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How well is your company managing insurance claims?

August 13, 2009 - Spotlights

The cost of insurance is a reflection of your company's loss history. In fact, 60 cents of every dollar you spend on insurance is the result of your company's claim history. How can you best manage the cost of your claims once they occur? Conduct claim reviews!

Monitoring the claims process is a key component in controlling claims costs. Quarterly or biannual claim reviews help organizations ensure that their insurance carrier, third-party claims administrator (TPA), or claims service provider is representing your best interests in all interactions with claimants and their representatives.

At a claim review, the claim representative present should provide an update on claims including the outcome of investigations, stance on liability and status of litigation. The claim review may bring to light information that may favorably affect the outcome of the claim which your organization or administrator may have, and that the other party is unaware of. The claim review is a good time for sharing information that may help better manage the claim.

It has been historically proven that the longer a claim remains open, the more costly it becomes. Aggressive claim strategies help to facilitate an early, cost effective resolution of claims.

Additionally, focus on specific areas such as best practices and accuracy of reserves can be discussed. Reserves that are set too high can negatively affect your company's experience and ultimately, your premiums. By thoroughly reviewing and analyzing an organization's claims, you will eliminate surprises, determine whether best practices are being used, and ensure that your carrier or TPA has the necessary knowledge to put plans into action.

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New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540