



Searching for solutions

Dr Allan Manning combines his extensive experience as a loss adjuster with the latest in technology as he pursues the job he's always loved: helping people get back on their feet after a crisis.

By Gayle Bryant

When Dr Allan Manning decided to embark on a career in insurance, he didn't think it was the type of job that would lead to him being shot at.

But in a career that has taken him all over the world and contributed to many people being able to restart their lives after a major fire or similar catastrophe, he says he would not change a thing.

The shooting incidences – there were three of them – occurred when he was in Papua New Guinea in the late 1980s. “Despite being shot at I never felt I was in any real danger,” he says. “Although I didn't tell my heavily pregnant wife it had happened until we returned to Australia and she had given birth to our daughter.”

Dr Manning has been involved in the insurance industry for nearly 40 years. He specialises in the area of loss management and 10 years ago founded the LMI Group. But his career path could have been very different; in fact it was only the desire for a slightly higher pay packet that made him choose this industry.



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Fifty-cent career choice

“My father died when I was 13 and I basically didn’t study for years after that,” Dr Manning says. “When I was 16, I went down to the CES and – being a time of high employment – had three jobs to choose from: carpenter, printer or insurance clerk. I chose the insurance clerk position, as it was the highest paying job, by 50 cents a week. I remember my first pay packet was \$26.50. I still have that pay packet although not the contents.”

There were other advantages to choosing a career in insurance, he says, including love.

“I met the woman I was going to marry on the first day I started work (at General Accident Fire and Life Assurance Corporation) in April 1971, and we married four years later when I was 20,” he says.

“However, because my father died so young, I had the idea that I was going to die young as well and that I needed to get serious about my work. I returned to study and basically have not stopped studying even though I got my doctorate.”

He says he was annoyed at himself when he found studying wasn’t as hard as he thought it was going to be.

“I was a bit angry at myself for dropping out so early,” he says. “But by the time I had got my doctorate I was really in the rhythm and I understood early that if you study hard in the early subjects, you continue to build on this knowledge making it easier as you go along rather than always trying to play catch up.”

Early in his career, Dr Manning discovered his love of being out in the field helping people with their claims. He managed to jump the office boy position and went straight into claims.

“I’m a natural stickybeak which means I ask a lot of questions,” he says. “I have always felt that providing genuine help to people while they were

CAPTION:
A photograph taken by Dr Manning of the rebel’s parliament house in the Bougainville Copper Mine claim. It is the only known photograph of this site.

going through a crisis is a privilege.

“I then wanted to go out into the field as a loss adjuster soon after starting in claims but I was told I needed 10 years’ experience in insurance and I needed to undertake insurance courses as well. Once I became a loss adjuster I then had to understudy as an apprentice for three years.”

He persevered and in 1981 joined Robins MBS Loss Adjusters. In 1987, he transferred to Papua New Guinea, as Managing Director, where he was involved with handling one of Australia’s largest claims with a reserve of \$US1 billion: the closure of the Bougainville Copper mine.

Dr Manning returned to Australia in 1990 as State Manager, Western Australia and, in 1991, was appointed Regional Manager for the Southern Region. He was also appointed to head up GAB Robins’ loss adjusters national large loss claims team.

Challenging losses

“I enjoy the challenge of being a loss adjuster, especially chasing down fraudulent claims,” he says. “More specifically I get satisfaction when honest people who have had their businesses destroyed see that business come back to life better than ever. Major losses have a very low recovery rate so when you are able to help clients recover from their crises you have a friend for life.”

In his time he has managed large and complex losses involving major property; business interruption including advanced consequential loss; fidelity; construction; and liability throughout Australia, Asia Pacific, Europe and North America.

He has worked on assignments for a wide range of multinational companies, such as ACI, Amcor, Nestle, Mitsubishi, PaperlinX, Spotless and Toyota, as well as government organisations and small businesses.



Dr Manning has also been saddened by events where he has been unable to help. “We were involved in helping both home owners and businesses which had been burnt out by the bushfires in Victoria (last year),” he says. “But because of underinsurance there was not one business we dealt with that made it; all closed up, none had business interruption insurance. The first five individuals I spoke to had no insurance on their home. People seem to only learn after a loss that insurance is the most important contract they ever enter into.”

His interest in the survival of businesses following insured losses prompted him to complete a doctoral thesis, which involved six years of extensive research. Since 1983, he has acted as an expert witness, primarily handling quantum and policy response issues, and over the past nine years, he has been engaged to carry out risk analyses, the review of insurance programs and developing business continuity management plans for businesses, for both

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multinationals down to small to medium enterprises.

When he founded the LMI Group in 1999 providing claims preparation and loss adjusting services, Dr Manning says his timing was good.

“When I set up it was the time of the Victorian gas crisis and there were hundreds of claims out there,” he says. “Then Sydney had its giant hailstorm. In both disasters, I made a conscious decision to only take on as much work as we could handle and yet maintain a top quality service so as to protect our brand for the long term.”

The LMI Group focuses on providing the highest level of customer service and technical expertise in both pre and post-loss insurance services.

The pre-loss work such as insurance health checks, policy and sum insured reviews, and risk surveys are offered by the Risk Management International division, while post-loss matters are managed by Loss Management International.

The company now employs 55 staff in Australia and New Zealand and Dr Manning says a key to its success is that he recruited well – a strategy that means everyone benefits – client, broker and insurer.

He expects technology to play a big role in the future of the insurance industry. “I expect to see developments such as pen-based computing for both brokers and loss adjusters,” he says. “We need to embrace knowledge management and understand the needs of the client. A lot of clients simply do not appreciate the difference between insurance products

– only price. By the wise use of technology more meaningful time can be spent with the client.”

Advice not price

He says the current situation is not good for the insurance industry or the public.

“We have now successfully trained a generation to buy insurance, predominantly home, contents and motor insurance off the internet and when these people start or buy into their own businesses they are likely to buy their business insurance off the internet as well. Hence it is extremely important for brokers to focus on an advice model and move away from price.”

Dr Manning is keen to share his knowledge with the industry. He created the LMI PolicyComparison, a web-based training and comparative tool for the insurance industry; the LMI Bcalculator, an online service that assists in setting an accurate business interruption sum insured; and the business continuity management system, LMI ContinuityCoach. His latest brainchilds are LMI RiskCoach, a broker and

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underwriting tool, and an expert system for ISR insurance called LMI PolicyCoach.

“I’ve tried to take all the experience and knowledge I have gained over the past 40 years and put it online so people can benefit from it; much of it is free,” Dr Manning says. “We are launching more new products soon. I also try and give back to the community through pro bono work, seminars, client nights, lecturing, and through articles and books.”

He says when he eventually leaves the industry he wants it to be better than when he entered. One thing he is very keen to see changed is the level of tax on insurance. He has set up a website on this issue: www.notaxoninsurance.com.au and written many letters to parliamentarians, letters to the editor and spoken on radio and television on the subject.

“My view is that if you have tax on insurance, fewer people buy it,” he says. “By removing the tax on insurance more people would take it out and we will see fewer incidents of people being underinsured after a catastrophe.”

But he accepts this is a tough battle and the government is unlikely to change in view of the amount of money at stake.

“Nonetheless it’s illogical to me. The government argues it wished to impose a tax on alcopops to reduce consumption. I can understand this as alcohol and tobacco cause stress on government, particularly in the health system. Insurance on the other hand is vital to a strong economy and it takes pressure off

DR ALLAN MANNING’S CLAIMS INVESTIGATIONS

Description of loss	Amount of claim
Various gas claims following Longford and Apache gas crises ranging from multinational manufacturing plants to small commercial premises	Over 200 claims ranging from \$50,000 to \$15 million
Product unfit for sale due to contamination, incorrect packaging, taint or tampering	Ranging from \$500,000 to multi-millions
Many major fire, storm and water damage claims	Ranging from \$1000 to \$50 million+
Damaged smelter s Australia & Indonesia	Multi-millions
Mining losses	Ranging to \$100 million+
Losses in telecommunications: fire, electronic breakdown, accidental damage to underground cables	Ranging to \$10 million
Building collapses	Ranging up to \$20 million
Machinery breakdown – various machines in the packaging and printing industries	Ranging up to \$15 million
Construction risk losses	Ranging to tens of millions
Contamination in gold processing facility	Multi-millions
Engineering losses eg damaged gas turbines	Ranging to tens of millions
Infectious disease – animals	\$5 million
Claims against Mercury Power, New Zealand	Ranging up to \$3 million
Embezzlement claims	Ranging from \$10,000 to \$50 million+

government. So why reduce consumption with the highest taxes on insurance in the world? It is just a hidden tax generating a bucketload of cash which greedy politicians are unwilling to let go of.”

When pushed to reveal how he winds down, Dr Manning says he writes books – although this activity has a busman’s holiday ring to it as the books he writes focus on insurance. He is working on his tenth book and is also working on a true crime novel with his daughter that is based on arson claims he investigated.

“I self publish my books,” he says. “You’ve heard of Lloyd’s of London; we’re Mannings of Melbourne.”