



nerej

Claims management tools for a hard insurance market

August 09, 2012 - Front Section

The insurance market is showing signs of hardening and that means carriers are tightening underwriting standards and increasing insurance premiums. Property owners and managers with poor loss experience, who are not proactively managing their claims practices, will suffer the financial impact of this market change on a greater basis than their peers. Conversely, employers with strong loss management programs that focus on both pre and post loss strategies will be more attractive to underwriters during this hardening market and thereby limit any premium increases or coverage restrictions.

Expert claim professionals can help with proactive strategies that will put property owners and managers in a better position for their renewals. Some pre and post loss strategies include:

Pre-Loss:

- * Establish written internal policies and procedures for reporting, investigating, documenting and managing property, general liability, workers' compensation and automobile claims;
- * Implement claims handling policies and procedures with management and employee training.
- * Create clearly defined claim handling instruction requirements to optimize the delivery of claims services by insurance companies, brokers and/or third party administrators.
- * Review vendor contracts, contractor agreements and property leases seeking to transfer risk of liability wherever possible.
- * Obtain and review evidence of insurance coverage from vendors and contractors.

Post-Loss:

- * Conduct claim/reserve reviews with your insurance carriers.
- * Continually examine potential for third party recovery.,
- * Keep an open dialogue with claim adjusters and help develop action plans, which will yield the best possible outcome.
- * Review claim reserves and discuss adequacy as the closing values affect premiums.
- * Work closely with insurers, attorneys and medical providers to establish and implement pro-active claims strategies.
- * Perform detailed assessments of historical loss experience and provide favorable detailed loss summaries for renewal purposes.

A hardening insurance market will result in tighter underwriting standards and higher premiums, and for those with poor loss experience, fewer carriers interested in offering insurance at all. Don't wait to employ these practices, the more you do now, the better positioned you be at renewal!

Lisa Hartman, ARM is the director of claims and loss management at Albert Risk Management Consultants, Needham, Mass.