

# Risk Management – CPLIC Claims Handling Guidelines

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## INLAND MARINE/PROPERTY CLAIMS

1. Acknowledgment:

Immediately upon receipt of claim, send Acknowledgment to the insurer, insured, agent and public adjuster (if assigned). The Acknowledgment should provide the company claim number, policy number, adjuster's file number, adjuster's name and telephone number. It is also recommended that the Acknowledgment suggest that the insured contact the adjuster should he not hear from the adjuster within 24 hours. The Acknowledgment should suggest that the insured take steps to protect the involved property from further damages and secure repair or replacement estimates and a complete inventory of the damaged property.

2. Contact Time to React to Insured or Claimant:

A prompt call or e-mail to arrange an appointment should be made to the insured. If the insured is unreachable, we suggest an immediate contact letter be forwarded with copies to the agent, company and/or public adjuster. A receipt should be secured for the forwarded e-mail and a confirmation should be secured for the fax.

3. Investigation to be Undertaken:

Statements (if necessary) – Preface all statements to indicate that the statement being secured is for information purposes only to assist in your investigation. The statement is not nor is it to be construed as a request for or a Proof of Loss (which may be requested or demanded later).

4. Scope:

A detailed and dated Scope of Loss should be prepared with diagrams, measurements, etc.

5. Photographs:

A reasonable number of photographs should be secured and be distinctly labeled and dated.

6. Scene Investigation:

A description of the scene should be prepared and the identify of informants interviewed together with their titles, addresses and telephone numbers should be prepared. Their relationship to the loss should be explained.

7. Reporting:

**Format** – A captioned report, detailing policy coverage, risk information, cause and origin explanation and a description of the property involved in the loss, should be detailed. On smaller or routine claims, a short form with a brief explanation of the items listed above should be provided. Should reports be issued in an e-mail format, we suggest a receipt for the issued e-mail be maintained in the file.

**Frequency** – A full, formal, preliminary report should be submitted within approximately ten (10) working days or a short form report issued, explaining any possible delays.

At the time of issuing a report to underwriters, correspondence should be sent to the insured/public adjuster, etc., confirming any conversations held with the insured with respect to documentation required to process the claim and expedite the resolution of same. A thirty (30) day status follow-up should be considered until the claim is concluded.

8. Handling Attorneys and/or Public Adjusters:

Prompt acknowledgment of your assignment should be provided to attorneys and public adjusters. We suggest that copies of any letters to public adjusters be copied to the insured, the agent and the insurer. All correspondence should include a phrase reserving all rights as provided by the policy. A final sentence in correspondence to the insured, etc., should state that you are acting as an agent for the named insurer pursuant to their specific instructions.

Any consideration of a claim settlement should be made as a “recommendation” to the insured subject to the insurer’s approval. Do not indicate that the insurer will “pay” or “we’ll pay” in any conversations or correspondence.

9. Conclusion:

All settlement discussions as indicated above should be prefaced by the adjuster’s statement that the discussion is preliminary only and any agreement with respect to damages or loss will be reported to the company with your recommendation for consideration of settlement.

It is further recommended that “proposals” or “recommendations” of settlement be forwarded to the insurer prior to issuing Proofs of Loss, etc.

10. Final Report:

Your final report should suggest that insurers review their copy of the policy to determine the existence of any other named insureds, mortgages, loss payees, etc., that may not have been divulged by the insured.

11. Billing:

At the time of the issuance of a final report, a final invoice should be rendered together with an activity sheet, detailing the adjuster’s activity throughout the handling of the claim. A specific time for each activity should be indicated together with expenses detailed.

12. General Remarks:

It is suggested that the adjuster secure approval from the insurer for the use of experts. Upon assigning an expert, the insured, agent and public adjuster/attorney should be advised, identifying the expert together with their contact information. It is also suggested that you advise the insured that the expert has been engaged on behalf of the insurer to assist in the resolution (not adjustment) of the claim. Advise by letter to the expert that he has been engaged on behalf of the named insurer, who will be responsible for the payment of his invoice.

13. Subrogation:

A subrogation caption should be included in your preliminary report regarding the prospects for subrogation. Should the loss appear to be extensive, a prompt call to the claims examiner should be considered with a suggestion that subrogation counsel be engaged promptly to provide further guidance to the adjuster.

14. Salvage:

Should salvage be involved, it is suggested that the insurer be contacted with a request for further instructions on how they may wish the salvage handled.

15. Litigation:

During the course of the adjuster's investigation should there be any indication on the part of the insured or their representatives of considering litigation, same should be immediately reported to your principals for further handling instructions.

16. Adjuster's Notes:

Be aware that your file is discoverable in the event of litigation. Make certain that any notes in your file be maintained with the thought that an opposing party in litigation may have access to.