

Table of Contents

- ▶ In the Spirit of Growth 1
- ▶ On the Road to Success: Colombia's 4G Projects 1
- ▶ In Retrospect: Hurricane Maria a Year Later 2
- ▶ Group News 2
- ▶ Contact Us 2

In the Spirit of Growth

This year, the world came together to watch the 'beautiful game' as each nation gave it their best with the aspiration of bringing home the gold trophy from Russia. Similarly, as we approach the end of this eventful year, at **ADVANTA** we look back at our efforts and achievements over this period.

Our group has experienced very positive growth this year, fostering new associations and welcoming numerous team members to our company. We have strengthened our Board of Directors in London through the appointment of **Adam Humphrey** as Director of Energy and Property. Since his arrival Adam has already been making a significant contribution to our global network with his wide-ranging skills and experience.

In this Newsletter's main Article 'On the Road to Success: Colombia's 4G Projects', our Colombian Office Directors, **Germán Pedraza** and **Carlos Garcés**, discuss a major government initiative called the '4G Projects', highlighting the inherent opportunities of this multi-billion-dollar project as well as the growing strategic importance of Colombia as a reinsurance hub for Latin America.

As this year's hurricane season in the Caribbean comes to an end, **Andre Werneck** and **Andy Cathersides** look back at hurricane Maria and its catastrophic consequences for various countries in the region. They recount the experience of our NAT CAT team, which we deployed on

the ground to provide swift and efficient response during those turbulent times.

**George Viar** can be contacted at [gviar@advantaglobal.com](mailto:gviar@advantaglobal.com).



**George Viar**  
Director

On the Road to Success: Colombia's 4G Projects

The development of road infrastructure projects in emerging economies is one of the insurance market's key areas of interest. Recently, Colombia has been in the spotlight as it continues to develop over 10 of the 30 key projects involved in expanding Colombia's highway network by over 3,500km. Taking into consideration Colombia's extensive size of 1,138,910 km square, circa 5 times that of the United Kingdom, there is a substantial amount of work and funds that will be required for this major government initiative called the 4G Projects (Fourth Generation of Road Concessions of Colombia). At present it is estimated to require an investment of over US\$70 billion.

The work on these 4G Projects has already commenced and there have also been sizeable losses and casualties over recent years. This has provided the local insurance market with valuable insight and lessons on how to manage these risks moving forwards. In a market as interconnected as the Colombian insurance market, it is clear to all that underwriters and claims handlers need to be given adequate training in order to fully understand the extent and scope of work of the contractors and also that of the government.

There is unanimity that in addition to technical knowledge, it is critical to have a clear understanding of the objectives of each of these major infrastructure projects, understanding how their bidding and adjudication process works and being informed as to how the government has intervened in the project's insurance through specially underwritten policies.

As Colombia continues to take a leading role in the Latin American insurance and reinsurance markets, many global reinsurers have decided to open their own offices in Colombia. This has enabled them to have a deeper insight on the local market, foster stronger relationships with local

insurers and develop a thorough understanding of their needs in terms of cover and local policy wordings, such as those that apply to the 4G Projects.

In our experience, when losses arise the key components for effective handling of these is to have comprehensive information on the preliminary inspections carried out by the contractor, insight from the insurer as to the project, policy and relevant losses that have occurred, as well as input from the broker involved at the time the policy was granted. A fluid and continuous flow of communication between claims and underwriting are essential in order to have full clarity and unanimity in the interpretation of the scope of the conditions and clauses granted. The construction of risk matrices and the correct assignment of responsibilities in the construction process allow us to effectively adjust all losses, having full agreement between all parties involved.

In order to clearly understand the cause of any possible delays and evaluate their actual impact under ALOP or DSU covers, it is imperative to have a clear insight as to exactly at what stage of progress the project works are.

In order to offer the insurer and/or reinsurer a comprehensive and technical assessment, the loss adjuster must have thorough experience in the relevant risks involved, as well as the ability to interpret project schedules, delays and critical paths and to effectively quantify the extent of damage covered under the policy.

Our recently established **ADVANTA** office in Colombia, has been developing and expanding since its inception. Our team has widespread experience in major infrastructure, construction, engineering and liability and has capabilities to offer technical insight and a high level of service throughout Colombia.

Our group can also leverage its technical resources offering a full spectrum of services for major and complex losses, as we also have separate business units offering Forensic Accounting (DSU/ALOP, BI) and Project Monitoring services. The latter involves the monitoring of actual work progress vs the scheduled programme, the identification and measurement of the impact of any losses that may trigger a DSU claim, assessment risk exposures and monitoring of third parties' liabilities.

The recent presidential elections in the country have provided investors, businesses, insurers and the government with more confidence as to the political and economic stability of this country. As the 4G project works continue in this unprecedented period of infrastructure development in Colombia, **ADVANTA** offers its technical expertise and experience in construction, liability, engineering and financial lines, local market insights and high levels of service to the insurance market.

**Germán Pedraza** can be contacted at [gpedraza@advantaglobal.com](mailto:gpedraza@advantaglobal.com).

**Carlos Garcés** can be contacted at [cgarces@advantaglobal.com](mailto:cgarces@advantaglobal.com).



**Germán Pedraza**  
Colombian Office



**Carlos Garcés**  
Colombian Office

## In Retrospect: Hurricane Maria a Year Later



Hurricane Maria was approaching Puerto Rico, the "Island of Enchantment", after leaving its trail of destruction in Dominica and the Virgin Islands, as a major Hurricane at Category 4 on the Saffir Simpson scale with top speeds of 155 mph. At approximately 08:00 on 20th September 2017 the hurricane made landfall, crossing the centre of the island and within a matter of a few hours the extent of damage became apparent. The storm's intensity had caused catastrophic destruction throughout the island.

ADVANTA already had a NATCAT team of loss adjusters in Puerto Rico, who from their hotel rooms in Isla Verde, were reluctantly able to watch the hurricane pass through.

After the storm had passed, our team was able to gain some understanding of the extent of the damage. It became apparent that the island's vital infrastructure had sustained extensive damage with an island wide failure of the power grid, significant damage to water and communications infrastructure, the sea port and airport. While clearly the initial focus of the local authorities was on emergency work to restore basic infrastructure and reinstate order, it was forgotten that many businesses and homes also suffered widespread damage.

Initial inspections by ADVANTA's team on the ground were hampered by a number of factors, including blocked roads, a lack of fuel and a curfew. There was substantial damage to infrastructure rendering communication and internet access sporadic and unreliable. However, some early progress with site inspections was possible and thus they were able to begin the adjusting process and supporting local Insurers. Immediately after Maria, the authorities' priority was to complete evacuations and organise receipt and delivery of emergency supplies. A task that was hampered by the need to provide similar resources to neighbouring islands who also suffered from the effects of the storm.

As some semblance of order returned, ADVANTA was able to provide additional resources to address the increasing flow of claims from local insurers. However, the continued lack of basic services, limited supply of potable water and the contamination resulting from the natural disaster exponentially increased the challenge our team faced in carrying out their work.

Having overcome the initial obstacles and as local conditions improved, new challenges arose in adjusting the numerous claims. There was a need to re-adjust the evaluation criteria and the levels of exigency to adapt to the situation. Salvage efforts and loss mitigation were also slower due to the lack of material resources available on the island. Approximately 10 days before Maria, Hurricane Irma had avoided Puerto Rico, but had affected the outlying eastern islands. As a result, materials and resources had been sent to assist these neighbouring islands, leaving a shortage on the mainland.

Whilst material damage repairs presented their own challenges, the correct indemnity under business interruption claims also provided its own issues. We needed to define criteria to distinguish what was a direct result of material damage caused by Maria and what was

a consequence of the external impact of this catastrophe including; deficiencies in water supply, energy and damaged infrastructure of ports, highways and airports. Many businesses were affected as a result of the mass migration of individuals to mainland US and the departure of tourists and the closure of many hotels. This decrease in population caused a reduction in the consumer market, lowering the revenues of many local companies. At the same time, many businesses had to incur additional expenses for generators and fuel to remain in business. Those hotels that were able to continue trading, experienced a surge in demand and even overbooking as middle to high-income residents deprived of water and power in their homes sought refuge in local hotels together with those involved in the recovery efforts.

Throughout the past 12 months we have continued to work on the numerous and complex claims caused by last year's natural disasters in the Caribbean and demonstrated our commitment supporting the insurance and reinsurance markets in enabling Puerto Rico to resume economic activity and normality as swiftly as possible.

Andy Cathersides can be contacted at [acathersides@advantaglobal.com](mailto:acathersides@advantaglobal.com).

Andre Werneck can be contacted at [awerneck@advantaglobal.com](mailto:awerneck@advantaglobal.com).



**Andy Cathersides**  
London Office



**Andre Werneck**  
Brazilian Office

## Group News

The recent months have been eventful for ADVANTA with numerous developments and activities throughout our global network. In April we held an exclusive Wine Tasting Event at the Andaz in London bringing together our clients and Overseas Directors in one successful networking event. Moreover, our Miami office co-hosted this year's LatAm Claims (re) Insurance Forum that took place from 11th June to 14th June 2018.

Our group has welcomed **Adam Humphrey** as Director of Energy and Property. Having previously worked in the construction and engineering industries, Adam has been managing technical and complex claims internationally over the past 20 years. He is a Chartered Loss Adjuster and a Fellow of the Chartered Insurance Institute. Adam serves as Chairman of the Chartered Institute of Loss Adjusters 'Construction, Energy and Engineering' Special Interest Group and is a member of the Institute's Council. Adam has built an excellent reputation in the insurance

market due to his high calibre of service, leadership skills and extensive technical knowledge in energy, property, engineering and specialist liability claims.

We have had other team members join our London office. **Ian Watt** recently came on board bringing with him an array of experience in property, construction and energy claims. We have also welcomed **Carmen Olmeda**, an experienced loss adjuster, who shall be working with the power & mining team.

ADVANTA FORENSIC ACCOUNTING has also been expanding, recently welcoming **Gohar Harutyunyan**, a forensic accountant with extensive experience in dispute resolution and fraud investigation to strengthen our existing team.

In our efforts to develop our network, we have fortified ADVANTA's presence in Africa through our collaboration

with Consulting Information Engineering (CIE) in Cameroon. CIE's Director, **Abraham Binko** alongside **Sherman Binko** lead an experienced team of qualified loss adjusters located strategically throughout Cameroon, offering a wide scope of geographical coverage as well as technical know-how in various insurance lines including; engineering, energy and property claims.

**Lorena Jimenez** can be contacted at [ljimenez@advantaglobal.com](mailto:ljimenez@advantaglobal.com).



**Lorena Jimenez**  
Group Operations Manager

## CONTACT Us

Wakefield House  
41 Trinity Square  
London EC3N 4DJ - United Kingdom  
Tel +44 (0) 20 7702 4000  
Fax +44 (0) 20 7702 4005  
[www.advantaglobal.com](http://www.advantaglobal.com)  
[newsletter@advantaglobal.com](mailto:newsletter@advantaglobal.com)

**EUROPE** Czech Republic, Denmark, France, Germany, Israel, Italy, Netherlands, Poland, Portugal, Russia, Spain, United Kingdom  
**AMERICA** Argentina, Brazil, Colombia, Costa Rica, Curaçao, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Peru, Trinidad and Tobago, US, Venezuela  
**MIDDLE EAST** Oman, Qatar, Saudi Arabia, Turkey, UAE  
**ASIA-PACIFIC** India, Indonesia, Korea  
**AFRICA** Algeria, Botswana, Cameroon, Kenya, Mauritius, Mozambique, Namibia, Nigeria, Tanzania, Zambia, Zimbabwe