Cyclonic Change: How Tracy Shaped Australian Loss Adjusters' Break from Britain

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The professional institutions of loss adjusting in Australasia were shaped by a range of postcolonial developments, including adhesion to the British badge of organizational prestige, the Royal Charter. The aim of this paper is to explore how a single exogenous shock to the institution of loss adjusting in Australia enhanced a sense of national identity, altering the future of those institutions. Our conclusions are based on over sixty interviews with loss adjusters in three countries and the archives of several Australasian loss adjusting institutions dating back to the late 1800s. Archival material included correspondence, meeting minutes, various memorandum, newspaper clippings, membership lists, criteria for barriers to entry, records of lobbying efforts, disciplinary actions, and educational material. Reus-Smit (2002, 2017), Bell (2009), and Rae (2017) have developed the understanding of the role collective cultural and national identities play in institutionalism, whereas Suddaby et al. (2007, 2011) have contributed to the theory of field-level institutional change. Building on the literature of Suddaby et al., this paper appraises how a single historic natural event triggered normative changes impacting the institution of loss adjusting in the region.

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Introduction

Theories of institutionalism demonstrate that institutional stasis, or slow, punctuated change, is the norm for most formal and informal institutions. In recent years, endogenous change sparked by agential activity has dominated institutionalism scholarship, yet transformative forces can be accelerated by exogenous forces lacking human agency.[1] As an endogenous "mechanism" of change, agents of professional organizations can be central to the reconfiguration of their institutions and even professional fields. Greenwood, Suddaby, and Hinings have shown that professional associations have a role in legitimizing change through the discourse of debate and endorsement.[2] Building on their work, this paper analyzes a professional institution at the crux of isomorphic deinstitutionalization and change.[3] As Suddaby has pointed out, field-level change, in which the field represents an interacting set of institutions, has generally been neglected by scholarship. In this case study, the field includes Australian loss adjusters as members of the British charter, Australian loss adjusters who are not members of the charter, insurers, reinsurers, and British loss adjusters appointed by British reinsurers, specifically Lloyds. Much of the data collected for this project are in the form of oral histories, a field of information that has been "absent," lost as evidence, or "remains extremely rare" as Perks's research has demonstrated.[4] Pertinent to this paper, he points out that in the Commonwealth, unlike the United States, the tradition is lacking.[5]

Thus, it is fair to say that the breadth of material made available for this study contributes to a noticeable gap. As a historiography, this research "interrogates the silences" in the "embodied history" or, in other words, investigates a hidden narrative of Australian loss adjusters[6] present in the archives and the oral histories. This is not a "story," however, but rather an uncovering of what has been forgotten, which contributes to existing scholarship. The accounts of loss adjusters used for this research are colorful, often funny, and extremely descriptive, yet we have been careful to avoid what Clark warns against: becoming a "historical novelist." Without the "scholarly scaffolding" of

1. Steinmo, "Historical Institutionalism and Experimental Methods"; Bell, "The Power of Ideas"; Blyth and Helgadóttir, "Ideas in Historical Institutionalism."
2. Greenwood, Suddaby & Hinings (2002) pp. 58–80.
3. Ibid.
4. Perks, "The Roots of Oral History."
5. Perks writes, "Virtually nothing about the use of oral sources in business and corporate history, or about commissioned oral history, has been published in *Oral History* during its forty-four year history," "The Roots of Oral History," 219–220.
6. Clark et al., "What is History?" 508–509.

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methodology, historiographers, like other tourists to the past "imperil the object of their quest."[7] Collingwood's work on historiographical studies explains the importance of reconstruction; he writes that because history is not "amenable to the procedures used in natural sciences" it can only be analyzed by reenacting "the thought processes of historical actors based on information and evidence from the available sources." [8] This is true, especially when historical questions are "framed in terms of causation" and answered through analysis of context and relevant material, whereby certain likelihoods arise. Given that Australian loss adjusters worked together in extreme conditions in the aftermath of Cyclone Tracy, and the likelihood that those circumstances induced a camaraderie akin to the relationship veterans develop on the battlefield, it becomes evident that interference from London would be unwelcome.[9] Indeed, this is what the loss adjusters who experienced Cyclone Tracy recall.

The oral histories gathered for this research provide unusual material in two ways. First, as Bailey has pointed out in his research, oral histories provide unusual access into the "causal processes" within institutions through "eyewitness accounts of events or practises" which are otherwise ignored or overlooked by staid business histories.[10] Beyond this, access to any loss adjuster, let alone elite loss adjusters, is highly unusual, as it is an extraordinarily secretive profession. The profession's tradition of silence is due to its awkward insertion into the point between insurer and insured, between (often) private disaster and public interest. Another marked advantage gained by the personal interviews conducted for this research are the observable "chains" that connect loss adjusters "across firms, industry sectors and generations." Father and sons, rivals, business partners, and every major category of loss adjuster from elite business interruption to automotive were included.[11]

To sum up, this study explores how a severe exogenous shock interacted with geophysical characteristics of the host in which the institution of Australian loss adjusting was embedded, to ultimately refashion both the professional organizations and the field of loss adjusting in the Australian context. As Suddaby and Viale point out, this transformation is often based on elements involving legitimizing power.[12] The second question this study addresses is to what extent can collective

7. Ibid., 507.
8. Collingwood, *The Idea of History*.
9. Clark et al., "What is History," 514–515.
10. Bailey, "Snowball Sampling in Business Oral History," 74–88; Perks, "The Roots of Oral History."
11. Bailey, "Snowball Sampling in Business Oral History."
12. Suddaby and Viale, "Professionals and Field-Level Change."

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national identity inform institutional change, and is there moderating or mediating forces that shape how identity expresses itself. Recent research[13] has developed the understanding of the role collective cultural and national identities play in institutionalism.

This paper draws on a unique data set to illuminate how a rarely studied profession (and here we use "profession" merely to mean those whose work is dedicated to a particular activity) developed from an exogenous shock leading to indigenous challenges. Drawing on a century of Australian loss adjusting archival material, this paper appraises how a cyclone interacted with preexisting characteristics, such as physical remoteness and population dispersion, to trigger a transmutation of norms and the consolidation of identity.

This paper is structured as follows: In the next section, we present the profession of loss adjusting in the Australian context with reference to its British colonial origins. We next outline current understanding of institutional change, elaborating on Suddaby's theory of field-level institutional change. Next, we compare Suddaby's four elements to the Australian experience, focusing on how Australian professional loss adjusters reconfigured their professional institutions as a consequence of a massive cyclone that hit Australia in 1974. Finally, we analyze how this case study aligns with and contributes to Suddaby et al.'s work on institutionalism.

Background

The "end of geography"[14] and the "death of distance"[15] played a large role in the development of the profession of loss adjusting in Australia. The very British badge of prestige, the Royal Charter, influenced the institution in Australia, as it continues to do within the British Empire and Commonwealth over the past 150 years.[16] The value of institutional "belonging" in the colonial network, which the charter provided, was replaced by an impetus to establish national institutions reflecting a maturation of Australian identity. As national identities in outposts like Australia matured, the privileges and prestige of the charter proved insufficient. The history of professional loss or claims adjusting bodies in the British colonies of Australia, when one takes a purely nineteenth- and mid-twentieth-century view, can be seen to have followed a path

13. Bell and Hindmoor, "Structural Power"; Payne, "Persuasion, Frames and Norm Construction"; Rae, "Patterns of Identification"; Reus-Smit, "Imagining Society."
14. O'Brien, *Global Financial Integration*.
15. Cairncross, *The Death of Distance*.
16. Parker, "Naming and Branding."

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from small numbers of homegrown ad hoc associations and normative fidelity to the British charter to a single Australian-based national representative body today. Thus, although considered the most distant outpost of the empire, where republicanism never gained a decisive foothold, the institution of loss adjusting in Australia oscillated between esteem for the British charter and very local assertions of independence during the first century of settlement.

This institutional stasis, or perhaps standoff, arose from the geopolitical layout of the empire, which facilitated and even determined the spread of professional bodies: A disproportionate number of charter associations are still located in the various branches of the old British Empire, and their growth "cannot be understood without an imperial dimension," as Parker remarks.[17]

Empire might help explain the spread and character of the profession of loss adjusting, but there is something of the "empire fights back" in how the profession in the former colonies in Australia handled its development. This paper analyzes the influence of a natural disaster that triggered field-level change to the institution of loss adjusting in Australia through the emergence of its "nationalization" apart from London. London, of course, is and has been the center of the insurance industry and still controls (or has great influence through the reinsurance market) much of the world. Pursell, in fact, suggests that reinsurance has allowed the integration of Australia into the global insurance market.[18] However, loss adjusting, which operates in a symbiotic fashion with the insurance industry, has experienced postimperial evolution and institutional development in Australia.

The Paradox of Loss Adjusting

Loss adjusters (we use this term and *loss assessor* interchangeably) work in the fraught space between the insured and the insurer in event of loss by fire, flood, theft, earthquake, or any number of events. The loss adjuster, in the British tradition,[19] not only estimates the cost for the insurer but also instigates and oversees recovery measures. The institution of loss adjusting has a long history, linked to the development of insurance companies, which were originally organized as localized mutual societies, with profits or losses confined to the

17. Parker, "Naming and Branding"; Chua and Poullaos, "Rethinking the Profession-State Dynamic."

18. Pursell, "Non-life Insurance."

19. The American system of compensation operates in a different fashion.

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societies' participants.[20] By contrast, the contemporary insurance and reinsurance market is a global behemoth. According to a Price Waterhouse Cooper's (PwC) yearly review for 2017, the Australian insurance industry had a net-earned premium of $31.8 billion (Australian) for the 2016/2017 financial year, an increase of 5 percent over the previous year.[21] Globally, insurance premiums were nearly U.S. $5 trillion in 2017,[22] while the reinsurance market annually measures in the hundreds of millions (U.S.).[23] Despite the enormity of the contemporary global insurance market, the traditional role of the loss adjuster has remained largely intact. Nevertheless, remarkably, this is an institution that is little understood and rarely a subject of academic research.

Similar to other emergency early responders, the loss adjuster arrives on the scene as soon as (and occasionally before) the site is safe and begins the work of assisting the insured through assessment, claims and overseeing rebuilding or replacing as the situation requires. It is emotional, dangerous, and difficult work, done in confidence: The institutional norm of loss adjusters includes refraining from public comment or interaction with the media, a norm that has rendered the profession almost invisible. Traditionally, the insurer pays the loss adjuster's fees,[24] yet the institutional ethos is one of adjudicator with loyalty to the facts and figures of loss rather than the contractual parties —akin to the role of a (paid) expert witness. Thus, the loss adjuster is ethically and institutionally insulated from the commercial imperatives of insurance.[25] Apart from institutional ethics, the fact remains that loss adjusters *prosper* when conditions worsen for insurers and the insured. Loss adjusters, not unlike other service providers, engage in conventional competition with one another to be appointed to big claims. The loss adjuster is therefore equal parts judge, detective, and independent advisor, financially rewarded for positive outcomes in strained and emotionally intense situations. Whereas the institutional practice of loss adjusting varies very little across Commonwealth countries, this research is focused on the Australian context.

In summary, this paper looks at the evolution of loss adjusting in Australia and examines how the economic and actual geography of the British Empire has led to the mutation of its Asia-Pacific arm. Specifically, the period of this case study extends from the geographic isolation of early loss adjusting institutions to the exogenous shock of

20. Smith and Stutzer, "A Theory of Mutual Formation."
21. "A Year in Review."
22. Swiss Re Institute, "Sigma 3/2018: World Insurance in 2017."
23. S&P Global, "Global Reinsurance Highlights 2018."
24. Although this has changed in recent years with the emergence of public adjusters, who specifically represent the interests of the insured.
25. Cato-Carter, *Order Out of Chaos*.

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Cyclone Tracy, which hit Darwin in 1974. We demonstrate that this cataclysmic event spurred the nationalization of the institution in Australia, ultimately leading to the rejection of the British charter, despite the heritage and prestige the charter traditionally provided.

Methods and Objectives

This research relies on the theories of institutionalism and field-level change. As Suddaby et al. have persuasively demonstrated, institutional theory is useful in teasing out the interactions between professionals and their institutions [26] in order to understand processes of change and stasis over time. The traditional theory of institutionalism argues that transformative change is often a product of exogenous shock; that norms and rules provide boundaries of agential action; and that formal institutional rules (such as laws) are sometimes less influential than informal norms (acceptable and unacceptable behavior, shared identity, ethos) which are detectable through analysis of the discourse and activity of institutional agents. In recent years, research on field-level change and institutions has described how new forms of professional organization evolve, emerge, and are affected by bumping up against other institutions, often resulting in a redefinition or shift of existing boundaries.[27] Examination of the profession of loss adjusting as an institution from this perspective will consider a range of questions, including evolving identity norms, ideational change, and institutional development consequent to broader influences.[28]

Accounts of field-level institutional change that take a "wider perspective," including national level influences on the behavior and culture of organizations, are not uncommon in the scholarship of professionalism and institutional change.[29] Our objective here is to present a historical account of the emergence of field-level change to the profession of loss adjusting, thereby contributing to the current body of scholarship. Our empirical narrative demonstrates how the "coevolution" of the profession and the state contributed to a shift in identification and institutional change.[30] Specifically, this paper will analyze

26. Suddaby, Cooper, and Greenwood, "Transnational Regulation of Professional Services."

27. Ibid.

28. Bell, "The Power of Ideas," 661–673; Blyth and Helgadóttir, "Ideas in Historical Institutionalism"; Schmidt, "Taking Ideas and Discourse Seriously"; North, *The Autobiography of the Honourable Roger North*.

29. Suddaby, Cooper, and Greenwood, "Transnational Regulation of Professional Services," 335.

30. Ibid, 334.

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how national identification can change the "boundaries, logics, identity" of a profession. [31] However, it is important to note that there is an alternative approach to understanding the development and sociology of professions.

A mature literature[32] suggests that a range of characteristics broadly defines the field of professionalism. Andrew Abbott,[33] Patrick Forsyth, and Thomas Danisiewicz provide early research on the ability of "professions" to exercise and consolidate power through barriers to entry and autonomy, whereas Brian West later explores the role of social and political elevation through professionalism.[34] The debate between a functionalism versus conflict-based approach to professions is another field analyzed by Daniel Muzio and Roy Suddaby, amongst others. [35] Mike Saks examines various theoretical lenses, including discursive, sociology of professions, and neo-institutionalism, noting the "complementary insights offered by other approaches."[36] In this paper, we do overlap with this literature by examining fundamental alterations to the profession of loss adjusting in Australia through institutional theory. For example, our research addresses both the "macro national and transnational dimensions" of institutional change as discussed by Leonard Seabrooke[37] and the neo-Weberian "elitist" positioning of professions as described by Muzio, Brock, and Suddaby[38] through a brief survey of the protoglobalist Commonwealth market and the aristocratic appeal of British charters. This study integrates the orthodox assumption of institutional change through exogenous shock with a field-level analysis of endogenous transformation to the institution of loss adjusting in the Australian context.

This research additionally draws on two data strengths. First, the researchers were offered unique access to a large cache of private archives and documents that reveal contemporaneous "truths" about the events, history, discourse, and development of the institution of loss adjusting in Australasia. Secondl the first author travelled extensively, gathering substantial oral history accounts of individuals involved in critical junctures of the development of loss adjusting. Understanding the facts of history is greatly enhanced by discovering what participants thought about those events, which, as Harris and

31. Ibid, 335.
32. Saks, M. "A Review of Theories of Professions, Organizations and Society."
33. Abbott, *The System of Professions*.
34. Forsyth and Danisiewicz, "Toward a Theory of Professionalization"; West, "The Professionalization of Accounting."
35. Muzio, Brock, and Suddaby, "Professions and Institutional Change."
36. Saks, "A Review of Theories of Professions, Organizations and Society."
37. Seabrooke, "Epistemic Arbitrage."
38. Muzio, Brock, and Suddaby, "Professions and Institutional Change."

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Brown point out, is equally important to historical research, if available.[39] Berg[40] similarly argues that oral histories give voice to silent stories, revealing recollections and points often left unpublished.[41] Thus, in the tradition of Rosaldo,[42] the methodology used herein relies heavily on oral sources to reconstruct past actions into an explanative narrative. Reliance on oral history allows a reconstitution of the past with a unique perspective, not often readily available in historical accounts.[43] The collected interviews, triangulated with unpublished, private archival material, map onto one another to reveal the story of the institution of loss adjusting in Australasian history. Because the activities of loss adjusters are private and protected by the requirements of the professional relationship with insurers and reinsurers, the opportunity to access unpublished data, either archival or oral, is one of importance and makes a significant contribution to the theories of historic institutionalism.

The case study material, apart from scholarly publications, was extensive. Interviews, archives, and personal papers were gathered over a period of two years. We relied on material from four institutions and collections, including the Chartered Institute of Loss Adjusters, Australasian Division (CILA); the Australian Institute of Loss Adjusters (AILA); the Australian Institute of Chartered Loss Adjusters (AICLA); and the Fire Loss Adjusters (FLA). Finally, we were able to draw on the archives of a range of state-based institutions and private collections of retired and current loss adjusters, including former board members of the aforementioned associations.

These caches of documents included unpublished material from deceased loss adjusters, unpublished speeches, notes, photographs, diaries, and presentations. Of specific interest, we were given unique access to the windup files of CILA and all minutes of division meetings. From the AILA and AICLA, we were able to draw on textual and digital archival material, including correspondence, meeting minutes, conference material and submissions, various memorandum, newspaper clippings, membership lists, membership criteria for records of lobbying efforts, disciplinary actions, and educational material and institute newsletters.

Furthermore, our data include interviews with thirty individual loss adjusters, both retired and currently practicing. Interview participants included loss adjusters from all representative institutions, including

39. Harris and Brown, "Mixing Interview and Questionnaire Methods."
40. Berg, *Qualitative Research Methods for the Social Sciences*.
41. Hoyle, "Oral History."
42. Rosaldo, "Doing Oral History."
43. Ibid.

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four former presidents, and seventeen board members and practitioners regarded by their peers as influential in the development of the profession or for their unusual loss adjusting experiences. In the latter category are included loss adjusters who participated in the aftermath of Cyclone Tracy in Darwin in the 1970s. Interviews were conducted in Perth, Adelaide, Sydney, Melbourne, and Brisbane. These interviews were primarily face-to-face, using an open discursive style. Specifically, the interviewer allowed the individual to recall and relate their experiences with some prompts and questions for clarity from the interviewer. These interviews were recorded and later transcribed. Occasionally, interviews were followed up with questions by telephone, either recorded digitally or noted in writing. The content of the transcribed material was analyzed to recreate a collected narrative of the institution of loss adjusting in Australasia.

Results

Context: Opportunism

The primary theme of this paper is the evolution of the institution of loss adjusting in Australia, which is significant in light of the long patriarchal role of England in the profession.[44] The spark that gave rise to modern loss adjusting, paralleling with the history of fire insurance, was a literal spark: It took hold of a woodpile outside a baker's shop on Pudding Lane in London at around 1:00 am on Sunday, September 2, 1665, a moment which marks the start of the Great Fire of London.[45] The industry developed slowly and at the turn of the nineteenth century, the affairs of Lloyds of London were still being conducted in a coffee shop.[46] By 1790 the earliest true loss adjusters emerged as auctioneers, valuers, architects, and property managers,[47] individuals with general knowledge of the worth of a range of assets. Loss adjusting thus developed a step behind and at an ethical arm's length from the insurance industry.

Less than forty years later, in 1827, the first specialist firms carrying on the sole and independent business of loss adjusting appeared in Bristol and Manchester rather than in London.[48] Again, the industry

44. Pursell, "Non-life Insurance."

45. Carlson, "The Economics of Fire Protection."

46. Lowe, "The Assessor Is Coming." It is recorded that in 1804 the First Lord of the Admiralty complained about the lack of formality. Lloyds, upon needing the services of a secretary, nominated the coffee shop waiter, but the Admiralty began to decline to receive further letters signed by a waiter.

47. Ibid.

48. Hopkins, *Birmingham*.

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met specific needs and these cities housed the greatest factories, prone to fire and deep financial loss to the insurer. Insurance supports the broader economy, argues economic historian Robin Pearson, and "was often at the cutting edge of industrial business expansion and fostered further economic growth."[49]

By the mid-nineteenth century, the job of loss adjusting was showing early signs of becoming a profession no longer focused solely on fire and on industrial fire risk hotspots. Warren McArthur, who emigrated from London to Melbourne, was the first president of the Chartered Institute of Loss Adjusters, Australasian Division. He described early loss adjusters in 1975:

> In those days it did not appear to be at all incongruous to behold the sight of a loss adjuster immaculate in silk hat and morning coat stepping boldly amid the fire brigade hoses and pools of water in pursuance of his job. His attire was normal for the professional man of that period and there can indeed be no doubt that he was regarded as a member of a respected profession.[50]

Although the British loss adjuster held himself to be a professional man in a respectable position, he did not yet have the great English prize of recognition by Royal Charter. Since medieval times, forming a guild and having the King's Charter was a benefit peculiar to English professions and industry. As Millerson points out, association with a charter developed into something a "status symbol, a distinguishing mark, acknowledging supremacy in a particular field and the ability to provide a sound public service."[51]

The Barrier of Geography

In the Australian context, there was something about the frontier nature of settlement that plausibly slowed the development of insurance. This was the most distant edge of the "world-order based on Anglo-Saxon venture capitalism,"[52] and early risk was, for a brief period, borne by settlers. However, an advertisement by an agent of Lloyds of London was placed in the *Sydney Gazette* in 1806, and by 1816 a "claims settling agency" was established in that city.[53] At the end of the century, Lloyds had expanded the scope of its insurance coverage and "there is evidence that Australian insurance brokers utilized this facility quite

49. Pearson, *Insuring the Industrial Revolution*.
50. McArthur, Warren. "Presidential address," 1975.
51. Millerson, *The Qualifying Associations*.
52. Morgan, "Memory and the Merchants."
53. Benjamin, "Private and Public Regulation."

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extensively."[54] As Pursell has shown, the rise of insurance companies operating in Australia during the nineteenth century exceeded the rate of national productivity. This expansion slowed as the century drew to an end, and while Australia's productivity grew by approximately 600 percent between 1900 and 1960, the number of insurers active in Australia grew by only 60 percent.[55] Numerous acquisitions and mergers took place over this period, as Australia's tariff and nontariff system influenced the shape of the industry.[56] In 1972, coetaneous with the events of this paper, just under two hundred independent insurance companies traded in Australia, although it is suggested that the number was closer to five hundred when subsidiaries are included.[57] In the same year, thirteen reinsurance companies and ten reinsurance brokers operated in Australia.[58] Thus, the Australian insurance market was founded on and "dominated" by the norms and customs of the field of British insurance, including law, guidelines, and ethics, which, according to Pursell, "helped to integrate Australian insurance into the world market" and instil "high standards."[59] For instance, one senior loss adjuster worked in his youth as a general average adjuster in the UK. He recalls the niceties of presenting reports:

> Our final report was issued and it would show the amount recommended for settlement in pound sterling and our fee would be subtly attached at the back of the documentation so as not to risk offence to our client. Our fee would be in guineas and the parcel of documents would be folded at its centre and secured with a pink ribbon like a legal brief.[60]

The adjuster is quick to add that the UK is the traditional home of general average adjusters, and none have ever operated in Australia:

> In Australia, it is traditional for insurers to be only concerned with hull claims and they appoint retired sea captains to represent them … they do not delve into the mysteries of true average adjusting. This is probably still the domain of the boys in London.[61]

Despite the density of insurers, the (im)maturity of the industry meant that Australian insurance officers and loss adjusters often doubled as

54. Ibid.
55. Pursell, "Non-life Insurance."
56. Ibid.
57. Ibid.
58. Ibid.
59. Ibid.
60. I. Thorpe (Australian loss adjuster), in discussion with Elizabeth Marx, Brisbane, 2015.
61. Ibid.

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real estate, stock, or station agents in remote settlements and therefore "knew the business and the honesty of the … clients" and were often aware of any suspicious circumstances involved in a claim.[62] The loss adjuster's reputation is equally vital, as Ernest Bell, a loss adjuster writing in 1945, comments:

> Play the game as cricket is played and believe me you will come out on top and be respected both in the City and Country. Bear a name of being an assessor that is fair….[63]

Geographical isolation heavily influenced Australian loss adjusting as well. One well-known Western Australian loss adjuster, now retired, reports that his territory was one-third of the entire continent, and without chartered planes, loss adjusting would be impossible.[64] Even as late as 1967, Warren McArthur commented that Australian assessors struggled with the "absence of liaison between them" that amplified the distance that geography wrought. Each man, he said, "worked very much alone in those days and it was seldom that there was opportunity for interchange of ideas, the discussion of common problems or to seek the opinion of a colleague on a particular problem."[65] McArthur described the early Australian adjusters as necessarily multiskilled with "a better than average knowledge of the whole range of subjects likely to be encountered in dealing with claims" of all types in isolated communities.[66] The geographic challenge to Australian adjusters meant a high degree of self-education, as they had to "keep themselves in contact with the constantly changing legislation, policy revisions and interpretations, legal decisions and the increasing part that medical opinion was playing in the assessment and adjustment of claims," McArthur continued. With the population of this tiny profession spread over a vast and mostly vacant continent, the establishment of localized loss adjusting institutions emerged in a manner quite dissimilar to the situation in the UK.

The historic tradition of the profession on the continent begins with Colonel Freeman, possibly the first Victorian loss adjuster, who assessed fire damage from the late 1800s and was involved in the Mutual Store conflagration in Flinders Street.[67] In South Australia,

62. Benjamin, "Private and Public Regulation."
63. Textbook written by Ernest Bell in 1945, AICLA archives.
64. C. Pryde (former AILA board member), in interview with Elizabeth Marx, Perth, 2015.
65. McArthur, *AGM address*.
66. Ibid.
67. According to the unpublished recollections of Iris Salmon, CILA board member, in "Our Beginnings," CILA archives, AICA archives Brisbane

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the first independent marine surveyor/adjuster is believed to have been a Captain John Middleton Taylor, an immigrant from England in the late nineteenth century. It is unknown exactly when he commenced business in South Australia, but he prospered sufficiently to employ Arthur Wilson, a British Lloyds surveyor. Wilson worked in the South Australian seaport of Whyalla, founded in 1901, a major conduit for iron ore and steel manufacturing[68] as well as shipping, all high-risk businesses in which a loss adjuster could find steady employment. One-man operations or small partnerships proved to be the standard for most of loss adjusting history in Australia, unlike in the UK, where loss adjusting firms such as Toplis and Harding were established a century earlier. The geographic realities and consequent appreciation of individualism meant such entities were slow to develop in Australia. The late Sydney McDonald, founder of the first national loss adjusting firm in Australia,[69] explained that, despite the apparent homogenous nature of pre-Federation Australia, in fact "the country consisted of six very independent states where in many aspects … each state was a separate country."[70] Again, the notion of independence underpinned the institution of Australian loss adjusting: Each state had its own insurance companies, as well as adjusters, a situation that did not significantly change until late in the twentieth century.

It follows that national professional associations were slow to develop due to the trajectory of the entire industry operating in isolation: Six independent states and vast territorial spread meant that Australia arguably had more insurance companies relative to the volume of business than any other country in the world.[71] Keneley's history finds that expansion of urban populations in Sydney and Melbourne in the nineteenth century allowed for the "rapid growth" of fire insurance,[72] and in this context, state-based institutions reigned: New South Wales and Victoria fire loss adjusting institutes were established by 1884, a Queensland body after Federation in 1903, followed by institutes in Western Australia in 1911 and South Australia in 1913.[73] However disparate and distant, Australia remained in the Commonwealth, and the influence of the British

68. According to Ian Dickson, former South Australian loss adjuster and AILA member, AICLA archives.

69. McDonald Benjamin Smith, known as MBS. Established in 1976, it was later sold.

70. McDonald, Sydney. "The History of GAB Robbins", unpublished article, 1990s.

71. This point was made very clearly by Keneley in her history of the early Australasian markets. See Keneley, "The Origins of Formal Collusion."

72. Ibid.

73. Diary and National Registry of Practising Adjusters, AILA archives.

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insurance industry and the British charter of loss adjusting remained paramount.[74]

Significantly, loss adjusting bodies in Australia began to emerge in a granular and grassroots nature. The first professional association of loss adjusters in Australia, outside of specifically *fire* loss adjusting, was the Loss Adjusters Institute of Victoria, founded in 1954 with nine members and the philosophy of inclusiveness.[75] In 1966, this organization discovered to its surprise that, unbeknownst to its members, a sister association had formed and thrived in Western Australia.[76] About sixty member firms were associated with the first Institute of Loss Adjusters, Queensland, in 1976.[77] These disparate and independent institutions developed a normative appreciation for mavericks, self-reliance, and independence, which ultimately differentiated the character of the Australian loss adjuster from his British counterpart. The regional CEO of one of the largest global loss adjusting firms described managing Australian loss adjusters as akin to managing "rock stars." They are "highly combative," he remarked, well able to handle the conflict of large claims. He added, Australia "is not a place for shrinking violets."[78] This Australian ideal of a highly individualistic adjuster is discussed further in the following section.

The scale of the territory of Australia, 7.692 million square kilometers, and the profession's niche and thus sparse population, provided the context in which members of this institution viewed themselves as compared to their colleagues in England.[79] Australian loss adjusters often travelled for days to reach an insured site, inured to heat, snakes, and other dangers. It is no surprise, therefore, that the independent loss adjuster developed as the institutional norm in early Australia and remains the nostalgic ideal today. Australasia's leading film industry adjuster commented that "they were the last of the generation where you got your market position out of your personal character and your ability to handle people."[80]

Other factors contributed to the delayed formation of national professional bodies. With the real price of air travel dropping by over half since 1980, the Australian airline industry protected by regulation until

74. P. Fair (former CILA president), in discussion with first author, Auckland, 2015.

75. AICLA archives.

76. AICLA archives.

77. AICLA archives.

78. Bart, A. (AICLA member) in discussion with first author, Sydney, 2015, AICLA archives.

79. England, by contrast, is 130,395 square kilometers.

80. Godfrey, M. (former CILA board member) in discussion with Elizabeth Marx, Wellington, 2015, AICLA archives

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1990, and telephones controlled by a monopoly until 1991, technological determinism influenced the communication and ability to form an Australian national institution of loss adjusting. Running a cohesive national body in Australia could not, like Britain and the United States, rely on economies of scale. However, as mentioned earlier, the normative ideal of individualism and parochialism created institutional boundaries as powerful as the "tyranny of distance."[81]

The geographical challenges to Australian loss adjusters, until this point, created insurmountable barriers of communication and amalgamation. However, as demonstrated in the following section, it was the same aspects of Australian geography that ultimately appear to have triggered major institutional change in the profession. We trace the origins of this historic juncture to a major cyclone in the Northern Territory.

Deep Impact: Cyclone Tracy

In *Flammable Cities*, a group of environmental historians argue that fires played a pivotal role in shaping cities, and fires certainly were instrumental in the foundation of the loss adjusting profession.[82] It is therefore ironic that the exogenous shock that remade the institutions of Australian loss adjusting was not one of fire but water and wind, in the form of a deadly cyclone that nearly destroyed Darwin, the capital city of the Northern Territory with a population of 48,000,[83] on Christmas Eve 1974. Cyclone Tracy represented a historic juncture of change, recognized by many loss adjusters at the time and preceding two other great challenges, the Ash Wednesday Bushfires of 1983, then the deadliest single fire event in recorded Australian history, and the Newcastle Earthquake of 1989.[84]

The scale of claims and loss inflicted by Tracy in terms of the insurance industry at the time should not be underestimated. According to the late Sydney McDonald, an elder statesman of loss adjusting in Australia, the tropical cyclone caused "the second largest loss in world insurance history" at the time of writing in the late 1990s. McDonald claimed the destruction of Darwin was so extensive that British loss adjusters expressed the view that the damage had been exaggerated under cover of the great geographical isolation of the city.[85] In fact,

81. See Forsyth, "Low-Cost Carriers in Australia," 277–284; Bloch, Madden, and Savage, "Economies of Scale and Scope," 219–225.

82. Pyne et al., *Flammable Cities*.

83. The population dropped to 12,000 in January 1975, immediately after Cyclone Tracy. By the end of 1975, Darwin's population stood at 22,000.

84. Speech by Christopher Henri AAII National relationship manager Insurance council of Australia. Inaugural conference of AICLA, 1997, AICLA archives

85. McDonald, S. unpublished papers, AICLA archives.

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Darwin's isolation was a factor, but not in a way the reinsurers thought. Darwin is Australia's northernmost city, over 3,000 kilometers by road from the nearest neighboring capital city, Adelaide. Such removal from the rest of the world meant Darwin's original infrastructure was built at great expense; rebuilding after the cyclone posed even more onerous claims on the insurance industry. The overall loss of property was exacerbated by several factors, including the cyclone's slow-moving nature. The cyclone was also powerful, with wind gusts reaching 217 kilometers per hour before the local anemometer literally blew up. Darwin experienced a storm surge of 1.6 meters in the harbor and an estimated 4 meters at nearby Casuarina Beach. The first 12 hours saw 255 mm of rain dumped on the city, contributing to 145 serious injuries, 500 minor injuries, and an official death toll of 65.[86] Loss assessors interviewed for this paper affirm that considerably more deaths occurred than were officially recorded because Darwin is a renowned "bolt-hole" for Australians wanting to slip beneath the radar of authorities.[87] About 70 percent of houses in Darwin sustained serious structural damage or were utterly destroyed.[88] With a monsoon underway, electricity and phone lines were cut, and the airport was quickly turned over to government control; this was devastation in extreme isolation. The devastation was compounded by conditions in Darwin "creating problems which had never previously surfaced." Collectively, they presented Australian loss adjusting with a scenario that was "mind boggling" according to recollections of one loss adjuster.[89]

Later research, as well as the reports we collected from assessors present at the time, confirm that the cyclone stretched the Australian insurance industry "to its limit," exceeding reinsurance levels. The burden forced some companies to access reserves. The impact did not remain isolated to Australia, with reinsurers reassessing risk models related to cyclones in the southern hemisphere. It has been estimated that of the $200 million in losses incurred, about 30 percent was paid out by reinsurers.[90] The shock to overseas reinsurers played a large part in this story, as we will discuss shortly.

Adelaide, capital of South Australia, had a traditional link with Darwin, which, between 1863 and 1911, was under the administration of South Australia. So it was perhaps appropriate—and a mark of where Australia still stood at that stage of its history—that the first loss adjuster to arrive in Darwin after the winds had calmed was from

86. https://ntl.nt.gov.au/story/cyclone-tracy

87. For example, to escape debt or arrest warrants for crimes committed in other states.

88. J. Minter (AICLA member), in discussion with first author, Brisbane, 2015.

89. McArthur, "address"

90. Walker, "Comparison of the Impacts of Cyclone Tracy."

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"nearby" Adelaide: Phillip Garood, now deceased.[91] Other adjusters and representatives of insurance companies found it hard to even get to Darwin.

> The lack of Federal Government co-operation forced the original assessment party consisting of three chief executives to hire a plane to get into Darwin. A few days later the insurance industry's disaster response coordinating team found themselves in the same position with no priorities from the Royal Australian Air Force and no assistance from Government Departments. This lack of cooperation was compounded with the RAAF Control at Darwin refus[ing] the party a permit to land, and it was necessary to land near Katherine, three hundred kilometers south of Darwin.[92]

Garood, meanwhile, began assessing the situation in Darwin, setting up the Survey and Assessment Bureau (SAB), a semiformal pool of loss adjusters willing to work on any claim. It was an ingenious idea[93] and formed the kernel of transformative change that Tracy brought about. In order to expedite processing, the loss adjusters were "organized into groups on a geographical basis [zones] and it was agreed to dispose of as many total loss claims as possible in the worst hit areas…."[94] Even retired loss adjusters stepped back into service, offering to handle paperwork for those in the field.[95] The spirit of cooperation was spontaneous. Syd McDonald, because of his long experience, knew most of the adjusters in the field and noted that all claims "from whatever source would be handled … by those operators who were in Darwin irrespective of the office from which they came or the office to whom the claims had been given."[96] This collective, spontaneous organization, so divergent from the orthodox rules of loss adjusting, is believed by survivors today to be the first of its kind. It was the "single most important move," McDonald recalls, because it was a "unilateral decision."[97]

Because conditions in Darwin in the early days resembled a war zone, it is not surprising that this coalition of professionals formed on the ground. After all, most of the men stayed at the extremely damaged Travelodge. One Queensland adjuster recalls that "there wasn't much of the Travelodge left; there was not electricity, the lifts didn't work,

91. P. Garood in phone meeting with Elizabeth Marx, 2015.
92. Henri, Christopher. "Address," Inaugural conference of AICLA, Brisbane, 1997, AICLA archives.
93. Ibid.
94. Ibid.
95. Ibid.
96. McDonald, "The History of GAB Robbins."
97. Ibid.

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there was no air conditioning,"[98] and another remembers that "it had a car (speared) through the wall on the second level." [99] There was no sewerage and meals were served en masse under large tents provided by the Australian Army.

The scale of the challenges thus unified Australian loss adjusters. The isolation of Darwin, according to one eyewitness, caused "the most rewarding corollary … the spirit of camaraderie which was created in the team assembled in the endeavour to adjust, with speed and equity, the losses arising from this disaster." [100] Whereas rivals might, in ordinary circumstances, meet at the buffet or bar for an hour or two, in Darwin's ruins they lived together for weeks on end. Twelve and sixteen-hour days were spent assessing losses, "driving through the ruins in gaily-painted Mini-Mokes," and sharing meals under army tents before retiring to damp, dark, abandoned motel rooms for uncomfortable sleep. This collective experience, isolated from their normal experience, was regarded as having inestimable value.[101] Despite the social support, there was risk of burnout from the intensity of the work and poor conditions. The searing summer heat, humidity, rain, mosquitos, and lack of fresh food added to the misery. Once the unusual degree of cooperation had been established, teams of assessors were rotated through Darwin to avoid physical collapse. The rotation aspect of the loss adjusters allowed the spirit of collegiality to spread to loss adjusters from every Australian state and territory.

For the insurance industry, however, the experience was less unifying. Representatives from reinsurer Lloyds had to reconcile themselves with the fact that nearly all labor and materials for the rebuild of Darwin would either have to be flown in (quick but costly), transported by road across the continent, or shipped by sea to the docks of Darwin (slowly in both cases).[102] In London, the reports of estimates of scale and cost were unfathomable, prompting reinsurers to send British loss adjusters to survey operations in Darwin.[103] This British invasion contributed to the Australian loss adjusters' sense of separate identity and boosted

98. Thorpe, I. (former AICLA board member) in discussion with Elizabeth Marx, Brisbane, 2015, AICLA archives.

99. Dobinson, J. (AICLA member) in discussion with first author, Brisbane, 2015, AICLA archives

100. Buchanan, W., unpublished material, CILA archives, AICLA archives.

101. Ibid. Wendy Reid, the only woman thought to be adjusting in Darwin, has the same recollection—the Mini Mokes (a small, cheap, soft-top vehicle that would be flattered by being described as a "convertible"), and the socializing. W. Reid (AICLA member), in discussion with first author, Sydney, 2015.

102. Henri

103. Henri. Another shock to London was the inability to sell salvage, often a valuable by-product of a claim. In a city so remote the salvage could neither be reused nor sold.

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Australian camaraderie in Darwin. The Australians felt the insult of British oversight, and the British misunderstood the tactics of a mob of dirty, disheveled, and overworked Australian loss adjusters.

Hew Rodge, a British representative for Lloyds, pushed his way into the SAB, making it clear that "if our immediate cooperation was not forthcoming the members of this division, and Australian adjusters generally, would cease to have any further part in the conduct of the [SAB] Bureau."[104] The SAB was an *Australian* response to catastrophe, and Australian loss adjusters expressed outrage at this high-handedness. Until this juncture, Australian loss adjusters believed themselves to be the faithful followers of the British traditions of loss adjusting that arrived in the colonies, and a number of loss adjusters were members of the British Charter (Australian Division). Many Australians working in Darwin never had reason to be exposed to London loss adjusters in a situation like this, but they assumed professional equality and collegiality. It is no surprise, therefore, that what developed in the humid ruins of Darwin gave birth to the sense of "Australian-ness" in the institution of loss adjusting.[105] This was the last major natural disaster to which London sent representatives to oversee Australian loss adjusters in such a parochial manner,[106] but, meanwhile, it was a measure that hardened the sense of national identity on the part of the Australians.

The Aftermath

No voices in the Australian industry interviewed for this project doubt that Cyclone Tracy provided the exogenous shock to the institution of Australian loss adjusting that allowed a window of opportunity for normative and ideational change. It would be an exaggeration to claim this was *the* sole moment, but the evidence shows that the institutional response to the calamity, the extreme difficulties that solidified national spirit, and the opportunity, for the first time, for loss adjusters across Australia to gather and work together in warlike conditions, germinated relatively rapid transformation in the institution.

Australian loss adjusters began to doubt their British attachment. Tony Morgan, the last president of the British charter in Australasia

104. Henri.

105. Reus-Smit points out that in institutional theory, often "culture is essentialized or bracketed; institutions are seen as either simple expressions of cultural values or structures that neutralize culture, with their recognition function ignored." Reus-Smit, "Cultural Diversity and International Order."

106. L. Libke (AICLA chief executive and secretary), in discussion with Elizabeth Marx, Brisbane, 2015.

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recalled twenty years later that traditional ties began to weaken, and Australian chartered loss adjusters, who had direct professional links with Britain, sought self-determination and questioned British rules and regulation.[107]

Membership of the charter in Australia was stagnant at about sixty members, and the institute suffered financial losses, forcing them to apply to London for additional funding.[108] Besides a growing sense of national identification, the barrier to entry to the charter dissuaded potential members. For example, the London office of the charter maintained a very high level of control over the examination system, including content, assessment, and awards. Some loss adjusters disparaged a British examination system that did not recognize the geography and laws of Australia. Antipodean loss adjusters did not wish to study risks to thatched roofs while the understanding of "bushfires," an extreme problem in Australia, were ignored. Furthermore, the adjudication and marking of Australian professional exams should take place in Australia, it was argued, not London. Examination results were slow to arrive from England. Institutional tensions increased. "You had to learn a whole lot of stuff which had absolutely no relevance to us," recalls one Victorian loss adjuster active in the period. Pressure mounted, and the Australian representative of the Australian charter remarked at one meeting that "as the republican movement gains strength in Australia, so does pressure upon chartered members to promote an all Australian institute. We are accused of being dominated by the UK.…"[109]

Australian loss adjusters sought to become "chartered" by the British or remained members of the various state-based organizations. One Victorian loss adjuster says of that period that "there was a massive split in loss adjusters," and any talk of a national Australian institute upset "a few of the older guys" who belonged to the British charter.[110] Charles Pryde, a respected Perth loss adjuster, acted as an agent of change, pushing for a national professional body post-Cyclone Tracy. The archives reveal that in November 1977, Pryde wrote to the South Australian institute's president, urging the creation of an Institute of Loss Adjusters *Australasia*, because, like most loss adjusters, beyond Australia he frequently worked in Papua New Guinea, Fiji, Indonesia,

107. Rae writes, "cultural formations impact on the development of all collective identities," in "Patterns of Identification," 64.

108. Salmon.

109. Sinclair, J. (former CILA president) in discussion with Elizabeth Marx, Brisbane, 2015, AICLA archives.

110. Cooper, L. (AICLA member) in discussion with Elizabeth Marx, Melbourne, 2015, AICLA archives.

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Malaysia, and elsewhere in the region.[111] From 1977, representatives from each state professional body began cooperating with a view to forming a unified national loss adjusting institution in Australia. In reaction, the Etiquette and Membership Council of the Charter in London objected: Charter members could not join "other" loss adjusting institutions. In 1979, when charter and non-charter loss adjusters met for an informal "conference" in New Zealand, charter members came under further pressure from London not to associate with the embryonic national institution. This had the opposite effect of prompting a number of charter members to quit the Australian Division of the British charter and motivating those working on a formal national loss adjusting body in Australia to produce a constitution and code of ethics. On June 1, 1981, the Institute of Loss Adjusters Australia (subsequently renamed the Australian Institute of Loss Adjusters or AILA) was established, the first[112] and only national institution of loss adjusters in Australian history.[113] It had taken six and a half years since Cyclone Tracy.

The historical context in which the national body of loss adjusting was established reflected a shift in the broader national structures of identity in Australia. Cyclone Tracy coincided in many senses with the end of Australia's "isolationist" period as the country. Labour governments in the 1970s and 1980s deliberately shifted orientation away from England to Asia. As Higgott and Nossal observe, "few countries have as self-consciously sought to 'relocate' themselves in international politics economically, diplomatically and militarily as Australia did in the 1970s to 1990s."[114] The Australian economy increasingly relied on its Asian trading partners, and Japan became Australia's largest customer for coal, iron ore, beef, and wool and one of Australia's largest investors. Australian loss adjusters were increasingly appointed to attend claims in Southeast Asia, competing with British chartered loss adjusters for work. These national developments in trade and identity no doubt contributed to the support of the new Australian national professional institution of loss adjusting. Cyclone Tracy can be considered a decisive trigger for institutional

111. P. O'Sullivan (former CILA president), in discussion with Elizabeth Marx, Brisbane, 2014; R. Aherne (AICLA member), in discussion with Elizabeth Marx, Brisbane, 2014; J. Minter and M. Brooke (former ILANZ president and former AICLA president), in discussion with Elizabeth Marx, New Plymouth, 2014; J. Gray (former CILA president), in discussion with Elizabeth Marx, Brisbane, 2014.

112. The first and only institution open to all loss adjusters. A small fire loss assessor organization was established in Sydney in 1934, but it was exclusive to loss adjusters assessing large fires. Consequently, its membership was tiny and had no influence over the overall institution of loss adjusting in Australia.

113. AILA subsequently absorbed other regional institutions and changed names, but the original institution remained intact throughout.

114. Higgott and Nossal, "The International Politics of Liminality."

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change, drew a large number of Australian loss adjusters from across the nation to one location, forcing them to cooperate on a large scale, and, finally, exposed them to a measure of dismissive scorn by their British counterparts. This was an identifiable critical juncture in the institution of Australian loss adjusting, but it was in step with the overall trajectory of Australian national and political identity in this period.

Discussion

This paper relies not just on a large and unique body of archival material made available to the authors, but also on the oral histories of loss adjusters through a period of transformative change in Australia. Australian loss adjusters reframed their "professional identities," both internally and to field-level institutions with whom they interacted.[115] To achieve consensus, adjusters specified an observed failing or problem and justification for significant alteration to the group construct of the profession.[116] The move to underscore Australian identity as other than "British" was an act of social construction, delineating membership uniformity and exclusivity. Using Berger's example of a historiographical "covering law," given the extreme conditions and close quarters, the likelihood of national identification would arise as a measure of resistance to British professionals.[117] Loss adjusters working in Darwin perceived a problem that was easily theorized through discursive specification and disseminated to the profession as a whole. The adjusters central to the "problem" framed it in a recognizable nationalistic narrative structure: We are Australian; we are skilled; we can stand alone. This sequence of activity aligns with previous research by Greenwood, Suddaby, and Hinings and contributes to the understanding of emerging social construction generated within a professional field.

As demonstrated in the earlier section, the exigencies of geography forged the history of the Australian loss adjusting industry. The industry works in the shadow of the insurance industry and in the shadow of disaster. Loss adjusters are effectively detectives, judges, and emergency workers, operating at the physical scene of calamity—bushfires, accidents on remote sheep stations, railroad disasters thousands of kilometers from any sealed road, and cyclones amongst them. Naturally, the challenges that Australians faced differed from those faced in the "mother country." These differences are nicely described by an Australian loss adjuster's account of his efforts to attend a remote

115. Greenwood, Suddaby & Hinings, 2002, p. 59.
116. Tolbert and Zucker, "Institutional Sources of Change," 183.
117. Berger, "What is History."

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homestead fire. This account does not only reflect the distances involved in doing business in Australia and the different kinds of risk encountered and assessed, but also how far the profession had removed itself from the "silk hat and morning coat" that McArthur claimed typified the early British loss adjuster:

> So we went out to the hangar … which is just a big machine shed. He looks out and there are sheep and everything on the runway [which is] just a dirt track for this single engine Cessna. So he gets his wife to get in the car and chase the sheep off the runway.… She has chased the sheep off and then we get to 400 or 500 feet up into the air and *boof* the door comes open. He says, "Oh you'll have trouble shutting that." So for the next hour I sat there just pulling the door closed and of course it was summer time and 40 degrees and *if you've ever flown in a single engine across small clay pans out in the west* …[118]

Thus, the land not only shaped the risks but forged the characters and the institution itself. Cyclone Tracy represented the exogenous shock that altered loss adjusting as an institution, replacing its British identity with the embrace of Australian realities. From this critical juncture, the independent characters that operated in isolated geographies began to self-identify as *Australian* loss adjusters with all that signified. Two points must be considered here: the legitimization of "Australian" loss adjusting through human agency and the critical juncture influencing agents. As pointed out above, adjusters working in Darwin after Cyclone Tracy constructed a discourse about the "problem" of British interference in their work. As the discourse expanded due to legitimization by members of the professional field, the field itself slowly made a space in which a series of what Suddaby et al. call "adjustments" were possible, with members being exposed through the "agency" of Cyclone Tracy to a mirror that showed them who they were and what they did. This appears to have led, in time, to the foundation of an Australian national professional organization of loss adjusting and the closure of the Australian division of the British charter.

The question that remains, however, is why Australia's geographical distance did not earlier weaken the British connections. Insurance and loss adjusting had faced huge challenges before (for example, periodic great bushfires had put the industry under stress throughout the nation's history). Tracy was universally recognized by figures alive at the time as being a challenge of a different order—perhaps because it involved the destruction of one of the nation's capital cities.

118. Pullinger's emphasis. R. Pullinger (AICLA member), in discussion with the first author, Brisbane, 2015.

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The results of this study also suggest that the distances between the states and territories certainly militated against both national coalescence and reliance on the UK. As noted earlier, Perth's loss adjusting institute was so remote, its existence was unknown outside of Western Australia until the 1960s. Only as technology bridged distance—telephones, telex, faxes, and affordable commercial flights—did amalgamation into real national bodies become feasible. It can be reasoned that the distance between the UK and Oceania was more easily bridged when the message transmitted was primarily the prestige of the charter, but when it came to the more complex and practical needs of a unified professional body—in which handshakes and agendas needed to be exchanged—geographical distance defeated Australian loss adjusting. It took a national emergency to provide the "mirror" to expose to Australian loss adjusters their isolation from Britain and their own emerging identity.

The history of loss adjusting in Australia is also a good example of how status attaches more to things that are objectively "old" than objectively "good." In the UK, "fire" was at the heart of both the business and inclusion of colleagues working in accident and burglary insurance, which were positively disdained in the hierarchy of loss adjusting in both countries for many years. In clinging to some of the symbols and practices of the UK "parent," the Australian loss assessing industry held on to not just imperial institutional rules, but a colonial esteem of British traditions. For example, well into the twentieth century, loss adjusting work relating to fire was accorded the greatest prestige,[119] a perception that persisted sufficiently into the late twentieth century so that the assessors we spoke to still referred to the assumption. In Victoria and New South Wales, for instance, associations of fire loss adjusters were established with restrictive membership. Unsurprisingly, many prominent Australian fire loss adjusters were also members of the British charter according to archival membership records.[120]

It has been argued that institutions like the British Chartered Institute of Loss Adjusters also had symbolic roles to play in the maturing of the empire. Speaking of the use of instruments such as the British Council, Paschalidis states:

> Far from being the cultural tools of European expansionism aiming to solidify colonial empires, these organisations were rather the manifestations and instruments of that expansive imaginary community

119. Today, business interruption assessors are considered elite.

120. Membership registers obtained from the archives of the Australasian Institute of Loss Adjusters which now include the retired archives of the Chartered Institute of Loss Adjusters (Australia) and fire loss adjusting associations in Victoria and New South Wales. The latter includes a 1945 textbook for aspiring fire loss adjusters written by Earnest Bell.

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> which Meinecke, in 1907, called "the cultural nation" (*Kulturnation*): a collectivity whose outreach extended beyond the borders of the political nation (*Staatsnation*).[121]

Cornell University international studies historian Benedict Anderson's discussion of the nation as an "imagined community" similarly provides an interesting lens through which to look at institutions like loss adjusting. Anderson argues that "the members of even the smallest nation will never know most of their fellow members, meet them, or even hear of them, yet in the minds of each lives the image of their communion."[122] Conversely, even the largest grouping cannot control its boundaries and ends up being forced to turn to imagination with boundaries that are "finite, if elastic, boundaries, beyond which lie other nations."[123] Finally, he argues that nations, faced with these problems, end up defining themselves by their difference to other nations, rather than the characteristics in themselves. Moments like Cyclone Tracy, when the Australian members of the profession physically bumped up against their English counterparts, animated the Australian profession to define itself as much by what it was *not* as well as by what it was.

Thus, as the profession in imperial outposts matured, the fruits inevitably fell from the tree, as the distant community more clearly envisioned its singular identity. Ward (2002) argues that, more generally, the split between Australia and the "mother country" was driven by the "mother's" move away from the idea of empire (evidenced, for example, by its greater engagement in Europe) than by the "child's" growing sense of nation.[124] We would argue, however, that the "twists and flavors" that emerge as professional institutions mutate in outposts of the empire can be explained in terms of national cultural differences, as George suggests,[125] adding that loss adjusting is a hard-nosed business that attracts careful, independent individuals in any case.[126] Therefore, the character of the "fruit" derives more practical determinism from environment than from parochial identity. However, as historical institutionalism indicates, institutional stasis is more common than change. One prominent Sydney loss adjuster, who belonged to the British charter in the 1970s, admitted that being a charter member in

121. Paschalidis, "Exporting National Culture."
122. Anderson, *Imagined Communities*.
123. Ibid., 7.
124. Ward, *Australia and the British Embrace*.
125. George, *Impact of Culture*.
126. Andrew Bart comments: "Actually every loss adjuster I've talked to has had a strong personality in one way or another."

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Australia was "arcane—it was cultural cringe"[127]. Nevertheless, it took a major disaster to loosen the connection.

How Australia's most recent natural disaster—the 2019/2020 bushfires—will impact the professional field of loss adjusting in Australia will be interesting to observe and may be a source of valuable data in the future. The fires spread across four states and left more than 10 million hectares devastated. This was an enormous environmental disaster, particularly for Australian fauna, but for reinsurers and loss adjusters, the fires differed from Cyclone Tracy in one important way. The majority of the damage occurred in remote areas rather than populated, built environments. Nevertheless, the fallout from an event of this dimension will no doubt reverberate in the loss adjusting profession in Australasia.[128]

Cyclone Tracy, striking as it did in December 1974, impacted on an Australia that was in the thick of a debate about its place in the world triggered by the most Asian-oriented prime minister in history, a period in which the British Queen was relabeled "Queen of Australia" under the new Australian Royal Styles and Titles Act.[129] When the Queen's representative in Australia sacked the prime minister, Gough Whitlam, in November 1975, using an obscure remnant of imperial power, it was almost incomprehensible to Australians at the time. That the British Crown, as a brand, resonated in Australia was—and is—well recognized, but that the Crown had that degree of real *power* in Australia caught most by surprise. Unlike the Australian Federal government, the institution of loss adjusting in Australia soon escaped any such risk, claiming all the glory and power for itself.

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127. Ian McWalter, a practicing Syndey loss adjuster, who is an immigrant from the UK, made this comment. In discussion with Elizabeth Marx, Sydney, 2015.

128. According to *Insurance Business Australia*, most affected towns had populations of less than 10,000. "Aon Reveals Impact of the Australian Fires."

129. Lee and Kennedy, "The Credentials Controversy."

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