



Hello, and welcome to the Spring Edition of The Edge.

We have been extremely busy since the last edition, with the release of a new online product, **LMI RiskCoach**, which we are sure you will find interesting. You can read about this new initiative on page 2. Please feel free to contact us for a demonstration.

Our team continues to grow, and we now boast an additional claims preparer in both NSW and WA, as well as a lawyer in NSW. They are all highly qualified people, and we have included links here so you can read about [Derek Jorgensen](#), [Malcolm Mansfield](#) and [Peter O'Brien](#) (please click on names to view profiles).

Thankfully, we have been spared any natural disasters here in Australia since our last newsletter. However, our New Zealand team have been very busy following the earthquake on 20 July 2009.

Our last edition prompted some subscribers to contact us with regard to training in various aspects of our product range. If you feel that training would be of benefit to you or your team, please don't hesitate to [contact us](#).

Allan Manning
Managing Director, LMI Group

CLAIMS & RISK MANAGEMENT

While the LMI name has become synonymous with claims preparation, we also provide a holistic approach to risk management, including management of claims.

Our depth of experience in this field has produced excellent outcomes for insureds, insurers and intermediaries.

One recent success story concerns a chain of more than 100 retailers across Australia and New Zealand. LMI was appointed to the role of loss adjuster on this account 2 years ago, as a result of broker dissatisfaction with the level of claims service. This dissatisfaction also prompted the broker to direct the account to a different insurer.

From the outset, LMI adopted a proactive approach to claims management, identifying and recommending a number of risk management improvements, all of which were adopted by the client. Just one example of the significant improvements we have brought to the claims process is the introduction of a more profitable means of disposal of salvage. We were also able to implement an immediate improvement in the loss experience with the discovery of a dishonest store manager.

We have now embedded a formal risk management program in the Insured's business operation, which has contributed towards the broker's successful negotiation of more favourable renewal terms. Another contributing factor to the improved terms is that the Insured now has sufficient confidence in the risk improvement that they have accepted a significantly higher deductible.

LMI Group is pleased to announce that our range of services has been expanded to include risk surveying.

To arrange a risk survey in any mainland State, please contact Bruce Avenell at bruce.avenell@LMIGroup.com.

IT'S A DOG'S LIFE...

Pet insurance has recently been added to the range of comparisons available at [LMI PolicyComparison](#).



While researching this product, we came across a scheme in the US that offers cover in the event of the pets' owners being snatched to heaven, leaving their pets behind!

The need for this type of cover is based on the premise that as animals don't have souls, they are not eligible for transportation to a higher plane. Eternal Earth-Bound Pets USA claims to be comprised of committed atheists who, being left behind if and when the Rapture occurs, will care for the pets of those Christians who are taken during the Second Coming...for a small fee. For details, visit [Eternal Earth-Bound Pets](#).

Ed. Whatever your belief, we hope you enjoy this article. It just goes to show that there is cover for just about any possibility under (or over) the sun!



Business Interruption & Alternative Premises

This case illustrates how the judicious use of alternative premises can facilitate a satisfactory claim settlement

An electrical fire destroyed the Insured's IT retail showroom and warehouse, which it owned and occupied in an outer Melbourne suburb. Apart from the usual high priority matters of diverting telephone lines to mobiles and home telephones, and calling staff meetings to ensure all staff are kept in the communication loop, a major decision had to be made in respect to alternative premises, as the damaged premises would take at least 12 months to rebuild.

Within the first 2 weeks of the fire, the Insured had contacted many estate agents, and carried out their own research into available premises within the vicinity of the existing location. Unfortunately, there were no premises available within 10 or so kilometres, which were of a comparable size for a relatively short term period of 1 to 2 years. The Insured was therefore faced with the possible options of shifting into substantially smaller premises, or trading from a location far from its main customer-base. Trading via either of these scenarios would result in a drawn-out indemnity period with substantial ongoing losses beyond 12 months.

The only potential premises that could accommodate the Insured's needs was a new building in the next suburb...but the minimum lease period was 3 years. After due consideration, the Insured decided they wanted to shift to the new premises on a permanent basis. The premises were slightly smaller than the damaged building, but with the assistance of LMI, the Insured was able to negotiate a cost sharing arrangement for fit-out costs whereby a portion would be treated as replacement fittings for the destroyed premises rather than treated as an 'Increase in Cost of Working'.

The Insured was able to start moving into the new premises within a few weeks, while other parts were altered to suit its needs. The premises were completely fitted out to the Insured's satisfaction within 4 months, and with an official promotional launch of the new premises less than 6 months after the loss, the indemnity period for the business interruption claim was able to be cut off, apart from the additional rent that had to be paid for the remainder of the maximum indemnity period. As a consequence, there were huge savings for the insurer with ongoing loss of gross profit being cut short and no costs being incurred to shift back into the original location. The Insured is happy with their new premises, and was also able to 'get on with life' while the reinstatement of the damaged premises took their course.

We have spent over 3 years building a knowledge management tool for the insurance industry in Australia and New Zealand. The concept behind **LMI RiskCoach** is to provide an online database/encyclopaedia of risk information. **LMI RiskCoach** systematically analyses the insurance risks associated with a particular industry for each major insurance product line, including property, business interruption, theft and fidelity, motor, marine, machinery, professional and management risks, and worker's compensation. Already, there is research or media content available for over 125 industries, 80 of which have a full Risk Assessment. Although LMI have not researched every industry in Australia at this point in time, we aim to have the vast majority of industries completed by the end of 2010. While this research, posting and approval process is ongoing, subscribers can now take advantage of the knowledge-base, with an average of 5 new industry groups being populated and released every week.

Feedback from those who have seen **LMI RiskCoach** demonstrated has been overwhelmingly positive, with professionals of long standing in the industry recognising the value of such a resource. For those less experienced or new staff members in your team, how can they obtain such knowledge? Development of **LMI RiskCoach** has now reached the stage where we can make it available to subscribers. A virtual tour of the product will shortly be available on the [LMI Group website](#). If you have any queries, please contact our Chief Knowledge Officer, Neil Myhre, via email (neil.myhre@LMIGroup.com).



THE LIGHTER SIDE OF LIFE

One ship carrying blue paint collided with another ship carrying red paint. The crews are missing and believed to be marooned!



We look forward to your comments and any suggestions you may have. To provide feedback, please [click here](#).

What is LMI RiskCoach?

As an insurance professional, you will have acquired and developed expertise in a wide range of areas including law, accounting, construction, manufacturing, and risk management. Your knowledge and status are critical to your role and, of course, you would prefer to have a proper understanding of the business and the potential risks involved in that particular area prior to meeting your client or prospective client.

In the absence of such information, it could be difficult to establish/identify all their insurance needs and provide them with professional guidance. However, it can be an impossible task for busy professionals to acquire such specialist knowledge, particularly given the vast number of industries involved...let alone trying to remain up-to-date with new risks as industries and processes change with developing technologies.