

Property Casualty 360

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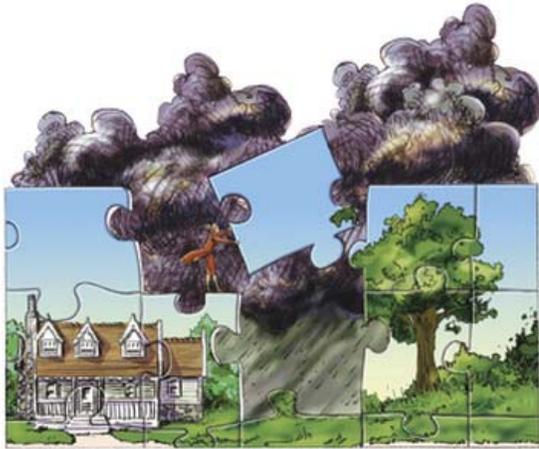
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The Large Loss Contents Puzzle

Digging Through Rubble: Technology and Tack

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It is Tuesday morning in Columbus, Ohio, and what once stood as a single-family, colonial home with a white picket fence is now a mixture of rubble, debris, partially visible contents, and a half-burnt wooden frame. The fence is still there, but what it surrounds is no longer recognizable. In the front yard of the devastated area stands a group of people. Their goal is to help make everything whole again.

Comprising this group is a family man, the policyholder, still in shock from the event that occurred just two days before; an experienced claims adjuster, who has seen this all too often; and a field inventory specialist. The latter specifically understands that the sooner she is able to do her job, the sooner the adjuster can move on to the next claim and the policyholder can move on with putting his home and family life back together. Although this specialist serves both the adjuster and the policyholder, today the primary focus is on the insured.

Setting the Tone

Compassion and understanding are key concerns at this first meeting. Building trust is crucial to completing an accurate inventory as the inventory specialist begins to sift through the rubble to identify contents, often a hazardous task that is better undertaken by a specialist rather than the insured. This initial rapport and trust will set the tone for the entire claims process.

The field specialist's mission is to capture contents data about everything he or she can see, find, photograph, and collect from the insured's memory. In this case, earlier phone conversations provided detail about the homeowner's lifestyle.

Field staff must be trained in proven processes, techniques, and technologies in order to ensure high-quality service and customer satisfaction. In fact, highly trained specialists can reduce inventory cycle times dramatically for adjusters and policyholders alike. In the past, field inventory of this kind used to require lengthy cycle times to complete. With the appropriate training and technology, however, handling a complete disaster such as the one this homeowner has incurred can often be completed in just a few days, or even hours.

Handling a massive fire claim like this goes beyond ordinary onsite inspection. It will be imperative as part of the claim to look for all characteristics of an item's value: make, model, physical dimensions, part numbers, colors, country of origin, and so on. In situations where contents are burnt from the site and forensic reconstruction is necessary, field specialists must take great care interviewing policyholders with compassion and sensitivity.

Surveying the Puzzle

Interviews with family members to gather background about items of particular importance and value as well as family shopping habits also help the specialist begin to more accurately reconstruct the contents history of the home. Taking the time to gather these details during all phases of the claims process dramatically improves inventory accuracy. The field specialist begins to piece the wreckage together like a complex jigsaw puzzle.

According to data modeling by Enservio's Insurers World's division, the average large-loss claim consists of upward of 1,200 line items and an original claim value of \$115,000. Identifying these items is an arduous—and often dangerous—task that should be conducted by trained professionals.

Gathering Pieces

The inventory is complete after two days on site by the specialist sifting through the rubble and interviewing family members. That could translate to essentially 20 years of home ownership and memories distilled into 1,200 lines of an Excel spreadsheet.

Technology advances for assessing contents valuation have markedly improved the efficiency of this next stage in the contents claims handling process. These advances have streamlined the previously time-consuming process of transcribing voice files. Along with the inventory list, all the photos taken of the loss site have been automatically downloaded to a folder in the cloud, carefully preserving the wreckage, which is crucial data for the contents inventory and valuation.

Another area where technology can significantly improve claims-process efficiency is in evaluation. Valuation platforms can noticeably reduce cycle times, in addition to improving the accuracy and defensibility of inventory values. With advanced valuation technology and a pricing team focused on providing accurate replacement matches, this 1,200-line claim, for example, swiftly moves through the system, with each item appropriately evaluated and reviewed. Upon completion of the valuation, a comprehensive, concise contents-valuation report is generated. A dedicated service manager can then review this report, in essence coordinating the entire contents claims process, beginning with the first call from the claims adjuster mere hours after the fire started.

This key offsite resource and the adjuster have talked to each other more times than they can remember and have handled many assignments together. The personalized service and strong rapport that has been established over time through numerous dealings therefore can ensure quality and a commitment to customer service and claims handling excellence, all the while managing all the varied and numerous pieces along many fronts.



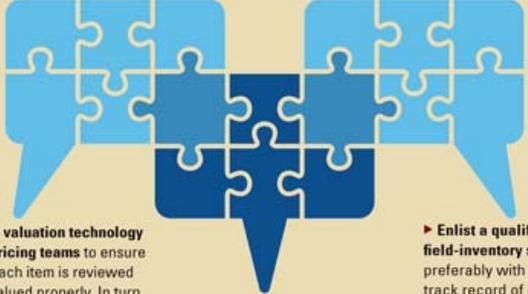
According to data gathered by the Insurance Information Institute (I.I.I.) from 2005 to 2009, fires, lightning, and debris-removal claims continue to have the highest severity ranking, with the average homeowner's claim nearing \$30,000.

Providing Shelter

When the final claim package is delivered, the adjuster can be confident that he or she is receiving an accurate depiction of the specific losses incurred by the insured. Through careful execution of current technology, expertise, and 'soft skills'—such as empathy and effective listening—the contents claims process can be streamlined to ostensibly piece together the wreckage of the destroyed home. The common goal throughout the entire process between the contents specialist, the insurance carrier, and the claims adjuster is to speed the road to indemnity. In helping the insured and his or her family get back on track as quickly as possible, they are making good on the implied promise from the contracted coverage—namely to keep the insured safe and provide shelter from the storm.

JIGSAW PIECES FALL INTO PLACE

The interplay of various resources and expertise will determine how accurately losses are scoped. Moreover, the carefully procured and executed combination of soft and hard skills will determine the insurer's ability to retain customers and bolster good will. When handling large losses involving thousands of contents, it is crucial to:



- ▶ **Use valuation technology and pricing teams** to ensure that each item is reviewed and valued properly. In turn, this will noticeably reduce cycle times while improving the defensibility and accuracy of assigned values.
- ▶ **Establish rapport with all parties involved** to possibly facilitate smooth handling of future claims and cooperation.
- ▶ **Show compassion and understanding** during the initial meeting with the policyholder(s) following the loss event.
- ▶ **Take great care when interviewing policyholders**, keeping in mind that many items will carry significant sentimental value.
- ▶ **Enlist a qualified field-inventory specialist**, preferably with a proven track record of dealing with claims of a similar nature and magnitude.
- ▶ **Look for clues about an item's value**, including characteristics such as make, model, physical dimensions, part numbers, colors, country of origin, and so on.

Stories like these make up the average day and week for field inventory specialists, claims adjusters, and contents-valuation experts who use the most advanced contents claims technology and other tools to maximize claims outcomes while mitigating the residual effects and hassles from the virtually unimaginable trauma of a total loss and total life upheaval.

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