



# CRITICAL THINKING

## For the Claims Professional

*Part Three: Conclusions, Statements, Arguments, and Explanations*

*By Carl Van and Amanda Van*

**A**s anyone who has been successful can tell you, claims handling requires a special ability to make decisions. However, far too many claims professionals rely a little too much on intuition when making those decisions and often can go astray because of the lack of a little critical thinking.

In fact, when polled, 50 percent of adjusters said that they use very little formal critical thinking steps in order to analyze coverage, liability, or even the truthfulness of customer statements. In a follow-up question, 90 percent of adjusters could not even name a single formal critical thinking step.

In the *Critical Thinking for Claims* class offered by International Insurance Institute, focus is placed on teaching claims professionals how to:

- Make good decisions based on cautious reviews.
- Work through problems to find the best answer.
- Stay focused on the real issues.
- Apply critical thinking to writing.
- Apply learned skills to claims situations (coverage analysis, reporting, etc.).
- Use critical thinking when developing plans of action for claims handling.

During this three-part series that began in early 2008, we have assisted the claims professional by outlining some basic concepts when it comes to critical thinking. This issue, we wrap up the series.

**Part 1** – Critical Thinking vs. Non-Critical Thinking

**Part 2** – Seven Steps for Analysis – Recognizing and Evaluating Arguments

**Part 3** – Conclusions, Statements, Arguments, and Explanations.

### Conclusions, Statements, Arguments, and Explanations

To begin, let's take a look at three of the most common styles of non-critical thinking. Non-critical thinking is a failure to evaluate objectively, such as:

- Type A – Sticking to a point of view regardless of new evidence presented.
- Type B – Incorrectly believing that all opinions are equally valid.
- Type C – Failing to look at a situation thoroughly.

For example, identify the non-critical thinking styles:

- 1 Cher is a claims adjuster. She has an opinion about everything and will comment on anything under discussion. Her co-worker, Sonny, takes loss reports. When asked if she thinks Sonny could handle taking recorded statements, Cher says, "How could he? He takes loss reports. Everybody knows they don't require inquisitiveness."

Cher's non-critical thinking style is:

- \_\_\_\_\_ Type A  
 \_\_\_\_\_ Type B  
 \_\_\_\_\_ Type C

- 2 Mick, a claims adjuster, is talking with Keith, a claims supervisor, and says, "I agree with your plan for the adjuster-of-the-month contest. It sounds great." Later, Mick has a conversation about the idea with Bill, a supervisor from a different office, who explains that the program totally bombed in his office. Later, when speaking with Keith again, Mick says, "Bill must have not run the program right. It's still a great idea."

Mick's non-critical thinking style is:

- \_\_\_\_\_ Type A  
 \_\_\_\_\_ Type B  
 \_\_\_\_\_ Type C

- 3 Elton, a claims manager, is speaking with Bernie, an actuary. He says, "I understand you've done an analysis of where claims are most likely to occur, as well as the respective costs of office space by location. However, I still think we should ask the opinion of everyone in the department before we decide where to open our new claims office."

Elton's non-critical thinking style:

- \_\_\_\_\_ Type A  
 \_\_\_\_\_ Type B  
 \_\_\_\_\_ Type C

### Recognizing and Evaluating Statements, Conclusions, and Arguments

A statement is a position with which we can choose to agree or disagree. In deciding whether a statement is true, we enter into

critical thinking. We evaluate a statement and then examine the evidence that supports it.

Conclusions, on the other hand, are statements that take on a point of view and are either true or false. Certain conclusions are easier to evaluate than others, such as “the claims count is going up” or “the computers are down.” It is not as easy to determine if other conclusions are true or false. These conclusions may be a matter of opinion, or they may be about issues on which reasonable people might disagree, such as “claims people are skeptical” or “we should do a class about critical thinking.”

An argument is a conclusion that is not agreed upon and is given supporting *evidence* for why it should be believed. Basically, an argument is an attempt to support a disputed conclusion through evidence. For example, Jennifer, a subrogation adjuster, says to Brad, “Subrogation is really bombing. Our recoveries are down. We’re losing our arbitrations. Teamwork stinks.” This is an argument because it presents a conclusion with supporting evidence. The issue is the state of the subrogation department.

### Explanations vs. Arguments

When we think critically, we take different approaches depending on whether we are trying to recognize and evaluate an argument or whether we are trying to develop or evaluate an explanation. But distinguishing between an argument and an explanation can be difficult.

While arguments attempt to persuade, explanations take the point of view of discovery and understanding. Thus, when people are trying to convince you to adopt their points of view, you use the framework for recognizing and evaluating an *argument*. When you are trying to comprehend something you do not understand or to evaluate someone else’s explanation, you use the framework for developing and evaluating an *explanation*.

In an explanation, you are seeking understanding. You start with a question and then

## Critical Thinking Takes Practice

- ▶ **Be honest with yourself.** Think realistically about how you make decisions and try a new approach. Ask “why” questions about how you reach decisions.
- ▶ **Evaluate constantly.** Always examine and evaluate information. Ask others for feedback, and see if you can understand their points.
- ▶ **Be fair and open.** Realize that other people have an opinion, and that they might be right. Consider facts that may oppose your point of view.
- ▶ **Dedicate yourself to getting the facts.** Develop solid reasoning for decisions, yet go for the most probable answer instead of waiting for total accuracy.

explore evidence that answers the question. With an explanation, you are not trying to prove a conclusion. You are simply trying to find the best explanation possible.

An explanation can communicate what something is for or how to use something, define something, make something clear, or answer what caused something to occur. We will focus particularly on explanations that will help you understand the causes of a situation.

### What Is the Communicator’s Intent?

Distinguishing between arguments and explanations can be confusing, because some statements can appear to be both. The difference is in the context and in the speaker’s or writer’s intent. If evidence is given to support a conclusion, then it is an argument. If evidence is given to answer a question, then it is an explanation. We must exercise good judgment to discern the difference.

For example, let’s look at the following question: “Why did the loss reporting effort fail?” The explanation is, “We both agree that the loss reporting effort has failed, and I think it is because the wrong agent base was targeted.” An argument about the above topic, however, might be, “I suggest that the loss reporting effort has failed. We can conclude this from the lack of response from agents.” These statements imply a lack of agreement that the marketing effort failed, and they argue that it has failed.

Sometimes explanations and arguments

work together. An explanation can provide evidence in support of an argument. The main point is to determine the intention behind what is being presented. Is the intention to convince someone to adopt a point of view, or is the intention to reach an understanding about an agreed-upon question? The following section explores the latter: developing and evaluating explanations.

For each of the following, put an “E” next to the statements that you think are explanations. Place an “A” next to the statements that you think are arguments.

① \_\_\_\_ “We both agree that work has slowed down. I think it has been happening because of the loss reporting system.”

\_\_\_\_ “I think we have less work in the claims department. It is obvious by the fact that we are all taking longer breaks.”

② \_\_\_\_ “You asked why people like to visit our Web site? I guess it is because of the great graphics.”

\_\_\_\_ “We have had a huge number of hits on our Web site. This demonstrates that we have a popular site.”

③ \_\_\_\_ “This coverage analysis may seem complicated, but if you understand what is really being questioned, it is easy. Therefore, it should not take as long as you think.”

\_\_\_\_ “I suppose the reason this coverage analysis seems so complicated is because of

all of the different claimants involved.”

4 \_\_\_\_\_ “I wonder if I should go to that meeting. No, I should skip it because taking recorded statements is more important.”

\_\_\_\_\_ “I missed the meeting so I could take a recorded statement.”

5 \_\_\_\_\_ “It is clear to everyone that the claims executive is very conservative. I think the reason is that he has been burned by new vendors in the past.”

\_\_\_\_\_ “In my opinion, the claims executive is very conservative; he rarely makes a change.”

With a better understanding of the difference between arguments and explanations, you can learn how to develop explanations. As you now know, discerning the speaker’s or the writer’s intent signals the difference. Explanations are not intended to convince. Rather, they seek to answer questions or evaluate answers to questions.

### Review for Claims People

By learning how to recognize and evaluate arguments, you have also learned tools to help you present effective arguments. If you have a good grasp of the issue and you present clear, credible, and consistent evidence that supports your conclusion, then you will have the basis for a strong argument. You must present your conclusions well so they will stand up to critical analysis and be openly received.

To present your ideas powerfully, by either speaking or writing, remember these key points:

- **Be prepared.** This means making the effort and time commitment for creating a good argument. Do a thorough investigation.
- **Have a clear idea of your position.** If you are not sure of your position, then how can anyone else be swayed to it?
- **Provide a clear intention of what you want to accomplish.** Develop a clear goal for your presentation. What

outcomes would you like to achieve? Do you want approval for denial? Do you want to increase reserve?

- **Avoid ambiguities.** When people hear confusing or vague evidence, you lose your connection with them.
- **Stick to your issue.** The more complex the argument, the more difficult it is to stay focused on your issue. Remember to keep returning to your main point.
- **Know your audience.** The more you understand your audience, the easier it is to pitch your ideas in their language and direct your pitch toward their areas of concern. Are you writing to the DOI, to your customer, or to the home office?
- **Present a balanced point of view.** Stridently pushing one perspective without discussing (and then challenging) opposing sides of the issue can polarize your audience against you.
- **Predict challenges and prepare responses.** Think ahead about how a listener or a reader might try to shoot down your idea. Prepare and practice responses for dealing with these challenges.
- **Seek feedback from others.** Bounce your ideas off of a trusted colleague, if possible, to test your argument and refine your presentation.

Develop the body of your presentation by spelling out your argument, defining key terms, stating your underlying assumption, grouping your evidence together for a given conclusion, proceeding in an orderly direction (i.e. conclusion, main evidence, next evidence, conclusion), giving examples, and summarizing at the end of a complete section and at the end of the entire presentation. ■

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