

# 2017 CLAIMS 'TO DO' LIST FOR THE INDUSTRY



We all know that claims is the shop window for the insurance industry. Most of the complaints we receive are not about coverage issues but about the client not being properly informed about their claim and when it is likely to be resolved. So, solving this is number one on my 'To Do' list.

By Adam Squire, Head of Claims – Arthur J. Gallagher Australia

Indeed, every time a policyholder thinks: "I don't know what is going on...", we have essentially failed as an industry.

There are likely to be many underlying causes behind this, ranging from ineffective KPI setting through to unmanageable caseloads for many teams but we need to get past them and pay closer attention to customer experience.

2016 was an interesting year in the claims space in Australia with many insurance providers undertaking significant restructures of their claims teams. Part of the focus is to improve the customer experience, reduce cost and empower teams to make better decisions, faster.

The Insurance Brokers Code of Practice sets out minimum standards and with modern technology options such as SMS and self-service portals, it is much easier to track and monitor the claims progress.

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We recently conducted a 'spot check' and the level of 'non-compliance' across the industry was startling. Our findings suggest that at least 10 per cent, that is, one in 10 claims, involve the insured not being kept up to date within reasonable time scales.

## Creating value

Claims advocacy is a key differentiator for brokers and a significant value-add for clients.

Essentially, this involves using our knowledge, expertise and industry contacts to argue for, or support the case of, our client where there is a bottleneck or challenge with the successful delivery of a claims outcome.

The traditional role of brokers acting as a post box between clients and insurers has evolved for simple claims. There are many reasons why this has happened and my personal view is that inconsistent performance by insurers is an underlying cause. Brokers fear that the insurer will not deliver on their service promise, so they step in and save the day.

For the 95 per cent of claims where there is no issue this kind of involvement may be a step backward, as it slows down the claim lifecycle (never good) and adds expense into the brokerage.

## Changing the story

There are many ways to tackle this challenge, including agreeing on minimum service expectations with the insurance partner, including resolution where this isn't being delivered.

I recently visited one of our branches and was amazed when they told me

the insurer's BDM didn't want to talk about claims as they said they didn't get involved in that – that is, it was the responsibility of a different department.

From my perspective, that's the opposite of what we should be driving, given that part of the broker's placement recommendation relates to claims performance as a consideration.

All insurer BDMs need to be accountable for what their companies are delivering.

Complex claims are where a broker can truly step up and demonstrate true advocacy. In these situations, the broker has a responsibility to work with both the client and insurer to progress the claim toward a successful outcome.

Key to this is the correct use of diary activity. I don't mean just robotically diarising everything for every 20 days, but actually agreeing with the client when the next communication should happen and setting your diary around that to actually make it happen.

Arthur J. Gallagher uses a national claims dashboard and the first thing I look at every day is the state of play with active diaries. We also do some quality checking to make sure that the activity is meaningful.

Ultimately, every broker will take a different approach with what their claims model looks like. At the core of it should be that no client should ever be in the situation where they are asking themselves: "What is going on with my claim?" ❌

