

Claims Management Solutions for Financial Institutions



Marsh's Claims Consultancy Practice and claims management team consists of a dedicated group of specialists focused on providing clients with bespoke advice on claims management solutions. We offer a range of services which aim to go beyond claims handling and administration, to help our clients reduce costs, maximise policy indemnity, improve efficiency and understand their total cost of risk.

Value creation

Financial institutions face significant challenges – large and complex losses, high levels of competition, globalisation, volatile stock markets and fluctuating interest rates. Marsh's claims management team continuously strives to help our clients by tailoring our wide range of service offerings to suit each client's needs.

Our claims consultancy and advocacy services are particularly relevant and critical in difficult market conditions as insurers intensify their scrutiny of claims and often engage in-house lawyers to undertake that scrutiny. Insurers' level of expertise is easily matched within Marsh with professionally qualified claims handlers who have extensive experience in dealing with financial institutions.

Global economic issues affect the trading environment for financial institutions and have significantly increased the exposure of company executives to civil and criminal claims. Heightened regulations such as Basel II have also impacted the compliance exposure of financial institutions. As a result, claims made under policies covering directors' and officers' liabilities, crime and professional indemnity have risen over time. At Marsh, our claims consultancy and management team ensures that these claims are expertly managed and negotiated with less impact on the business.

Our expertise

Marsh's claims team specialises in the interpretation, presentation, negotiation and handling of our clients' claims management needs. Our claims specialists come from a variety of relevant backgrounds, including loss adjusting, accountancy and law, and have a thorough understanding of the issues specific to claims of financial institutions. We focus on effective communication between client, broker and insurer and are committed to putting our clients' best interests first. Our services include:

- **Claims handling:** Through an efficient and effective process we can maximise financial recovery from insured losses by quantifying and transferring any financial exposure to insurers, accelerating interim payments and claim settlement thereby minimising the impact on cash flow and reputation.
- **Claims preparation:** After a loss, it is essential to get the business up and running again and to get the settlement right. Our Forensic Accounting and Claims Services (FACS) team can prepare claims for presentation and negotiation with insurers to obtain the best possible insurance recovery on the client's behalf. FACS co-ordinates the claim preparation and presentation and helps the client to manage their cash flow and protect their brand and reputation.
- **Claims audits:** For property and casualty losses, we can audit the client's insurance provider and/or third party administrator to check the quality of the claims handling process and adherence to best practice and service level agreement. An integral part of any insurer's audit is to challenge the reserves applied to ensure data integrity.
- **Claims management:** Many clients have complex insurance programmes involving self insured retentions, captives and multiple claims service providers. In the event of claims, such programmes require expert management to ensure consistency of approach by insurers or others and an alignment with clients' requirements which ultimately drives down the cost of claims. The claims team works closely with clients to set up incident reporting, claims handling procedures, data management reporting and the management of claims in accordance with agreed service requirements.

- **Claims analysis:** For high volume casualty and motor claims, understanding claims patterns and common causes enables our clients to identify where to target risk management activities, thereby attempting to reduce the volume and severity of their insured and uninsured losses. We provide benchmarking, loss profiling and claims data analysis to assist clients in optimising their risk budgets.
- **Claims advocacy:** Certain claims require specialised attention in order to achieve a settlement with insurers. These include claims which are complex, disputed or significant for the client in terms of magnitude, reputation or profile. Problems can arise at the outset, as the claim develops, or as relationships between key players deteriorate. For these claims, Marsh's claims advocacy unit can provide specialist services by legally qualified claims advocates. Our claims advocacy unit can:
 - Review a claim and advise on strategy for negotiation with insurers.
 - Provide a realistic analysis of potential outcomes.
 - Advocate on the client's behalf directly with underwriters or their representatives.
 - Liaise with lawyers appointed by clients to defend third party claims.
 - Liaise with in-house counsel and claims personnel throughout the life of a claim.

Our advocates work with the client to identify the key issues and utilise Marsh's direct access to senior underwriters (both placing and claims) to achieve the most favourable result in the shortest timeframe. The claims advocacy unit has achieved favourable settlements on claims which lawyers (for both insured and insurer) have been unable to resolve.
- **Practice groups:** Clients sometimes face claims/ losses that require specific expertise in fields that they have not needed to utilise on previous claims. The claims practice groups which span all business units within Marsh in the UK provide clients with access to the relevant consultant with appropriate expertise in any given situation.

The insured made a claim under its Banker's Blanket Bond policy. Coverage was disputed on the basis that:

- The claim ought to be covered under the insured's professional indemnity cover;
- There was no 'direct financial loss' but rather, there was a third party liability to clients;
- Though there were fraudulent acts, they were not committed with the principal intent to cause the insured a loss;
- The costs incurred in defense of the third party claim and investigation of the quantum of the claim were not covered and/or too high;
- The insured had not provided sufficient information to support the claim; and
- The insured had not acted prudently in pursuing recovery against third parties.

The insurer, for a very considerable period of time, refused to articulate its coverage position in writing. Marsh's claims advocate put pressure on the insurer to provide its coverage position, which ultimately resulted in a letter from the insurer's lawyers, outlining their position on disputed issues. That led to a without prejudice meeting at which the Marsh claims advocate was present.

Protracted negotiations followed the meeting, which were coordinated and communicated via our claims advocate. Ultimately, the insured was prepared to accept an offer made by the insurer but, on the strength of negotiations by the advocate direct with the insurer, further monies were secured for the insured.

To find out more:

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