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The profession of expertise must always be one step ahead of digital developments in the insurance market

Gökmen Hacıoğlu, Board Member and Black Sea Regional Representative at TÜSED (Insurance Appraisers Association of Turkey): "We have created the infrastructure that will enable claims and appraisal processes to be completed in a digital ecosystem"

What is your assessment on the current situation and development of appraisal as a profession in Turkey?

Profession of appraisal was clearly defined in the Insurance Law no. 5684 which came into force in 2007, and started to gain acceleration following this development. Since 2013, it has improved and became more popular as a result of TÜSED's efforts across the country. Communication inside our profession group has also increased compared to earlier, and our profession has reinforced its official identity by becoming a member of SEİK (Executive Committee of Insurance Appraisers) and TOBB (The Union of Chambers and Commodity Exchanges of Turkey).

What kind of problems are appraisers facing during these challenging times?

Despite these developments, two major issues stand in front of appraisal profession. First one is the market practices shadowing our independent identity. Second one is the unity of our colleagues in applying the rules of our profession and achieving a professional standardization.

What has TÜSED done so far to help experts overcome these challenging times with minimum damage?

Remote appraisal practice was on our agenda for some years in line with market requirements. With a regulation issued in the beginning of the challenging pandemic period, remote appraisal has taken its place in the legislation and enabled our colleagues to continue their activities uninterrupted. Moreover, SEİK, the association of our profession, has conducted audits and imposed sanctions on colleagues who breach the regulation resulted in professional unity and discipline, helping us provide uninterrupted services.

What are the impacts of the pandemic on appraisal activities in Turkey?

As a result of the lockdowns imposed due to the pandemic, business volumes decreased in appraisal market, similar to all other markets. However, the nature of our business depends on the realization of risks; therefore, our business cannot be completely interrupted and is in better condition compared to other markets.

What kind of online conveniences has the pandemic introduced for appraisal business? What online services have been launched in this field by TOBB, SEİK or TÜSED?

With the launch of remote appraisal, a method that has long been needed by our profession has found a ground of practice. After SBM (Insurance Information Center) lifted IP restrictions, it became possible to provide appraisal activities in the home-office model. Our professional association simultaneously implemented remote appraisal model, and contributed to its realization.

What is the current situation of claims processes and remote appraisal works? What kind of feedbacks do you receive from customers for those remote processes?

In the beginning of the pandemic, most of claims processes were conducted online via remote appraisal; however, as time passed, physical appraisal activities became more frequent, approaching the levels of pre-pandemic period. We believe that remote appraisal is not received well by the customers. However, as the appraisal process for auto losses is conducted with the repair services, remote model is received positively by the services and repair shops. In non-auto lines, especially for civil risks, some customers may abstain from the risk of infection. Remote working has been more useful and comfortable in such cases.

Considering that insurance market has rapidly been digitalizing, what do you think awaits the appraisal profession in the digital world of the future?

Appraisal profession has to adapt to the digitalization in the market; it should even be one step ahead of the market. As the claims processes are digitalized and completed with less errors and more rapidly, insurance rates will increase and market will grow. As TÜSED, we have pioneered this. As Ahmet Nedim Erdem, Chairman of TÜSED and SEİK, has repeatedly said on several platforms, we have created the infrastructure that will enable claims and appraisal processes to be completed in a digital ecosystem. We have completed our work, and delivered it to SEİK. The process of putting it into use is still ongoing. With this digital ecosystem, we aim to reduce operational loads, support decision-making process for appraisers, ensure instant access to accurate information, and create a structure where policyholders can monitor their claims processes and have direct contact with their providers.

Recently, catastrophic events have been occurring in our country; we did not have them that frequently in the past. Floods, whirlwinds, tsunamis... How does appraisal process work for such events?

Our colleagues organize themselves rapidly in the aftermath of such catastrophic events and swiftly go to the region. To ensure that appraisal processes are completed as fast as possible, SEİK announced codes of practice to follow especially in DASK/Earthquake loss adjustments. This helped claims processes to be completed faster and more accurately. Messaging groups created for communication and to solve the problems during loss adjustment activities are used very actively. Thanks to this level of organization, we believe our profession group has been very successful in the appraisal processes that followed Elazığ-Malatya and İzmir earthquakes in 2020.

Several fraud attempts can be encountered in used car sales such as fake appraisal reports and under-the-counter services. What do you recommend for people to avoid such fraudulent acts?

Recent fake appraisal reports and fraudulent activities in car sales transactions are actually conducted by commercial appraisal companies, but are unfortunately mistaken for insurance appraisal profession. Therefore, we would like to shed light on this matter. First of all, the Regulation on the Trade of Second Hand Motor Land Vehicles was issued by the Ministry of Trade on 13 February 2018. Appraisal activities referred in the regulation are carried out by merchants and craftsmen who own a license for their enterprise. The license is given, renewed and cancelled by the provincial directorates of trade. On the other hand, we insurance appraisers provide services to detect insured losses to vehicles using our authorization from the Ministry of Treasury and Finance and registration at TOBB (The Union of Chambers and Commodity Exchanges of Turkey). To sum up, even though the name of our profession might be the same; they are actually different activities.

To avoid any manner of fraudulent activities, we recommend everyone to work with known and trustworthy appraisal companies. In order to protect themselves from fake appraisal reports, they are advised to demand services of us insurance appraisers, who are registered service providers in this area. Moreover, they should definitely notify the units under the Ministry of Trade whenever they detect an irregularity and request them to audit those people/companies. They should apply to legal authorities to compensate for any losses they might have suffered.

