fitness to become Resident Associate Members of the Association
- Resident Settling Agents in the United States of foreign Marine Insurance Companies and Associations
- American ship owners, Executive Officers, Managers and Agents of American ship owning companies and Resident Managers and Agents of foreign ship owners and companies.

- Resident Surveyors and Appraisers of vessels and cargos and members of firms and executive Officers of corporation's transacting a Marine Insurance Brokerage business
- Members of the Bar in Admiralty Practice in the United States
- Officers and Managers of Boards and Associations of Marine Underwriters.

Foreign Associate Members – Shall consist of

- Practicing Average Adjusters in foreign countries
- Persons residing in foreign countries, as to whom, the Executive Committee shall report that they are satisfied of their fitness to become Foreign Associate Members of this Association

Honorary Members – Such persons as may be elected as such after recommendation by the executive Committee.

When we look at the current by-laws, we note that there are slight changes but overall not that much has changed.

The objects of the Association remain the same and the classes of membership have changed slightly. The change being the switch from the Junior category to the Marine Hull Claims Professional and the introduction of Lifetime Members

Now there are six classes, Namely Full Members, Marine Hull Claims Professional Members, Resident Associate Members, Foreign Associate Members, Honorary and Lifetime Members.

Section 1: Full Members shall consist of:

Marine Hull Claims Professional Members of two years standing, who, at the time of their election as Full Members, will have been continuously and actively employed as adjusters, or as underwriter's claims examiners/adjusters, or in positions meeting the criteria set forth in Section 3 below, for at least two years and as to whom the Membership Committee shall report that, having examined the candidates in writing as to their qualifications, they are satisfied of their fitness to become Full Members of this Association

Section 2: Marine Hull Claims Professional Members shall consist of:

Resident Associate Members, who, at the time of their election as Marine Hull Claims Professional Members, have been continuously and actively employed as adjusters, or as underwriter's claims examiners/adjusters, or in positions meeting the criteria set forth in Section 3 below, for at least three years, and as to whom the Membership Committee shall report that, having examined the

candidates, in writing, they are satisfied of their fitness to become Marine Hull Claims Professional Members of this Association. (Members in the former Junior Membership category on the date that this bylaw is enacted are transferred to the Marine Hull Claims Professional Membership category.)

Section 3: Resident Associate Membership shall be granted if the Membership Committee has determined that the applicant is fit to become a Resident Associate Member. The following shall be eligible to apply for Resident Associate membership:

- a. Officers, Underwriters, Managers, Employees, Members and Agents of Marine Insurance Companies and Associations of the United States or Canada.
- b. Resident Underwriters, Agents, Employees, Members and Managers of foreign Marine Insurance Companies and Associations, which are entered in the United States or Canada, and which are doing business there.
- c. Claim Settlers and Employees of Marine Insurance Companies of the United States or Canada, of foreign Marine Insurance Companies residing in the United States or Canada and doing business there and Resident Settling Agents in the United States or Canada of foreign Marine Insurance Companies.
- d. American or Canadian ship owners, Executive Officers, Managers, Employees, Members and Agents of American or Canadian ship owning companies and Resident Managers, Employees, Members and Agents of foreign ship owners and companies.
- e. Surveyors and Appraisers of vessels and cargoes resident in the United States, or Canada.
- f. Executive Officers, Managers, Employees and Members of firms and corporations conducting a Marine Insurance Brokerage business.
- g. Members of the Bar in Admiralty Practice and other professionals in the United States or Canada interested in Average Adjusting or Marine Insurance matters.
- h. Officers and Managers of American or Canadian Boards of Marine Underwriters
- i. Individuals training as Marine Hull Claims Professionals in accordance with Section 2 above.

Section 4: Foreign Associate Members shall consist of:

- a. Average Adjusters practicing outside of the United States or Canada.

b. Persons residing outside of the United States or Canada as to whom the Membership Committee shall report that they are satisfied of their fitness to become Foreign Associate Members of this Association.

Section 5: Honorary Members shall consist of:

Such persons as may be elected as such after recommendation by the Board of Directors.

Section 6. **Lifetime Members shall consist of:**

Full Members who have attained the age of 65 years and have retired from the profession; upon application to and at the recommendation of the Board of Directors and elected at the next Business Meeting of the Association.

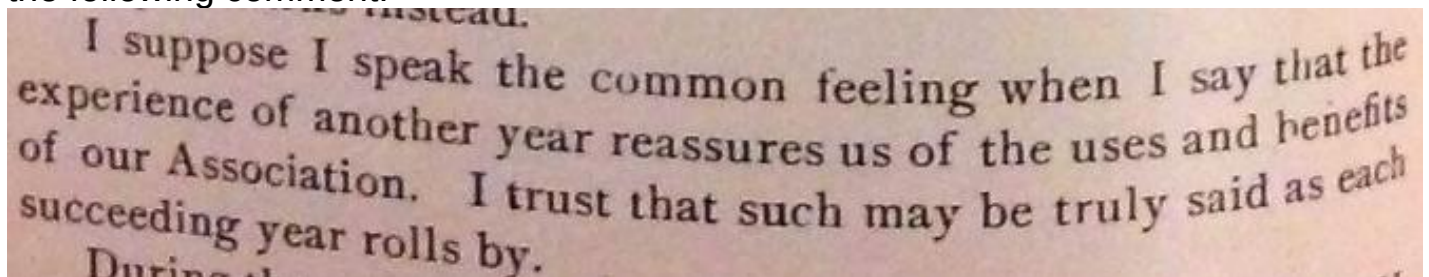
Voting rights has changed slightly:

Section 8. **All classes of members may attend all meetings except the Business Meeting, which shall be limited to Full Members, the Board of Directors and the Secretary and Chairman of the Association.**

Only Full Members present at a meeting shall be entitled to vote; however, when the question involves a proposal to amend a Rule of Practice or to create a new one (Article VIII) or to amend these By-Laws (Article XII) or with respect to action to be taken under Article III, Section 8, votes may be registered either in person or by sealed ballot received by the Secretary before the meeting is convened. Votes may also be registered via electronic mail to the Secretary provided that members verbally confirm ballot choice with the Secretary no less than 48 hours prior to the meeting. Any eligible members may participate in any meeting by means of a telephone or of video conferencing or similar equipment; participation by such means shall constitute presence in person.

In my reading through of some the meeting minutes there were some good discussions held during the meetings and comments on the profession, so I picked out a few comments from some of the meetings

At the fourth annual meeting held October 9th, 1883, Chairman William Walker made the following comment:



I suppose I speak the common feeling when I say that the experience of another year reassures us of the uses and benefits of our Association. I trust that such may be truly said as each succeeding year rolls by. During the

Comments from the October 14th, 1890, meeting

The Chairman then said :—

I do not know whether this Association desires to take any action in regard to the York-Antwerp Rules, 1890, at the present meeting, but I think there ought to be some action and consideration given by this Association to them. They are being acted upon in various places, and will probably form the basis for a Code of Averaging Adjusting. Perhaps if we are not prepared to discuss them, it would be well to have a meeting in the near future when they could be made a special matter for consideration.

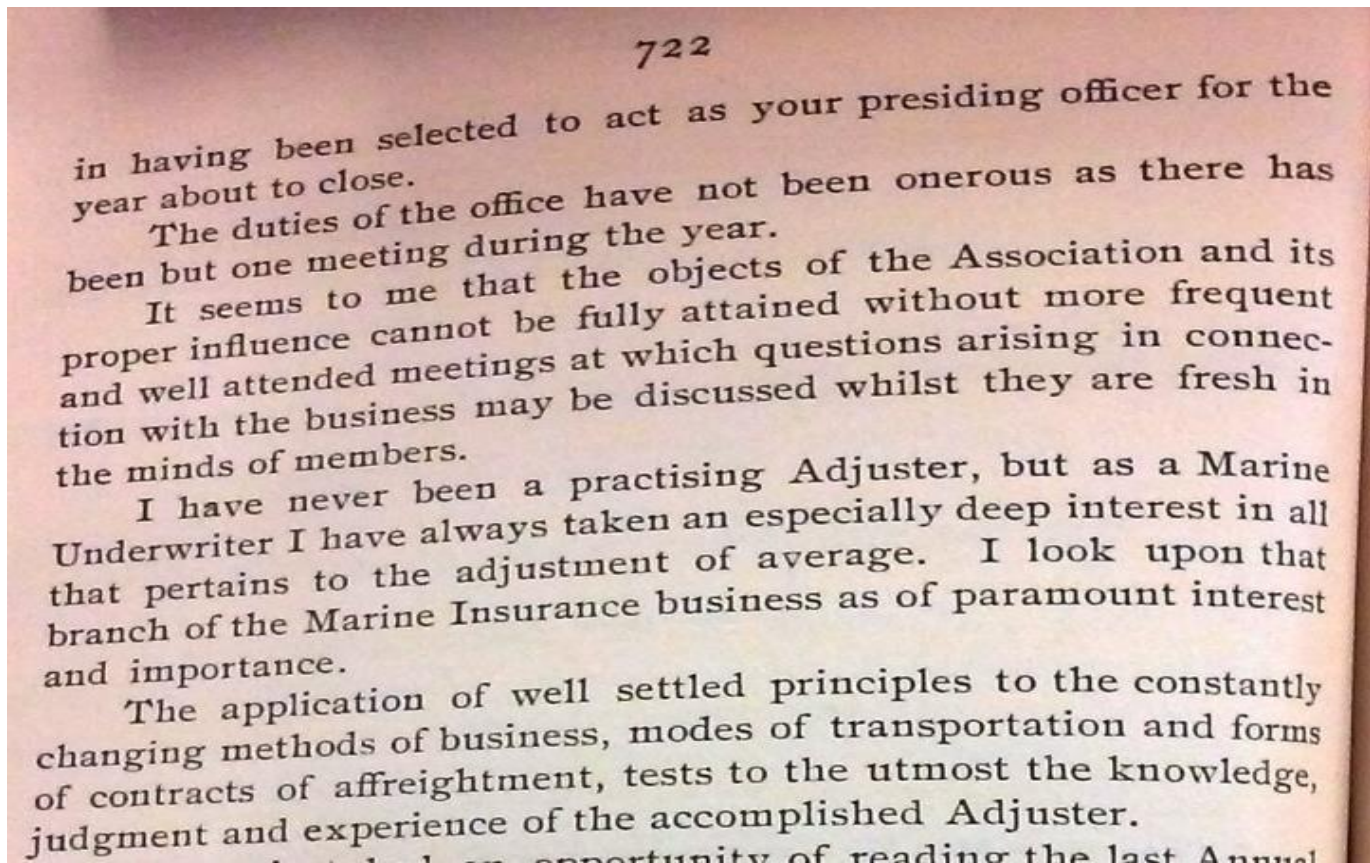
So even back then there were discussions about York Antwerp Rules

The change in meeting day for the meetings was made at the October 9th, 1900, meeting

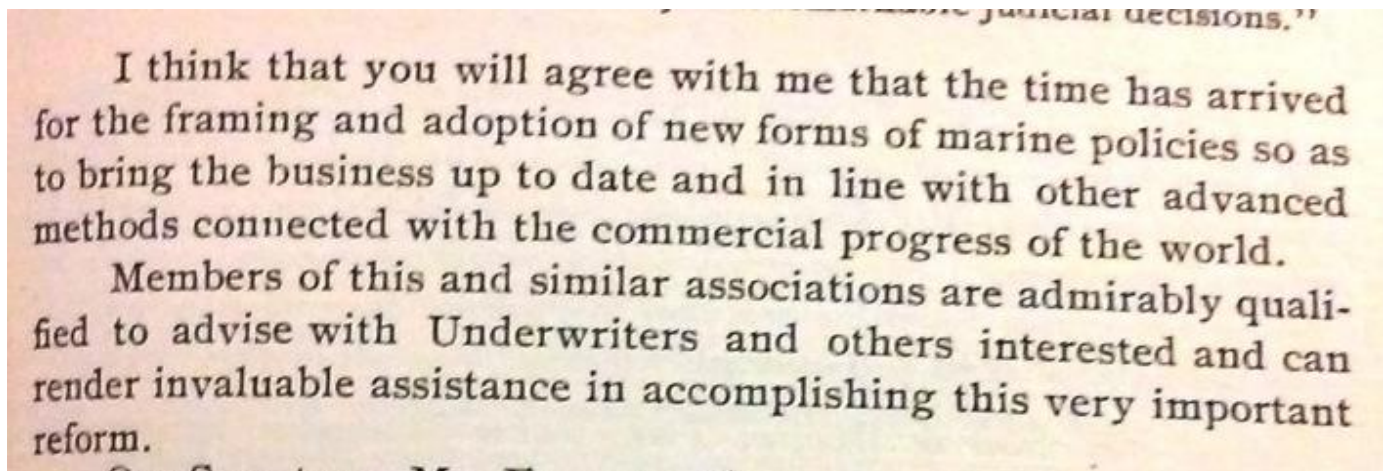
Mr. HUGHES : I should like to suggest that the day of the week upon which our meetings are to be held be changed to some other day more convenient than Tuesday.

The sense of the meeting being that Thursday is a better day than Tuesday for meetings, on motion, duly seconded, it was

So now we know where Thursday comes from



Later in the meeting



From the 1915 meeting

...by our courts.
I thank you, gentlemen, for your attention, and will only detain you for a moment longer in order to express to you my high appreciation of the importance of this Association, especially in the maintaining of correct practice in the adjustment of losses, which to my mind cannot be too highly valued by anyone whose interests are connected with maritime ventures, and my hope that the Association will continue to receive the hearty support of all those engaged in the business of marine insurance in the United States.
On motion...

Also, from the 1915 meeting take some comments on the need for GA

Mr. HUGHES: So far as I have heard no reply has been made by a member of this or other Kindred Associations to the contentions that have been put forward from time to time on the subject of the reform or abolition of General Average, and it seems to me fitting that those having at heart a reverence and respect for the time honored principle of General Average, which has been so well named one of natural "justice", should say a word or two in reply.
Following the vigorous contentions for reform or abolition by Mr. Douglas Owen in his address some years ago before the Average Adjusters' Association in London, and the one last

year before this Association by Mr. Fowler, our then Chairman, I have recently received a copy of a paper on the same subject read before the Insurance Institute of Victoria by Mr. W. R. Ray, an Underwriter at Melbourne, Australia.

I think that these gentlemen in their contentions have not considered the fact that the adoption of the view they have contended for may not in the end be of benefit to shippers and others interested in ocean commerce, but would be likely to facilitate the bringing about of a situation that would leave most concerned in Marine Insurance to look for a new field of operations for their own occupation and livelihood.

I think the members of this Association will be in accord with the views expressed in my letter to Mr. Ray acknowledging receipt of his paper, and with your permission I will read the letter referred to.

NOVEMBER 13, 1914.

W. R. RAY, Esq.,
Manager, Union Ins. Society of Canton, Ltd.,
Melbourne, Australia.

DEAR SIR:—

Your most interesting paper on the subject of "General Average—Its Reform or Abolition" has had my careful and thoughtful attention.

In a broad view of the question it must be admitted that, that which tends to simplify and remove complexities attending the carrying on of commerce on the high seas, is commendable and desirable, but it will be seen that the results sought to be obtained, are impracticable so far as having them made effective by legislation in Maritime Nations. This leaves the end sought for to be arrived at by appropriate conditions or agreements in Charter Parties or Bills of Lading, as is done when York-Antwerp Rules are so provided for. But, considering the subject from the standpoint of those concerned in the Marine insurance field, it is a question whether the end sought to be obtained would be to their interest, or would in the end benefit shippers.

The tendency of the age is to concentrate capital employed in trades and occupations, and merge the interest of the individual in corporations or associations having

large resources, which tends to monopoly, in the elimination of the individual and of open competition, and so, taking the shipping interest as an illustration, we find corporations, now existing, controlling a large number of vessels in the ocean carrying trade and in a measure constituting what is practically a monopoly of certain lines of transportation on the high seas. It may be assumed that these great corporations will avail of all measures to strengthen their hold on the control of the ocean carrying trade, and if insurance by the carrier of goods transported is found to be a means to that end, the carrier may find it advisable to assume the risk of loss or damage to the goods, in its care for transportation, by covenant to that effect in the bill of lading or contract of affreightment, the additional risk thus assumed by the carrier being compensated for by a commensurate additional rate for the transportation of the goods, and this additional rate would be less than the present cost of insurance charged by Underwriters, as the expense to the carrier of conducting the insurance feature of the business would be less than that which the present day Underwriter has to meet.

Whatever tends to reduce or minimize the cost to the carrier as an insurer, is a step in the direction of making it feasible for the carrier to assume the risks of loss or damage from sea perils, and strengthens the monopoly which, when well seated, must eventually result in additional expense to and be a tax upon the shipper engaging in ocean commerce.

It is a familiar expression that "Competition is the life of trade", and so if competition is eliminated, trade languishes. A monopoly of the ocean carrying trade, in eliminating competition, would necessarily result in diminution of the volume of trade. The abolition of general average would be one step in strengthening the carriers' monopoly.

General Average is a time honored principle, and, as has been well said, is based upon "natural justice". If, as it is claimed, abuses have crept in in its application, let us correct these abuses, but to abolish a principle that is based upon natural law and justice, the answer must be—No.

THE CHAIRMAN: Thank you very much, Mr. Hughes, for your very interesting remarks. I am sure the Association would be glad to have any discussion of these matters come before it.

Meeting Held October 14, 1920

five candidates for resident associate membership. Before leaving the subject of membership I would like to point out the duty that rests with us individually and collectively, of seeing that our Association expands its membership and influence in accordance with the demands which are being made upon us. We can all point with pride to the personnel, past and present, of this Association which is now over forty years old. It is not alone our duty but it is to the best interests of all concerned to maintain our plane of membership standards. Adjusters and loss settlers alike have been forced to expand their organizations and I am hopeful as the world approaches more nearly to peace conditions, we will find among the newer personnel the type of man who will assure the maintenance of our old standards, in time to come. I am convinced that the higher the type of man on which we center our training the better is the resulting average adjuster and loss settler. While this may not follow in all lines of endeavor, it is surely true of our profession. The past year...

Meeting Held October 11, 1928

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There is another matter that I would like to present for your thoughtful consideration. As this is the fiftieth annual meeting of the Association, it may be an appropriate time to discuss the advisability of the Association lending its support to the educational program in which so many insurance men are now interested. I would not be misunderstood. I do not mean financial support, but I do believe you will all agree with me that no other group of men in this country are so well qualified to disseminate information in regard to general average. All engaged in foreign trade at one time or another encounter situations involving general average. To the lay mind the term is rather meaningless, and the exact justice which its practice endeavors to mete out is not understood. Rather does it appear to those not familiar with the subject a cumbersome method of arriving at a desired and desirable result. I would therefore venture to suggest, from the viewpoint of the laymen, that the Association prepare a short yet simple and comprehensive sketch of the history of general average, of its principles and of the application of those principles. I realize that there are a number of excellent treatises on the subject of general average, which to you, who are expert in the profession, seem simple but to the inexperienced shipper are rather meaningless. While it is true the Association would not have the funds to print and distribute such a document, it is quite probable that organizations such as the various Chambers of Commerce, both national and state, or the National Foreign Trade Council, or others interested in foreign trade would be glad to publish and distribute such a document.

In the second place, I believe it is being realized more and more that better trained men are needed in the insurance offices. That this condition is not peculiar to the United States is evidenced by the remarks recently uttered by the Chairmen of some of the English Companies lamenting the dearth of trained men and implying that much of the difficulties of recent years were due to this lack. I conceive it to be the highest duty of an executive to train his successors to the end that there may be not only continuity of plan but that there may also be progress. So

I would urge upon you that in your individual offices you train men to follow in your footsteps. The highest and best form of training, after theoretical knowledge of a subject has been acquired, is practical experience. So I would further urge that the younger men be saddled with responsibility that under the guidance of their leaders they may prove whether or not they are fit to carry the load. Thus the able will be separated from the unfit. But more than this, your adjustments enter the various insurance offices for consideration and acceptance. It is therefore to your advantage that those who review these adjustments be well grounded in the principles and practice of general average and at the same time be of vision broad enough to see not only the form but the substance, and avoid trifling technical objections that rather impede than advance the aims of general average. You are dealing with situations from the point of view of equity rather than pure law and the rule of reason must be applied. To accomplish this very desirable end, I would suggest that there be created in the Association a Committee on Education which, in co-operation with the Insurance Institute of America, could formulate a program of general average study which could be incorporated in the courses of the Institute. Furthermore, this Committee could co-operate with the business schools of the various universities, to the end that general average be given adequate treatment in their foreign trade courses.

The thought will occur to some of you that such an undertaking on the part of the Association would tend to create an oversupply of average adjusters. The law of supply and demand will take care of that difficulty. Furthermore, no educational system can produce trained, experienced, practical men, whether these men seek to be general average adjusters or construction engineers. The hard road of practical experience alone can accomplish this. But education does smooth that road, and that in itself is well worth while.

I am now closing to express my deep appreciation of
Chairman

Meeting Held October 9th, 1930

THE CHAIRMAN: The next order of business, gentlemen, is the address of the present Chairman.

When our Secretary informed me a year ago that our Association had done me the honor of selecting me as its presiding officer, he accompanied the welcome notification with the statement that I was expected to deliver an address at the conclusion of my duties on some subject of interest to average adjusters and marine underwriters. Recently our Secretary sent me a reminder of today's duty, accompanied by a warning that the address, whatever the subject and however interesting, was not to occupy your patience beyond twenty minutes. Whether this caution was due to the fear of the present chairman or to the performances of my predecessors I am unable to state.

Oh boy, looks like I've gone over that time already

Meeting Held October 10th, 1935

During the past year many of you have conveyed to me your conviction that our Association does not exercise that kind and that degree of influence and leadership which it has not only the right but also the obligation to exercise in matters of professional concern to its Members. When comment of this nature is made by many of the members of a Society, each independently of the other, the sensible course is to bring it into the open, to reply to it, to refute it, or to accept it if we must, but in any event to find a constructive method of approaching the difficulty, whether it be real or imaginary. I have replied to these comments that it is the duty of each Member to express his conviction at the meetings of the Association. There seems, however, to be a strange reluctance to follow this obvious course and (if I analyze it rightly) this reluctance is founded on the notion, to my mind altogether erroneous, that untrammelled expression of opinion would be unwelcome in the course of our meetings. Does this notion exist in fact, what brought it into being and what can we or should we, do about it?

It is, I am convinced, the belief of many of our Members that the scope of our activities should be broadened, at least to the extent of fostering a spirit of liberal discussion that might be helpful to the common interest. The question must

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then arise, whether such a broadening of activity and such a spirit of liberal discussion would be a proper concern for the Association. According to the By-laws the objects of the Association are: the maintenance of the honor and dignity of the profession; the promotion of correct principles; the promotion of uniformity in practice; and the promotion of such other matters as may be deemed of benefit to Average Adjusters. You will agree with me that certain activities of the Association have contributed notably to the furtherance of these purposes. I am particularly thinking of the examination of candidates for

on those of association. As I remarked at the outset, it is not without the greatest diffidence and reluctance that I have opened the discussion of these questions. I have done so because many among you believe that the good of the Association requires it and because I believe those who have carried on for many years the burdens and difficulties of the Association have the right to expect that we shall do our share to perpetuate what they have created and fostered. And I have felt I could only repay in some slight measure the honor you were kind enough to confer upon me, by bringing before you, however inadequately, questions that are not, I hope, unworthy of your consideration, even though the recital may have tried your patience. For this patience, and for your forbearance, and for your many kindnesses during the past year, I am indeed grateful.

Meeting Held October 7th, 1954

underlying the Rules, and these intentions are quite clear. There is no reason for an adjuster to stretch the Rules or put his own interpretation on them, and there is no excuse for an underwriter to decline liability on his own technical interpretation of the Rules. Questions of fact are one thing, interpretation of the Rules another. Responsible steamship owners do not wish their claims or money tied up in long arguments over technicalities.

One of the four objects of our Association is "The promotion of uniformity of practice among average adjusters." If there is a serious question in an adjuster's mind, he should consult with other members of the Association.

The claims side of the marine insurance business is a small family and a friendly one, much more so today than when our Association was formed. The cooperation and efforts made for fair dealing are becoming quite well known, and if we all work toward a goal of uniformity we shall add greatly to a smoothly running economy in the great Maritime Industry.

From October 5th, 1955 – a comment about doing something more with Canada.

MR. GORE: Mr. Chairman, I have a rather novel idea which I would prefer to present in the form of an idea at this time and have the members consider it, because it may appear a little startling to them, although I don't think it should. It is in recognition partly of the 150-odd years, maybe more, of the continued friendship and complete amity that we have with Canada, and I have often thought that seemed a little bit peculiar perhaps to consider that we had to have long experienced Average Adjusters in Canada admitted to this Association only as Foreign Associate Members.

I should like to see the Association amend its By-Laws, particularly Section 1, paragraph A, and it could be very simply done—I am not suggesting it at this time—to read as follows:

Average Adjusters who have practiced as such for two years in parts of the United States and Canada, and simply add the words “and Canada.”

In that way, I think we would be rendering a courtesy and perhaps giving a nice impetus towards bringing us closer to our Canadian friends in their handling of adjustments and perhaps bringing us closer in touch with their work.

From October 6th, 1960

THE CHAIRMAN: Gentlemen, if you will recall, those of you who were here in April, there was a motion made, a proposal made at that time, to permit the Canadian Adjusters to become members of this Association, that is, full members of this Association. There was a vote taken at the time that was extremely close, and finally the proposal was withdrawn and it was decided to table it until this meeting.

Now, is there anyone here who wishes to take any further action on it today?

I thought the reading of minutes of the meeting over the years was fascinating and had scanned more to read but ran out of time to include more in today's speech, but I think we should consider adding them to the Website.

I choose selections from older meetings because it seemed like they had more discussions during their meetings back then, just something to think about.

In reading some of those meeting minutes one can get a sense of how proud our predecessors were of this organization and profession along with their concern for the honor and dignity of the profession of average adjusting. At the same time there were concerns about education, passing on knowledge to others and the effects of change.

Today in this day and age change is all around us.

➤ **CHANGE OVER TIME**

I started in the business over 36 years ago and I remember how big of an industry marine insurance was in the U.S. back then. The number of companies writing blue water hull insurance, the number of marine brokers and the size of claims department within brokerage firms and each brokerage house had one or more average adjusters working for them adjusting blue water hull claims on a regular basis.

Some of the Brokerage firm names that come to mind are:

- Frank B Hall
- Johnson & Higgins
- Fred S James
- John F. Curry
- John P Tilden
- Adams & Porter
- Seaborne International
- Rollins Burdick Hunter
- Rollins Hudig Hall
- Alexander & Alexander
- Great Eastern Associates
- Seahawk
- Windward International
- Corroon & Black

I'm sure we could come up with an equally long list of Law firms that were around at that time who no longer exist.

Over the course of my career the types of claims I have handled has changed over time based on the companies that I worked for, and the type of business written here in the us

- When I first started, all I handled was Bluewater Hull claims and a few cargo claims.
- Then I went on to handle offshore energy claims.
- Then Brown water Hull and P&I along with excess liabilities
- Then Yachts and Marina operators & boat dealers
- And now mainly cargo claims.

So over time I have had to diversify my background to be able to handle all different types of claims along with the change in the mix of business here in the US.

The same can be said for law firms and surveyors who are not just strictly Bluewater Hull because they needed to change to survive in an industry whose mix of business has changed over time.

- The quote at the International Marine Claims Conference this year was " There is nothing permanent except change " By Heraclitus

Today we live in an ever-changing world and at a recent CNA meeting they spoke about the case for change and what happen to companies who changed and what happen to those who didn't.

- So Why Change? Here is a quote from Darwin
 - As the world continues to change there is always the need for others to change to remain relevant. When we look at some of the iconic brands that embraced change and compare them to those who didn't we can see the results.
- Apple VS Nokia
- Amazon VS Borders
- Netflix VS Blockbuster
- One thing the losers all had in common --- They didn't see that coming...

Their absolute refusal to see what was going on around them and make the necessary changes to survive

I worry about the fate of this organization if it fails to adapt or change.

When we look at the American Hull Insurance Syndicate and its failure to recognize and/ or make the change from a monoline writer of Bluewater hull business. Where are they today, shutdown and running off claims.

- Looking at the recent statistics from IUMI one can see:
 - Marine Premium break down by line of business – Cargo 52,9%
- Cargo Premium by region
- Cargo Premium by Markets
- Hull Premium by Region
- Hull premium by markets

- Video on Change I would like to share a shot video clip with you about change called “Did you Know it’s been around for a while and continues to be updated every year

- Looking at the Membership numbers over the years I was able to put together the following chart for the some of the categories
 - Clearly, we have been on a downward trend since the Association peaked in 1986 with 135 Full Members and 717 Resident Associates with a total membership of 1004
 - Today we are down to 40 Full members many who are not actively adjusting claims, and 345 Resident Associates for a total count of 472

All of this raises the question; is there still a need for average adjusters in today's world. I believe there is especially if anyone had had to deal with a public adjuster on a marine claim you know what I’m talking about when I say we still need average adjusters and the profession.

While I acknowledge that some changes have been made in recent years. Personally, I don’t feel that it has been enough for the organization to survive in the future.

➤ **PLOTTING THE COURSE**

So, what are some of the things we could do? Here are some of my suggestions and I would be open to discuss any of them and/or take any additional suggestions so that we might be able to work on some of them during the coming year.

- We need to find ways for people to get to know who we are, where we are and why they need us. We can continue to expect that people will come to us simply

because we know what we're doing and know our value and all the things we can offer. We must do a better job of promoting ourselves.

- Education – maybe a few lunch and learn meetings during the year
- Bring back the Viewpoints seminar as it allowed us to pass on information (training and education) it also showcased the organization and created an opportunity for people see who we are and learn what we do. Helped to promote the organization
- Promote Dispute Resolution offered by the association – Under the by-laws The Board of directors can: Receive and consider questions relating to principles and practice in the Adjustment of Averages presented by Members or others, render advice or opinion and report to Members and other parties interested as may be appropriate; How many people know of this service and/or how would they find out about it?
- Create a ship-owner liaison committee to work with the shipping community
- Create a change committee – to investigate things that could be done
- Based on recent IUMI statistics the largest premium volume is in cargo (note figures) maybe we should be taking a look at cargo adjusting
- This past year we did not have one meeting
- We should do work more with insurance companies to promote the claims professional designation
- Except for changes to the by-laws the members on standing committees regardless of their destination should have voting rights
- Maybe we could have been providing guidance and assistance with hanjin claims
- Assistance with GA claims

➤ Article X of the bylaws speaks to the library

The Association shall maintain a library for the use of its members. Every Member shall be entitled to borrow books therefrom and rules for borrowing of books shall be the regulations prevailing at the facility where the library is housed. Failure to follow those rules will result in a revocation of all future

borrowing privileges until the return or replacement of those books previously borrowed.

How many people even know this exists?

- When I went to the St Johnson university library to some research for my speech, I realized a few things
 - The school had moved from Murray St, imagine my surprise when I walked over there and found out the building had been knocked down. It's now located at 101 Astor Place and the library is on the second floor
 - What I had never realized when I finally visited the library was just how many books, they have there on insurance. (Show photos) and how old they were.
 - However, I was there to look at the minutes from past annual meetings and realized how much history was there and thought to myself what would happen if there was a fire there what would happen to our history? What if anything, have we done to protect and preserve our history?
 - We should really consider scanning the minutes to preserve them
 - Create a library committee to look in to preserving the history of our association US & Canada – I'm not sure where their meeting minutes are
- Fix website – Facebook, Twitter, etc. have a better presence on the internet and make better use of social media. Provide some more useful information

I'm sure we all could think of some ideas that might help and I don't profess to have all the answers. But I would strongly urge this association to recognize the need for change and I stand ready to provide assistance in that regard to preserve the honor and dignity of the profession of Average Adjusting into the future

Thank you