

# The International Association of Engineering Insurers



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**Best Practice Claims Protocol**

**On behalf of the WGP 93 (2015) working group**

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## Working Group members

- Christian Müller, XL Catlin Insurance, Zurich Switzerland (Chairman)
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## Purpose of this paper

The most common significant challenges experienced in recent major losses:

- Lack of communications
- Lack of transparency
- Costly inefficiencies
- Distrust between stakeholders



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## Key guiding principles

This protocol identifies the key guiding principles:

- Transparency of communications
- Fairness of outcome
- Efficiency of effort and costs
- Mutual Co-operation



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## Best Practice elements

- Do's and Don't's
- *Communications*
- Loss Notification
- *Information* Exchange
- Financial Aspects
- Resolution procedure
- Application of the Protocol and Legal Considerations

“The two words *information* and *communication* are often used interchangeably, but they signify quite different things.

*Information* is giving out, *communication* is getting through.”

Sydney Harris (1917-1986)



## Communications

Here are some actions to be addressed:

- Identify the Key Stakeholders to be involved in the Claims Handling process
- Appoint a nominated claims team
- The team should agree a communication plan
- Alignment of interests

“The single biggest problem in communication is the illusion that it has taken place.” George Bernard Shaw (1856-1950)



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## Identify the Key Stakeholders to be involved in the Claims Handling process

Interests will include:

- Representatives of the (Re-) Insurance carrier(s)
- Representatives of the Insured(s)
- Representatives of the Broker(s)
- Nominated Loss Adjuster(s)

“Wise men talk because they have something to say; fools, because they have to say something.”

Plato (born 424 B.C.E. – 348 B.C.E.)



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## Appoint a nominated claims team

To keep the claims process on track the team will need:

- Key stakeholders with appropriate levels of authority
- The team should appoint a chairman
- The role, responsibilities and authorities will be set by the team according to the circumstances
- The team should have one preliminary meeting before any event has occurred

“Two monologues do not make a dialogue.” Jeff Daly





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## The team should agree a communication plan

This might include such matters as:

- Frequency of meetings – post-event
- Methods of communications to be adopted
- Dealing with issues / complaints raised
- *Team members confirm at each stage that issues do or don't exist (i.e. all stakeholders to highlight legitimate unresolved issues)*

“We have two ears and one mouth so that we can listen twice as much as we speak.” Epictetus (born 55 A.D. -135)



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## Alignment of interests

- Identify misalignments of interest at the earliest stage possible
- Work to create an atmosphere of trust
- Be open and direct in all discussions
- Create a common understanding acceptable to all stakeholders

“Communication is everyone’s panacea for everything.”

Tom Peters (born 1942)



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## The Claims Protocol

- Expect a loss to occur and plan accordingly
- Create and agree a process that involves the key stakeholders
- Establish a team to oversee that process
- Ensure that team members have adequate authority
- Communicate effectively and frequently
- Conduct meaningful status reviews



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## The Claims Protocol

- Agree a process for handling objections / challenges and disagreements
- Encourage transparency
- Recognise that key details of the process may differ
- Maintain progress, if necessary through partial claim payments

“Any problem, big or small, within a family, always seems to start with bad communication. Someone isn’t listening.”

Emma Thompson (born 1959)



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**Thank you for your attention**

