

REPORT OF THE COMMITTEE OF SURVEYORS AND LOSS ASSESSORS, ON  
PARAMETERS FOR UPGRADATION OF SURVEYORS' CATEGORIES.

Introduction

The Committee of Surveyors and Loss Assessors (referred to in this report as 'the Committee' hereafter) noted the following provisions in the Insurance Surveyors Regulations, 2000 relating to categorization of surveyors.

As per Regulation 14 under Chapter V of the Insurance Surveyors Regulations, 2000,

- (1) A surveyor and loss assessor shall be categorized, as mentioned in sub-regulation(3), based on the following criteria:
  - (i) professional qualifications;
  - (ii) training undergone;
  - (iii) experience as a surveyor and loss assessor and any other relevant professional experience;
  - (iv) any other criteria, as may be specified by the Authority from time to time.
  
- (2) The categorization shall be done and reviewed from time to time on the basis of a point system evolved by the Authority in consultation with the Committee referred to in Chapter III of the Regulations (i.e. the Committee of Surveyors and Loss Assessors).
  
- (3) The categorization shall consist of allocation of one or more specified departments of insurance business, based on the factors mentioned above and shall include categorization of the surveyors and loss assessors into three categories, viz, Category A, Category B and Category C.

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M. A. [unclear] [unclear] [unclear] [unclear]

- (4) Every surveyor and loss assessor, whether a company or firm or an individual, shall be eligible to carry on the work as a surveyor or loss assessor, as per the categorization specified in the licence.

The Committee also noted that the IRDA had conducted a one-time exercise of categorization for surveyors already holding a licence prior to IRDA becoming the licensing authority and surveyors had been categorized as A, B or C based on certain parameters. The exercise had been conducted in 2001/02. The IRDA had been receiving representations from quite a few surveyors requesting for upgradation of their categories from 'C' to 'B' or 'B' to 'A'. The Committee considered the aspect of requests for upgradation. It also noted that there could be a few requests for downgradation.

This report contains the recommendations of the Committee on upgradation of categorization of surveyors. As regards downgradation, the Committee is of the view that it is an administrative issue and may be handled by the IRDA.

**The general principles and guidelines for upgradation:**

The Committee was of the view that category 'A' should consist of highly skilled, qualified and competent surveyors with a proven track record and recognition from the user industry. Accordingly, it felt that the parameters for upgradation from 'B' to 'A' need to be more rigid than the upgradation from 'C' to 'B'.



Recommended parameters for consideration of upgradation from category 'C' to 'B':

1. Eligibility :

Minimum 7 years as a licensed surveyor. This period need not be a continuous one. A surveyor should have held a licence for 7 complete years and should be holding a valid licence and categorization as on the date of application.

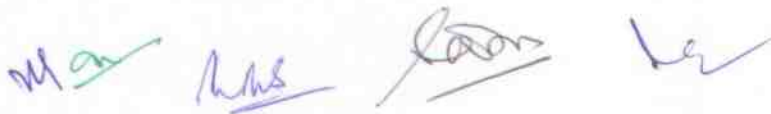
To qualify for upgradation, the minimum requirement would be 60 points .

The rationale behind setting a minimum eligibility based on the number of years of experience is to ensure that seniority gets adequate recognition.

2. Upgradation weightages:

- (a) Seniority: 35 points - 1 point for each completed year as a licensed surveyor subject to a maximum of 35 points.
- (b) Experience as a surveyor: Maximum 50 points as per weightages indicated in the table contained in Annexure 'A'.
- (c) Additional insurance qualifications like Associate or Fellow of the Insurance Institute of India obtained subsequent to categorization: 10 points.
- (d) Points for submission of data: 5 points if survey reports including the photographs are submitted in soft form (in a Compact Disc).

The threshold limits for all categories except motor have been fixed up at 50% of the financial limits set by IRDA circular dt.24.5.2003. For motor, the threshold has been set at 35% of the financial limit as the bulk of the jobs in the motor portfolio relate to 2 wheelers where values will not exceed Rs.50,000/-. In the miscellaneous category , threshold has been fixed at 25% of the financial limit, and weightage for each job done at 5 points per job keeping in mind the number of jobs being few in this category. The values of claims indicated are values of claims assessed (i.e. before any adjustment).



## Recommended parameters for upgradation from 'B' to 'A':

### 1. Eligibility:

Minimum 5 years as a 'B' category surveyor. This period need not be a continuous one. In other words, a surveyor should have held a valid licence and been duly categorized for 5 complete years in 'B' category AND minimum 20 years ( not necessarily continuously) as a licensed surveyor or minimum 15 years as a licensed surveyor plus additional qualifications, if any, acquired post 'B' categorization and submission of survey data qualifying for weightages.

The rationale behind setting a minimum eligibility based on the number of years of experience is to ensure that seniority gets adequate recognition.

Minimum requirement to be eligible for upgradation is 60 points.

### 2. Upgradation weightages:

Empanelment in RO/HO panels of PSUs or HO panels of private insurance companies--  
**Maximum 20 points**--Each such empanelment will carry 4 marks and the maximum one can obtain will be 20 marks ( @ 5 points for every empanelment). Empanelment on or before one year prior to the commencement of the review exercise only could be considered. IRDA to obtain lists of empanelled surveyors from the Head Offices of all insurance companies to serve as Master Referencer.

The rationale behind allotting 20 points for empanelment as described above, is based on the view that at least 4 empanelments by the RO/HO of PSU insurers and/or the Head Office of the Private Insurers is an indication of the acceptance and recognition of the competence and skill of the concerned surveyor by the user industry.

  
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**(a) Number of years: Maximum 20 points ( 2 points per year)**

In assigning 20 points under this head, the purpose is to ensure that the candidate for upgradation has in fact consistently worked as a surveyor for each of the 5 years post categorization. It is for this reason that the points will be reckoned for each year in 'B' category and the aggregate will be taken into account for the purpose of allotting maximum number of points.

Seniority has its own merit and its own weightage in any activity.

**(b) Survey Experience: Maximum 60 points**

Five years experience prior to the review exercise will be considered for giving weightage under this head @ 12 points per year.

The rationale for allocating as much as 60 points under this head is based on the premise that a surveyor's skill and expertise gets enriched with each job that he carries out and this process becomes all the more important if the performance is to be viewed in the context of consistency and continuity over a period of time.

The threshold limits given in the table contained in Annexure 'B' have been arrived at after deliberating on the method for evaluating exposure to high value claims. It was felt that claims falling in the upper quartile of the financial limits set for the category would be indicative of jobs which require application of higher degree of technical knowledge and skill. Hence threshold levels were taken at the upper band (exceeding 75% ) of the financial limits set by the IRDA circular dt.14.5.2003 for category 'B'.



Further, the allocation of points is to be made separately for each year of performance in order to take care of the catastrophic occurrences which may give rise to a large number of jobs in any one year. The points so allocated over a period of 5 years have to be aggregated for the purpose of final reckoning.

- (c) **Bonus points: 5 points above 100:** If survey data is submitted electronically ( in a Compact Disc) along with the application for upgradation,

This provision for allotting bonus points ( 5 points) is to encourage the surveyors not only to maintain their records in electronic formats but also to make the same available to the Committee for the purpose of verification and creation of a compendium of insurance losses and survey reports. Such reports could be used for training and as source material for preparation of case studies in future.

#### **Suggestion for creation of an elite panel of surveyors**

Upgradation of a surveyor not only enables him to carry out surveys involving a higher financial value but also has value for a surveyor as it implies an elevation in his professional standing. In this backdrop, it was felt that creation of an elite panel of surveyors would be a good move for the profession as there will be a panel which can drive important changes in the profession for their betterment and the betterment of the insurance industry at large in coordination/cooperation with the proposed Institute. Such a panel could contribute for the orderly growth and maintenance of high standards in the profession.

The concept and modalities for creating such a panel have been presented in a paper submitted by Mr. Sundararajan, annexed as A1 hereto.



RESIDUAL ISSUES:

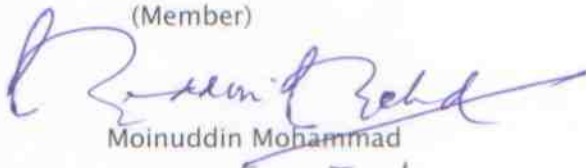
The Committee also deliberated on certain other related issues:

- (1) On the matter of renewal of licences of those not holding categorization, the Committee was of the view that renewal of licences without categorization holds no purpose and such licencees should be allotted category 'C'.
- (2) The procedural aspects of the exercise of upgradation if the substantive part is accepted by IRDA which need to be addressed are:
  - (a) A suitable software to facilitate the exercise.
  - (b) Identifying an agency to carry out the exercise of categorization.
- (3) Issues relating to weightages to be assigned to employee surveyors of corporate survey entities.

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26. 9<sup>th</sup> of August 2007 7

ANNEXURE 'A'

WEIGHTAGES FOR SURVEY EXPERIENCE FOR UPGRADATION FROM CATEGORY 'C' TO 'B'

	Fire	No	Mrn.Cargo	No.	Mrn.Hull	No.	Engg	No.	Motor	No	Misc.	No.
	> 2.5 lacs - 2 points for each survey subject to maximum of 10 points per year	> 1.5 lacs- 2 points for each survey subject to maximum of 10 points per year	> 25 thousand - 5 points for each survey subject to maximum of 10 points per year	> 1 lac- 2 points for each survey subject to maximum of 10 points per year	> 35 thousand - 1 point for each survey subject to maximum of 10 points per year	> 75 thousand - 5 points for each survey subject to maximum of 10 points per year						
1 <sup>st</sup> Year												
2 <sup>nd</sup> Year												
3 <sup>rd</sup> Year												

max hrs 1000

1000

ANNEXURE 'B'

WEIGHTAGES FOR SURVEY EXPERIENCE FOR UPGRADATION FROM 'B' TO 'A'

Fire	No	Mrrn.Cargo	No.	Mrrn.Hull	No.	Engg	No.	Motor	No	Misc.	No.	LOP	No.
> 15 lacs - 3 points for each survey subject to maximum of 12 points per year	> 5.5 lacs - 3 points for each survey subject to maximum of 12 points per year	> 7.5 lacs - 3 points for each survey subject to maximum of 12 points per year	> 5.5 lacs - 4 points for each survey subject to maximum of 12 points per year	> 1.5 lacs - 2 points for each survey subject to maximum of 12 points per year	> 5.5 lacs - 4 points for each survey subject to maximum of 12 points per year	> 5.5 lacs - 4 points for each survey subject to maximum of 12 points per year	> 20 lacs - 12 points for each subject to maximum of 12 points per year						
1 <sup>st</sup> year													
2 <sup>nd</sup> Year													
3 <sup>rd</sup> Year													
4 <sup>th</sup> Year													
5 <sup>th</sup> Year													
Total													






May 29, 2007

**SUGGESTION TO FORM AN ELITE PANEL OF SENIOR SURVEYORS AND LOSS ASSESSORS.**

Survey and loss assessment needs to be recognised better as a specialist profession. The establishment of the Institute is already a major step in this direction.

One of the contributors for the orderly growth, and maintenance of high standards in any profession, will be the constitution of an elite panel of senior and reputed professionals – who will be independent of the Governing Council or the apex Administrative body of the proposed Institute.

**OBJECTIVES AND PRIORITIES OF THE ELITE PANEL**

The major objectives and priorities of such a panel would be Some of the objectives (particularly a,b and f) impinge on the Mem. Of Association of the new Institute. It would be the responsibility of the elected members of the new institute to formulate these issues and not a separate panel.

- a. to develop a Code of Conduct (and guidelines for ethics) for the profession.
- b. To develop Professional Practice Standards which may in due course be mandated by the Institute for all registered members
- c. To take responsibility for “peer group review” of other surveyors and loss assessors on a selective basis as per criteria to be laid down by the Institute.
- d. To act as a referral body whenever required by any Courts, arbitration panels, IRDA or by the Institute for specialist expert opinions, and/or to resolve professional issues
- e. The members of such panels should volunteer their time to handle lectures, seminars and other professional development initiatives by the Institute or by Universities, in the areas of survey and loss assessment, as well as on the broader canvas of insurance itself.
- f. To assist, if requested in the development/review of course contents, syllabus and examination criteria of the Institute keeping in mind the academic and professional excellence required for the profession.
- g. The Panel will provide the expert pool for identifying members to serve on Disciplinary Committees and Advisory Committees, consultative bodies etc. as may be required by Govt. of India, IRDA or the Institute from time to time.

**ADMINISTRATIVE ASPECTS**

- The proposed panel should consist of a minimum of 10 and a maximum of 15 surveyors and loss assessors.
- Any person elected to the elite panel can be a member for a maximum period of 5 years only

- The constitution of the panel and the names of the individuals being enrolled as members of such panel are to be published by IRDA and widely circulated amongst all surveyors as a matter of recognition.
- There will be no monetary compensation or fees for serving as members of such Elite Panel. However, if there are any prescribed fees or honorarium by the organisations requesting and making use of the service of the members, this would be permitted. The membership of this Elite Panel is intended as a matter of professional respect and honour and not as position with financial rewards.

#### **BASIS OF SELECTION OF THE MEMBERS OF THE PANEL**

1. The person should have been in continuous practice as surveyor/loss assessor for a minimum period of 25 years.
2. The person should have been categorised as "A" Grade surveyor in all the 3 departments chosen by him for a period not less than 7 years
3. The person should be not below 50 years of age
4. Individuals cannot apply by themselves for selection to this panel. Instead, references should be made by insurance companies, IRDA and perhaps by industry bodies like CII or leading corporates; names received should be circulated amongst all the non-life insurance companies. Only persons who receive a positive endorsement from the CMDs/CEOs of not less than 5 non-life insurance companies would be appointed to this panel (*a more detailed format, voting pattern including a system of transferable preference vote etc. can be developed*).

There would again be issues brought about by categorisation. Currently there are 6 distinct categories. How many persons would be required in this group so as to contribute in a worthwhile manner?