

VIEWPOINT

PROJECT MANAGING THE CLAIMS PROCESS

Handling complex claims as if they were projects in their own right with milestones, commitments, an actions log and issues log, can enable faster and more amicable settlement, but there are some key points to remember.

In issue 1, **integrated** posed a number of questions to Insurers, Brokers and Insureds to find out what they felt needed to happen to consistently deliver a ‘world class’ claims service. One of the improvement suggestions was to “run large losses using professional project management skills and techniques.”

Professional ‘project management’ is something that Construction Project Owners and Contractors, Oil and Gas, Utility, Petrochemical, Mining and Renewable Energy companies (to name a few) are very familiar with and to some degree is part of their corporate DNA. This is possibly why it is well received when we adopt a similar technique to handle their more complicated claims. Whilst this approach is not appropriate for every claim emanating from specialty lines of business in the international Insurance & Reinsurance arena, there are certain types of loss where the adoption of project management techniques adds substantial value for all the stakeholders.

Lack of access to the damaged areas of site, government and regulatory intervention, opposing views on the root cause analysis, difference of opinions on the scope of damage and therefore scope of the reinstatement project, immature or partisan jurisdictions and the sheer scale of the financial exposure involved are some of the factors that can delay key decisions and milestones being reached, polarise stakeholders’ positions and raise the threat of dispute. Whilst settlement is typically ultimately achieved, the journey to get to that settlement can leave a bitter taste in the mouths of the parties involved.

In such circumstances, Integra Technical Services have a strong track record of using Loss Management Plans (LMPs). Combined with our knowledge of local practices, jurisdiction and politics this helps to bring structure and

direction to complicated losses by dividing the claim into distinct sections, each with key milestones e.g. Root Cause Analysis, Scope of Damage, Loss Mitigation, Costs of Reinstatement, Business Interruption, etc.

By sharing the LMP with key stakeholders (Insured, (Re)Insurance Broker and leading (Re)Insurer and Claims Agreement Parties) for their input and agreement to the content, it formalises stakeholders’ collective intent to handle the claim in a professional and controlled manner. This is key to its success, if one party is not engaged the claim will typically be frustrated. As a ‘living document’ that evolves over the life of the claim we encourage all parties to engage in regular dialogue, to discuss the progress being made and actions and issues arising. Many of you reading this article will have seen that, at times, this can be a genuine challenge and ultimately undermine the amicable route to settlement.

Whilst there have been many successes over the last 19 years we have experienced failure, but this has only served to create learning opportunities which in turn have strengthened our LMPs.

