

THE DUTCH SAVE ON FIRE CLAIMS

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IT is only in the past five years that the phenomenon of salvage has been taken up in an organized and centrally coordinated way in the Netherlands. Until then fire insurers had not really concerned themselves with the fastest possible limiting of the damage done by fire. Assistance to and emergency help for the afflicted parties and victims of fire were activities that were mainly left to neighbours, family and friends.

Some people have the impression that Dutch society is a highly industrialised one.

I am deliberately being ironic in using the word. The suggestion is that every social form of neighbourliness has disappeared and been replaced by institutionalised help. That is perhaps the case in a number of fields (take Dutch social security legislation for example), but institutionalised help is not available everywhere — and not even in the fields where it is, in fact, badly needed. Until recently, for instance, the victims of fire had to rely on the help of neighbours or were left to their own devices when it came to finding assistance on the spot, saving their remaining belongings, arranging insurance matters for an expeditious settlement of claims, emergency help and temporary accommodation. Where the help of neighbours or relatives was unavailable or not forthcoming, the afflicted were literally left out on the streets.

Besides neighbours and relatives, in most cases, fire insurers are the ones who are immediately involved in the calamity affecting a victim of fire. The fact is that in the Netherlands practically everybody has fire insurance. Fire insurers therefore, together with the Organisation of Assessors in the Netherlands (*Bureau Coördinatie Experts*) and the Cleaning & Industrial Services Organisation (*Ondernemersorganisatie Schoonmaak en Bedrijfsdiensten*), were among the founders of the Dutch salvage institute.

The reason for setting up *Stichting Salvage* (its actual Dutch title) was a prosaic one. Comparative international research in the early eighties by reinsurers had revealed that claims



in the Netherlands per fire were comparatively higher than abroad. The only plausible explanation for this was that after a fire too many goods had to be written off as being definitively lost. There was also the phenomenon in the Netherlands of a growing number of cases of arson. Both phenomena prompted the fire insurers to start thinking quite explicitly about a better management of fire damage. They thought it might pay.

Besides this, the fire insurers, slowly but surely, were beginning to feel a certain amount of embarrassment with regard to their colleagues in the insurance sector when comparing the level of services to their clients. The car insurers, for instance, had a perfect assistance organization to help stranded motorists on their way again.

The fire insurers, having first amended clauses on the settlement of claims and the assessment of damage, then proceeded to set up *Stichting Salvage* in 1985 together with the assessors' organisation, the cleaning and industrial services one. The salvage institute set up a central office where it could be reached by the fire services and commenced organising a network of regional coordinators who could be immediately called upon if the fire services wanted a coordinator in the event of a fire. Now, five years after its founding, the national network is almost fully operational.

People throughout the Netherlands, with the exception of the municipality of Rotterdam, who have been afflicted by fire can now count on the help of a salvage coordinator, without, incidentally, it costing them anything extra. *Stichting Salvage* is self-supporting. After all, salvage costs are covered by the fire policy and insurers pay what might be referred to as fire management costs (*regiekosten*) for salvage operations.

Little can be said at this stage about the general financial results in terms of reducing fire damage claims, which was after all one of the arguments for setting up a salvage body in the first place, but clearly, intervention by



salvage has considerably reduced the damage in a great many cases.

I have already revealed the aim of *Stichting Salvage* which is based in Bilthoven (Utrecht). There are two key aspects. First of all the organization attempts to ensure that there is rapid and expert help available subsequent to damage by fire, explosion or lightning. After that, Salvage endeavours to ensure that the damage is halted as rapidly as possible. Thus it provides help both at the human and at the material level.

The help provided by the salvage coordinator must be seen as a service of the insurer to his client at the point at which the latter requires immediate help and assistance. The coordinator, who can be called to a fire by the fire service, has both organisational and financial resources at his disposal for this purpose. He is the victim's refuge who can organise and arrange what is necessary. He looks to see where any accommodation can be found and what can be saved. He inquires whether the victim is insured and with which insurer and, if necessary, he ensures that an assessor is rapidly called in — even outside office hours. The coordinator is actually not interested in whether the victim is insured or otherwise at this stage. It is his task to provide first aid.

Two of the underlying reasons why the insurers set up the salvage organization — namely limiting and calling a halt to the damage

— are equally important for the victim. Preventing anything worse is in most cases of primary importance. Valuable possessions, unique information (computerized) or expensive materials or machines cannot always be replaced — at least not quickly. Moreover, for businesses, continuity is essential. Continuity can be jeopardised by a relatively minor fire with little fire damage as such, if smoke, soot or damage have their way. And it is precisely through the extensive use of synthetics in numerous goods that the consequent damage can often be far worse than the damage by the fire itself.

Whether a victim is insured or not does not make any difference to whether a salvage coordinator is called in, what he does and the extent of the help. That distinction only begins to count when further measures are required besides initial emergency assistance for the victim or measures to limit the damage. Anyone who is not insured against fire will have to decide for himself at that point whether he wishes to pay for the measures involved. Victims who are insured, of course, are entitled to all the provisions given in the policy. By now all the measures that can be undertaken by the salvage coordinator as part of his work are covered in all normal fire policies in the Netherlands.

Stichting Salvage recently celebrated its first five years. It emerges from data kept by the

central office that the fire services clearly see the usefulness of the salvage coordinators. The number of calls is rising annually. More than 2600 calls were made last year. The network of coordinators is virtually complete so that a number of coordinators are on standby throughout the Netherlands at any time of the day. The victims, too, appreciate the presence and the help of the salvage coordinators.

The service of *Stichting Salvage* can, without doubt, be seen as a form of institutionalized help. It must be regarded as proof that optimal running of the business goes hand in hand with a better service to customers. In that sense, too, salvage can serve as an example.

Finally, here is what happens for one of our men to be involved. The chief of the fire service called to a fire decides whether the presence of a salvage coordinator is desirable. He then reports this to his own emergency centre which in turn alerts the Salvage central office that ensures that one of the regional coordinators on standby is present at the fire within an hour. The coordinator presents his identity papers to the chief of the fire service and to the police, if present, and explains to them what he has come to do and asks permission to start work. He then reports to the victim, explains what he has come to do and sets to work. ■

COURTESY: BUREAU VOORLICHTING VERSEKERING



Cornelius den Boer has been the director of Stichting Salvage since last year. He is also managing director of Victoria Vesta where he specialises in non-life and financial affairs. He took up this position in 1988 straight from another Nationale Nederlanden offshoot, RVS, where he had reached the level of assistant managing director (life & non-life) after 17 years with the company.



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