



CELEBRATING
55 YEARS

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Claims management and risk retention

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For some real estate owners, large insurance premiums may prompt them to assume a greater percentage of property and liability claim costs in the form of self-insured retentions and large deductibles. While retaining risk is not the only solution for hefty insurance costs, self-insured retentions and large deductibles can be very effective risk management tools if utilized in appropriate situations and implemented and monitored under the watchful eye of a claims management expert.

A few of the many claims management tools to help ensure that your retained claims are brought to cost effective settlements and that your total insurance costs are mitigated include:

- * Hiring qualified third party administrators and training internal staff;
- * Developing and implementing effective claims management programs including policies and procedures for the reporting of claims;
- * Preparing tailored claims service specifications intended to optimize the delivery of claims services provided by insurers and third party administrators;
- * Developing primary medical care relationships with local healthcare facilities;
- * Conducting claim reserve reviews to ensure that claims reserves are established at reasonable levels, all opportunities for subrogation and third-party recovery are explored, and strategic actions plans are implemented that are geared toward resolving claims in a cost effective manner.

Insurance carriers typically allocate thirty cents of every insurance premium dollar to claims handling investigation, defense and payment. Mathematically speaking, retaining a significant portion of the claims risk should afford property owners and managers with ample opportunity to save insurance costs and improve the bottom-line financial performance of their companies. However, the ability to fully realize potential insurance cost savings necessitates that your claims be aggressively and effectively managed in a timely fashion.

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