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Claims are the insurance product

Tips on choosing insurers that focus on claims service

By David Crowe | Chief Claims Officer



At many insurance organizations, claims may seem incidental, like things that occur while the company's employees are busy focusing on other duties. Fortunately for policyholders, not every insurer views claims that way. An insurer that is committed to its customers takes claims seriously as a critical part of its business and wants to be there to help when something bad happens. In many ways, claims are the insurance product. Below are five characteristics related to claims service that insurance buyers should consider when choosing an insurance partner.

Able and willing to pay claims. Financial strength is obviously important in an insurance partner, to provide protection for the long term. Having the capital to pay claims, however, is not the same as being willing to pay legitimate claims, or to pay them promptly. A track record of consistently positive claims experiences is a strong indicator of a company's willingness to deliver on its promise to pay claims according to the terms and conditions of its policies.

Focuses on relationships. Does the insurer's claims team meet with prospective and existing customers before claims are filed? An insurer that integrates its claims and underwriting teams and makes them available to talk about

customers' expectations cares about building and nurturing relationships. Through experience, the best time for a customer to talk with an insurer about a claim is before one happens.

Searches for coverage. When a customer files a claim, an insurer generally can follow one of two paths: find ways to deny the claim or search for ways to cover it. An insurer committed to delivering good claims service will look for ways that it can provide coverage, rather than put energy into rejecting coverage. This is where a close collaboration between underwriting and claims operations is helpful. Where gray areas may exist in the policy wording, the claims team can seek insights from underwriters about the coverage intent and find ways to pay the customer's claim. Some insurers are taking tougher positions with regard to coverage decisions in lines where profitability is a problem. A preferred approach is to strive for consistency in claims handling regardless of the line of business.

Understands what's important to the customer. Every policyholder has different needs, and what is important to one may be less important to another. There really is no substitute for taking the time to have conversations with decision makers at customer organizations, to

understand what they value and what will be important to them when they file a claim. For example, a business defending a liability lawsuit may be inclined to fight tooth and nail, rather than try to settle. Knowing what's key to the customer will help the insurer keep the policyholder informed of its options and better serve its needs in the future.

Communicates clearly. Communication is not just a two-way street; it should have multiple lanes. When it comes to claims, insurers need to communicate with their customers as well as internally, across teams. A lack of communication or unclear communication is problematic in several ways. For example, imagine how a policyholder might react to silence after filing a claim, with the only acknowledgment of the claim being a reservation of rights letter, without any conversation with the insurer. At best, such a policyholder would have an unfavorable view of the insurer, no matter how the claim gets resolved, and might be unlikely to renew with or recommend the company. Similarly, poor communication between underwriting and claims teams can lead to unmet expectations for the customer as well as missed opportunities for the insurer. When insurers emphasize frequent and clear communication, both for internal teams and customers, they can provide the claims service customers need and expect.

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