

Five Critical Factors for Claims Success That Are Often Overlooked

These overlooked factors are significant in determining if your company can survive a loss.

By: [AIG](#) | May 2017

Nothing is more important than getting claims resolved successfully. After all, at the heart of the insurance contract is the promise to cover losses.

That's why the financial strength and claims reputation of carriers is so critical. These characteristics demonstrate a companies' ability and willingness to pay.

But when a business suffers a significant loss that severely limits its operations, there are several additional factors that will determine if the company will survive. In these circumstances, repairing the damage and getting back to work as fast as possible is critical.

Therefore, it's vital to work with carriers who demonstrate these five traits:

1. Responsiveness

Recovery is a race against time, and the clock starts ticking as soon as a loss occurs. Even with Business Interruption coverage, competitors will not be sitting idle waiting for your business to get back to work.

This is why speed is critical.

Waiting weeks or even months to receive a claim payment can seriously hinder a business's ability to become fully operational again.

"Whether a loss is large or small, companies need some working capital in the early stages of recovery to put the business back together," said Dean Owens, Head of Property and Special Risk Claims, U.S. and Canada, AIG.



Dean Owens, Head of Property and Special Risk Claims, U.S. and Canada

AIG recognizes that need with its 'AIG Property Claims Promise,' which assures that policyholders will receive a payment of up to 50 percent of the agreed total loss estimate within seven working days, which accounts for cleanup costs, property repairs, and extra expenses incurred during the rebuilding process.

The willingness and ability to pay quickly also shows clients that their insurer has the resources to stick with them for the long haul, even in the event of large losses.

In 2016, for example, a large resort complex suffered a major fire that destroyed several hundred of its units and 70-90 of its buildings. Claims handlers were on the scene within two days, while the fire was still smoldering. Seeing that it was a total loss, the AIG claims team expedited a \$10 million advance within a week on what ultimately amounted to a multimillion dollar property claim. This working capital allowed the resort to kick off the rebuilding process immediately.

2. Domain Expertise



Your business and industry are unique. There are complexities and peculiarities that require experience and expertise to understand. Working with claims handlers that have deep knowledge about your industry means they understand your top concerns, and how to minimize them.

Property damage will impact a casino differently than it impacts a real estate developer, for example.

“A claims handler with casino loss experience knows that a property claim is as much about the business interruption as it is the physical damage.

A casino could suffer a very significant business interruption loss in a single day,” Owens said. “You need to understand your clients’ revenue streams, and how to best mitigate losses in the event of a property claim.”

Pairing the right claims handler with the right client is part of AIG’s credo of operational excellence.

“We always want to bring someone to the table who has specialized knowledge of client’s industry segment, and who has the right skills to handle the types of claims that clients are likely to have. It’s about matching the right skills and resources to the right customer,” Owens said.

3. Access And Availability

Relationships matter. To respond quickly and effectively, a claims team that is familiar with the decision-makers in your business needs to be in place before the loss. No risk manager or executive should be meeting their claims person for the first time when they’ve just suffered a loss.

Whether an insurer has an in-house claims staff or contracts with external adjusters – or a combination of both – a claims representative should ideally be meeting with clients face-to-face as often as possible.

“We strive to get in front of the clients as often as we can,” Owens said. “We want to get claims handler at the table with clients, brokers and underwriters so everyone is on the same page. And we want our clients to know that their claims handler is their single point of contact if they have a loss. No back-and-forth or roundabout communication.”

AIG’s internal Property Claims Field Group, which is involved in about 40 percent of cases that tend to involve smaller claims, further streamlines the process. External adjusters remain critical for large claims, though, especially when multiple insurers are involved.

“We partner with some excellent outside firms, but wherever we can do something ourselves, we do it ourselves,” Owens said. “It puts us in front of the clients, and a stronger relationship leads to an expedited claims process.”

4. Innovative Technology And Analytics



Claims data holds incredible value if properly utilized. Important insights can be gleaned from loss history about specific exposures, and a better understanding of exposures can be leveraged to improve the coverage and pricing of your risk portfolio.

But to achieve these benefits, the data needs to be tracked consistently, at a granular level and across your global portfolio.

Underwriters who have an integrated view of global claims data can see how much of a claim is for business interruption losses versus property damage. Maybe one or two locations out of a portfolio of 12 are sitting in a hail zone and are responsible for the bulk of large claims. This insight allows them to adjust their underwriting to better match the risk profile of that particular client.

“It’s about making sure you understand what you’re insuring,” Owens said. “Having this data enables the underwriter, the client and the broker to make more informed decisions.”

AIG's IntelliRisk® system allows clients to directly access that data through an online portal. Along with detailed claims data, it provides tools to run ad hoc loss runs in real time and monitor open claim activity.

5. Investment Training

Across the insurance industry, talent development and continuity is a pressing challenge that many acknowledge, but few have taken initiative to solve.

AIG continually feeds its talent pipeline by hiring a few interns every year and investing in their development. All of AIG's handlers go through regular training to keep their knowledge fresh. That could include a course on hail damage or the roof rebuilding process, or some other technical aspect of property risk.



“It keeps their expertise on the leading edge of a skill set,” Owens said.

Staying sharp and continually building talent is also key to maintaining clients' trust and confidence.

“You're only as good as your last claim,” Owens said. “We aim to make each claim an excellent experience for our insureds every time.”

To learn more, visit: <http://www.aig.com/globalproperty>.

&BrandStudio

This article was produced by the R&I Brand Studio, a unit of the advertising department of Risk & Insurance, in collaboration with AIG. The editorial staff of Risk & Insurance had no role in its preparation.