

# Claims Education

INTERNATIONAL INSURANCE INSTITUTE *magazine*



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## CRITICAL THINKING

### For the Claims Professional, Part Three

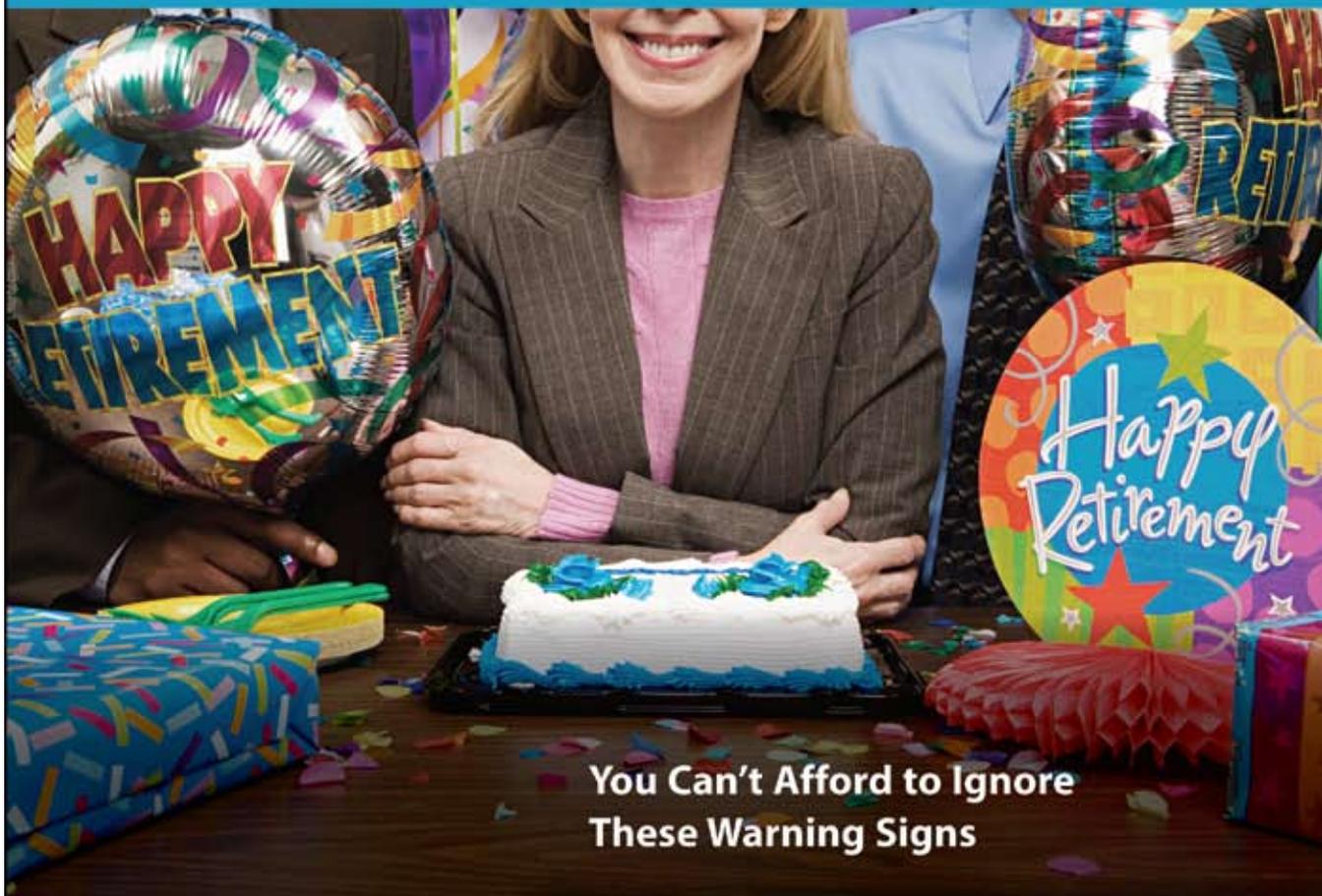
*Don't Leave Effective Decision Making to Chance*

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Sun, Sand, and the Claims Education Conference

— PAGE 8



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# Experiencing the Learning Process

I would like to start off by thanking everyone who participated and helped organize our 3rd Annual Claims Education Conference, which took place in sunny San Diego. This year was the best ever. We could not have been so successful without the help of those who managed it and the enthusiasm of those who attended.

We played, we learned, but most of all, we experienced, which was the goal we had in mind. Our conferences are different, which is what I think makes them worthwhile. Instead of panel discussions and eight-hour lectures, our classes are engaging and interesting.

To add to our success, we plan to expand our vision internationally. As International Insurance Institute, Inc. continues to grow, we will continue to provide the best possible service to all clients.

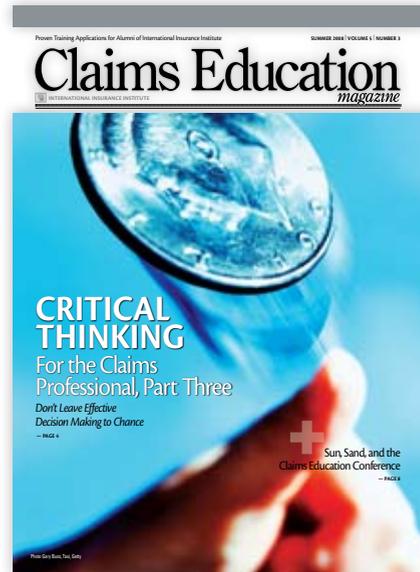
In this issue of *Claims Education Magazine*, we provide the third installment of "Critical Thinking." Parts one and two can be found at [www.insuranceinstitute.com](http://www.insuranceinstitute.com) by clicking on the link to *Claims Education Magazine*. The first part is located in "Winter 2007," and the second is located in "Spring 2008."

Here at International Insurance Institute, we welcome your contributions to *Claims Education Magazine* and encourage you to contact us for any input at [cvan2@aol.com](mailto:cvan2@aol.com). Feel free to submit any questions, feedback, articles, claim success stories, and topics that you would like to see discussed. Your continual contributions will keep the magazine attuned to what's important to us and our industry!

The International Insurance Institute and *Claims Magazine* express their appreciation to all of our readers and to the sponsors, who continually help make this publication such a success. ■



**Carl Van**  
President and CEO  
International Insurance Institute



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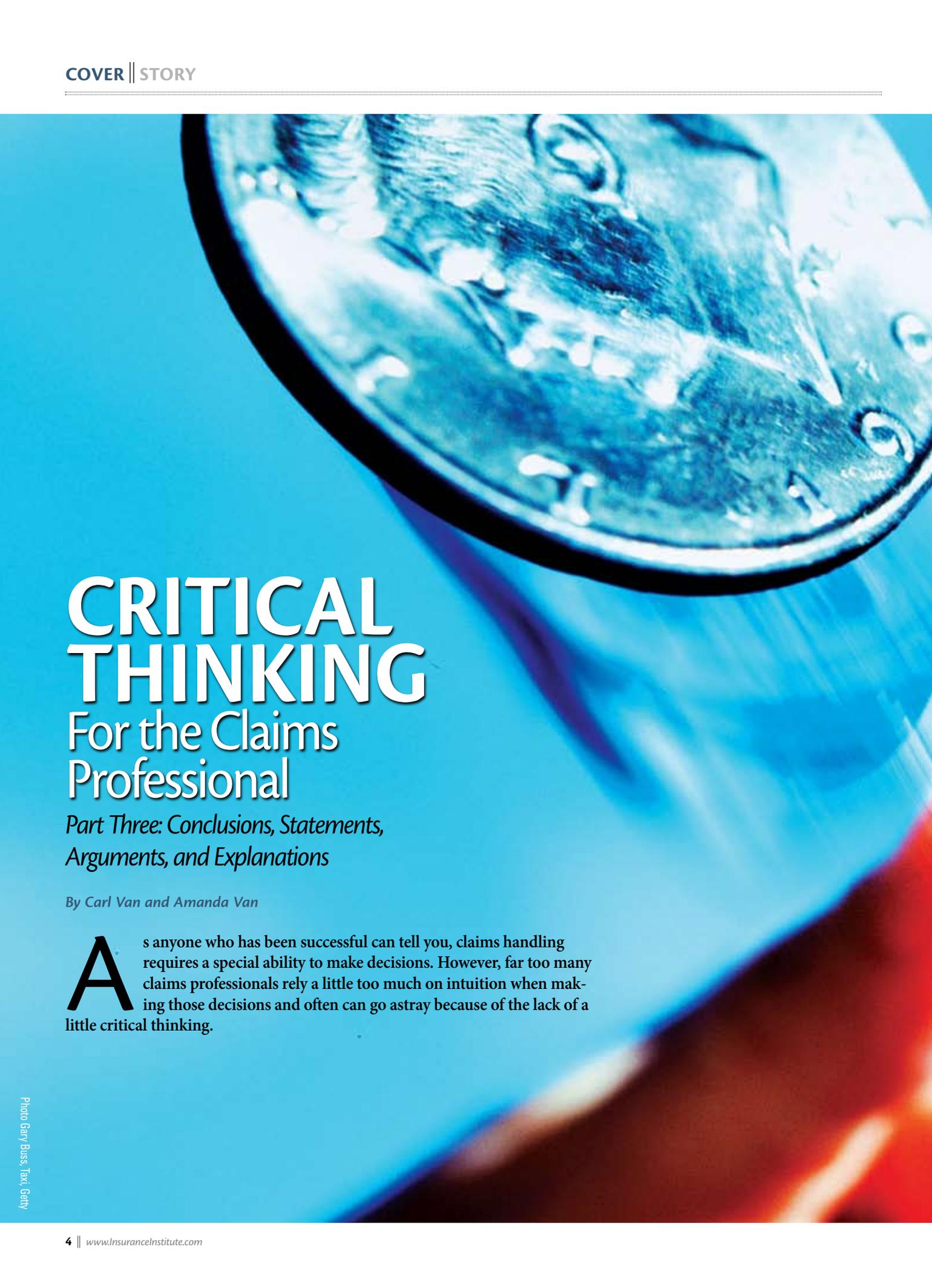
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# CRITICAL THINKING

## 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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**Claims**  
COVERING THE BUSINESS OF LOSS

# Sun, Sand, and the Claims Education Conference

By Layne Stackhouse

**C**lad in red-tinted sparkly glasses, a wig that almost reached the ceiling, and a white bell-bottomed jumpsuit, one brave vendor shimmied his way into the conference room to the beat of the BeeGee's "Stayin' Alive," with two disco queens at his side.

He was, after all, taking this year's conference more seriously than ever.

At this year's Claims Education Conference, put on by International Insurance Institute and set in sunny San Diego, attendees had fun, and it wasn't in spite of the education.

The 99-Second Exhibitor Fun-Talk, during which one vendor debuted his disco talent, was just one of the many events that attendees had in store when they arrived for three days of sun, activities, and of course, claims education. This portion of the conference was designed to give the 23 exhibitors a chance to describe and offer their services to conference attendees.

Overall, the conference went smoothly, and posed very little difficulty to those who had been planning it all year. This was the third year that the conference had taken place, and Conference Manager Lisa Ferrier was pleased with the outcome.

"This was probably the most successful when you take everything into consideration," Ferrier said, noting that the planning is a year-long process. "Finally, in the third year, we were able to work out a lot of the kinks to make sure that it flowed better."

Conference attendees also noticed the smooth management and organization of this year's conferences. "The professionalism and organization of this conference and its staff was impressive," said attendee Chipo Lewis, of CAA Insurance Company. "I thoroughly enjoyed myself."

The thing that makes the Claims Education conferences work is how different they are from other professional conferences, Ferrier said. III's conferences are not about panel discussions or dragging attendees to sit and listen to eight-hour lectures. Rather, they are designed to be anything but boring. Unlike other professional conferences, the valuable education from III's conferences is an experience, not something attendees sleep through.

"It really comes down to the classes," Ferrier said. "The highlight really is the strength of the teaching and what people have learned."

Below are some of the highlights and comments received for several breakout tracks.

## Adjuster Track

### *Awesome Claims Customer Service for Adjusters*

"Relevant and valuable." — Chipo Lewis, CAA Insurance Co.

In this session, participants learned to emphasize customer service when dealing with clients. The course stressed customer needs and understanding as being essential to the adjuster-customer relationship. While learning how to deliver high-quality customer service, participants engaged in role-playing and observed real-life scenarios to gain further insight into this critical aspect of customer care and retention.

#### Takeaways:

- Use "nail-down questions" to make sure the client clearly understands all aspects of the insurance process.
- Practicing empathy will enable a claim representative to relate to a claimant while providing comfort.
- Every customer should be treated with equal respect and importance. It is vital that customers feel their needs are a priority.



### *Medical Terminology: The Key to Word Building*

"This is one of the most beneficial classes I've ever attended." — Carman Judd, Zurich Insurance

The second session of the adjuster track taught adjusters how to understand the structure of key medical terms that adjusters must deal with on a regular basis. The course focused on both understanding difficult terms and breaking them down more easily.

#### Takeaways:

- Though the medical field has a large vocabulary, most technical words can be broken down into more soluble parts.
- By using a system of word building, adjusters can quickly understand and describe even the most technical words.

### *Telephone Techniques for Claims*

"Great info and a new perspective that I can take back." — Stephanie Turner, ANPAC

This class focused on keeping the customer satisfied during a phone conversation, a skill that is not as easy to employ as it sounds.



The course explained that adjusters must be careful of what they say on the phone so that they do not leave a bad impression.

**Takeaways:**

- Customers often hear more than what is said. Tone, inflection, and the way a sentence is shaped can often lead a customer to have a negative perception.
- Avoid such negative perceptions by eliminating carelessness, recklessness, and obnoxiousness.

**Critical Thinking for Claims**

“Applies to any industry/organization ... including life!” — Jill Masters, Bell Services West

Last of the adjuster track sessions, this class taught adjusters how to use critical thinking to their professional advantage by avoiding deceptive communication strategies. Participants learned how to work through real problems that they may face by analyzing and evaluating correct reasoning.

**Takeaways:**

- The first step toward recognizing and

evaluating arguments is to find the correct issue.

- Unreliable reasoning can lead to adjusters engaging in ineffective and deceptive communication strategies.
- A key point to identifying correct reasoning is to look for consistency in an argument.

**Manager Track**

**Awesome Claims Customer Service for Supervisors and Managers**

“Great presentation. Educational and entertaining.” — Mark Jennings, Unitrin Specialty

The first manager track session paralleled the first adjuster track session. However, this session focused on guiding staff to recognize and deliver great customer service. Managers learned how to use their experience and skills to help their staff provide the highest quality customer service to claimants.

**Takeaways:**

- Managers must recognize that customer service is one of their primary jobs.

- Managers have the added responsibility of making sure that their staff is in tune with their customers.
- By using effective techniques to increase customer cooperation, a manager’s job becomes much easier.

**Policy Interpretation Made Easy — So Easy You Can Teach It**

“Gave us a lot of food for thought.” — Hollie Rankin, CMIC

This manager track session invited participants to practice analyzing and discussing coverage and to come up with new ways to share their ideas with their teams. The class provided basic concepts that any manager can use to have successful policy interpretation.

**Takeaways:**

- While there are several types of coverages, you must always look to the insuring agreement.
- An adjuster must make sure that they understand each policy provision of an insuring agreement in order to successfully analyze coverage.

**Surveying Team Strengths & Weaknesses**

“Very interesting and informative.”

—Course attendee

Participants in this session listened to various ways to accentuate and fully employ a team’s strong points while learning how substantially improve the team’s weak points.

**Takeaways:**

- The first step in this practice is identifying each team’s strengths and weaknesses from an objective standpoint.
- It is also important that each team look inward to help with this identification process.
- Finally, each team must decide which actions will affect it positively and which will affect it negatively.

**Effective Delegation**

“Stayed awake, laughed a lot, learned something” — Rebecca Hughes, Probe Information Services

In this session, managers focused on one of

their most important yet overlooked duties as a successful leader: delegation. Managers not only learned how to avoid improper delegation that would burden their staff but also how to use proper delegation to encourage and motivate their staff.

Takeaways:

- By using proper delegation, a manager can create a personal leadership style that their staff can understand and respect.
- Delegation is not simply assigning someone a job that he is already expected to perform. Rather, it is about dividing appropriate portions of responsibility in a way to maximize efficiency.
- Effective delegation requires not only a knowledge of one's staff and each individual's strengths, but also clearly communicating so that each individual member knows exactly what they are expected to do.

**Effective Office Meetings**

"Great class! I can take this back to share!"  
— Bobbi Edwards, Brower Insurance Agency

Participants learned how to organize and communicate effectively in this session. In this practical class, they learned real-life strategies that could be implemented immediately.

Takeaways:

- Office meetings represent more than just a gathering of employees. How they run and what they accomplish sends a powerful message to employees about the organization's strength and goals.
- Viewing an office meeting as a brainstorming session is one way to provide a successful working environment and to encourage creative thinking and independent thought.

**Tracking Claims Staff Training Needs**

"I actually am using some of the knowledge I learned there." — Tammy Childress, ISurity, Inc.

In this class, managers gained the requisite skills to look at a problem and identify the real issue, whether it is a customer or

adjuster complaint. Participants used this information to practice issue evaluation with real problems.

Takeaways:

- Many times, the apparent issue that someone comes to you with is not the real issue that needs to be addressed.
- Understanding how to evaluate a base problem to discover the real issue is vital to training staff.
- Once the true issue has been identified, a manager can train their staff accordingly, based on the staff's actual needs.

**Working To-Do Lists for Claims Managers**

"Great skills that I can take back and implement immediately." — Tonya Bernhard, Liberty Mutual

From prioritization to staying focused, this class was designed to keep managers on track. By creating a simple and straightforward list of tasks to accomplish, all professionals can mix organization and time management skills to maximize efficiency.

Takeaways:

- Learning to prioritize based on you and your boss' goals is key to this technique.
- This skill set also helps you stay prepared for tomorrow and the next day.

**Managing Change**

"Great ideas; I will follow the steps I learned in my position." — Justin Treul, Wawanesa Insurance Co.

The last manager track session dealt with how to promote and encourage change in the office to better the company as a whole. By facilitating positive changes, whether minor or major, a manager is able to keep his staff inspired.

Takeaways:

- Change should never stop, because there is always something that can be done better or more efficiently.
- Choosing the right people to effectuate change is a big part of the process.
- By mixing things up a bit, the class teaches others to not only get involved but gives them new skills to adapt to new situations.

**Conference Activities**

When attendees were not getting their fill of claims education, they were provided with many activities to add to their schedule.

For the first time, the Claims Education Conference included a "dine-around" in which participants were invited to choose from five restaurants in San Diego's famous Gaslamp Quarter. The restaurants ranged from cultural cuisine to steakhouses.

On Thursday, May 15, attendees had their pick of three exciting exhibits around San Diego. Sports fans golfed at the Riverwalk Golf Club, a classic golfing experience that no serious golfer should miss. Those more interested in relaxing enjoyed the sandy beaches of La Jolla, San Diego's "treasured jewel," famous for boutique shopping and exquisite art galleries. Attendees also experienced an old-time city trolley tour through the streets of downtown.

III also sponsored a Get-A-Way trip to New Orleans, and we are excited to announce that Maria Holland of Royal Sun Alliance was the winner. Maria and a guest will enjoy five days in the Big Easy. III would like to thank the Sheraton New Orleans Hotel for their gift and support in the Get-A-Way trip.

With three days of activities and classes at a resort, it's hard to pinpoint what attendees enjoyed the most, Ferrier said. However, one thing is clear: the attendees liked getting together and getting to know one another and sharing experiences. "I think they especially enjoyed the camaradery and also getting to hear about the challenges that other people face in similar jobs," Ferrier said.

For others, the atmosphere itself made the event worthwhile. "I love this conference," said Sue Elet of American National Property & Casualty Insurance Company. "I learn something new each time I come. I wish my entire claims department could come to it."

Go ahead and mark your calendars. Next year's conference is already slated for May 12-15, 2009, at the resort town of Coeur d'Alene, Idaho. ■

# Save the Date!

## 4th Annual Claims Education Conference

May 12-15, 2009 | The Coeur d'Alene Golf & Spa Resort | Coeur d'Alene, Idaho

Coeur d'Alene is located in Northern Idaho just east of Spokane, Washington.  
The Resort is located on the north shore of Lake Coeur d'Alene flanked by the foothills of the Bitterroot Mountains.

*There are many exciting area activities to choose from in Coeur d'Alene!*



**“I love this conference! I learn something new each time I come. I wish my entire claims department could come to these!”**

*– Sue Elet, American National Property and Casualty Insurance Company*

**“I felt the classes were beneficial and a great refresher for me as a long time claims person.”**

*– Ron Gossett, Consumers Insurance*

**“This has been a great experience. The friendliness of staff and participants was unbelievable. People were here to learn, to participate—can only hope I get to come again.”**

*– Barb Elking, Celina Insurance*



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## CLAIMS-HANDLING SPOTLIGHT

# The Marine Claims Guide

*Don't Overlook the Importance of Marine Surveyors*

**M**arine claims are unique in their nature. One of the main reasons why is that a recreational vessel is constructed under different standards than a home or similar other structure and is subjected to different elements, i.e. waves, wind, seawater (a very corrosive environment) cargo damage etc. A marine surveyor is generally assigned to a marine claim because of their knowledge about vessels and cargo and should be considered your first responder to the loss.

The term, "marine surveyor" most likely came from an old English term. When cargo was shipped from Europe to different countries, a marine surveyor was hired by insurance companies to survey the condition of the cargo before it was shipped as well as after it arrived. Later, insurance companies began requiring vessel owners to have their ships inspected to determine if the vessel was capable of carrying the cargo, verify that it could make a safe passage, and determine if the vessel and its cargo was in good condition when it arrived at its destination.

## Surveyor Says

There are two professional marine surveyor organizations that are well known in the industry. The Society of Accredited Marine Surveyors (SAMS®) and the National Association of Marine Surveyors (NAMS). These organizations have by-laws, standards for continuing education, and a standard of ethics for their members and adhere to and maintain a professional attitude and commitment towards the industry. Many insurance companies will not assign a loss to a marine surveyor unless they are members of these organizations because of their standards of professionalism.

A marine loss might be as simple as rain water damage to the interior after a hatch was left open or as disastrous as the Andrea Doria. A good marine surveyor will have the knowledge to examine a vessel, determine if there are any problems with the vessel or cargo, and make an analysis after determining the origin and cause of the loss.

### Marine Claim Process

During a marine claim, the claim examiner will call a surveyor and have him examine the loss. Many marine losses are due to collision, striking a submerged object, engine failure, product liability, fire, as well as sinking. Major losses should not be handled from a desk; a marine surveyor should be assigned to examine the loss so the company's interests as well as the insured's interest are protected with photos, notes, and a report.

Not all marine surveyors will handle claims; many perform what is referred to as a pre-purchase or condition and value (C&V) surveys. These surveys are performed for underwriting purposes and will establish a value for the vessel or cargo as well as the condition. It's important that when a claim is assigned, the company adjuster knows the surveyor or calls him to see if they have the experience to handle a marine claim.

After a surveyor is assigned to the loss, he must contact all of the involved parties as soon as possible. The reason is that any damage or evidence must be protected. During severe losses like explosions or fires, the property must be secured and the proper protocol for this type of loss must be adhered to. The National Fire Protection Association has established a certain procedure (NFPA 921) that a good surveyor must follow during a fire loss. If the surveyor is not proficient in the origin and cause of the loss, he must turn to a network of professionals. These professionals might



be fire investigators, electrical engineers, or structural engineers, but they also could consist of laboratories that can test materials. These criteria must be established with the surveyor before the company assigns the loss and the surveyor must be given some small budget to have the evidence protected. Many vessels will be shrink wrapped (a plastic protective cover) to save whatever



evidence is left. However, this costs money and the surveyor should have the ability to authorize this without calling the home office adjuster.

### Mounting Losses

A marine claim can be an extremely expensive loss. There isn't any standard for hourly

labor rates or cost of materials, which is why it's so important to have a marine surveyor assigned to the loss. He will have the knowledge to review the estimate and make suggestions.

For instance, some geographical areas charge more for labor than others. In the greater New York region, labor rates might

be as high as \$150/hour, while in other states that can be much lower. Vessels that have become submerged will need to be salvaged, and the engines run as soon as possible. A few salvage companies will ask the insured for a copy of the policy before they send in the bill or even start the salvage operation. This is so they can base their fees on the value of the vessel. This is a major

problem for marine insurance companies, the surveyor, as well as the insured. Some salvage invoices are absolutely ridiculous and a considerable amount of time and energy are wasted trying to negotiate the invoice.

Additionally, there is always the strong possibility of pollution concerns after a vessel sinks or burns. A major concern is pollution to a protected or highly sensitive area. These situations require that the surveyor be a good advocate for the carrier as well as being sensitive to the situation and the environment. If an oil pollution incident has occurred, the local Coast Guard office, Environmental Conservation office, and local police departments likely will be involved. Proper protocol must be established with these agencies to see that no one steps on each other's toes.

Many times during environmental situations, a concerned citizens' group will be involved. The surveyor should understand that he does not give any press releases

## A Marine Claim Cheat Sheet

Below is a summary of how marine claims should be approached for maximum efficiency.

- 1 Assign a professional marine surveyor from SAMS or NAMS to assist you.
- 2 Make sure that the surveyor has handled claims before.
- 3 If a fire is involved, give the surveyor some authority to protect the scene. He will have to spend money initially.
- 4 If a theft is involved, has the surveyor filed a request for the official police report, contacted the local authorities in neighboring areas, and alerted the International Association of Marine Investigators?
- 5 If a fatality is involved, has the surveyor coordinated with all parties, such as the USCG and local police?
- 6 Has a USCG accident report been filed by the insured? Any loss of life, disappearance, injury, or damage more than \$2,000 must be filed with the USCG.

or volunteer information that might be detrimental to the claim. Many claims

have turned into nightmares because the surveyor had a "bull in a china shop" at-

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titude and put the carrier into an awkward position because of a comment or authorization that was made when he did not have the authority.

Many marine carriers have maritime attorneys on retainer. If the claim involves possible litigation, the carrier should be informed immediately so that they can contact their attorneys due to the fact that maritime law is different in the way it is litigated.

Thefts of vessels is a multi-billion dollar industry and are already on the rise this year. A good surveyor will have the wherewithal to contact the local police and USCG agencies as well as other marine surveyors that can keep an eye out for a stolen vessel. Some surveyors are certified marine investigators with the International Association of Marine Investigators (IAMI). This organization is international in nature and has a very good network of professional law enforce-

ment and surveyors that will communicate back and forth. If a vessel is stolen, an e-mail can be sent to all of their members throughout the world immediately after the vessel is reported stolen.

### Fraud Detection

With the changes in the financial picture throughout the world, many boat owners owe more than what they are worth — often referred to as being “upside down” on their vessels. I would suspect that there would be an increase in marine claims that might appear to be questionable. A claim involving sinking, fire, theft, or anything else that might cause the loss payout to be very close to the insured value of the policy will most likely start to increase in the next several years. It has happened in the past, and history has a tendency of repeating itself. If there is a question about the value of the vessel, claims and underwriting should start

to work together to see if the condition and value report they have on file has been performed by a professional marine surveyor. They should also determine if the market value is within the average for the vessel. If it is not, is there a reason? Did the insured upgrade the engines or perform other work that would have increased the value of the vessel above what the reference material your using indicates? These are important questions for which to get answers.

Your professional marine surveyor is your eyes, ears, and advocate to assist you and should be considered your first responder. ■

Kenneth Weinbrecht is a certified marine investigator and charter member of the Society of Accredited Marine Surveyors. He also is a member of the Marine Surveyor National Association of Marine Surveyors, International Association of Marine Investigators, and is an accredited senior appraiser through the American Society of Appraisers.

## ON || COURSE

# Surveying Team Strengths and Weaknesses

Every team has strengths and weaknesses. This course will teach you how to identify your own team's strengths and weaknesses and then build on the strengths and overcome the

weaknesses. By using simple skills and techniques, you will learn to inspire long-term positive change to facilitate more effective and efficient production.

- Recognize that identifying weaknesses is an important step toward accepting them and fostering change.
- Ensure that the whole team is involved in both identifying the strengths and weaknesses, as well as discussing the best ways to go about changing them.
- Assess all of the team's skills. Don't generalize; be specific.
- As a team, reach a consensus as to the next steps in building on the strengths and fixing the weaknesses.
- Employ key strategies such as communicating clearly; accepting opposing views and criticism; and sharing ideas openly and proudly. ■



## STUDENT OF THE QUARTER

## The Journey Is the Reward

By Carl Van

Patti Rutzinski, who was interested in only a “summer job,” started in the insurance industry with SECURA as a file clerk in 1987. Enjoying the environment, she applied for a full-time position. Still with the same company 20 years later, she has enjoyed many fulfilling positions as customer service representative, medical pay representative, casualty adjuster, property adjuster, and subrogation representative. Rutzinski now holds her favorite position of senior subrogation representative, which allows her to work a file to final resolution.



Rutzinski believes continuing education played a big role in how she advanced in her career. She received her AIC in December 1999, AIS in September 2000, CSR in September 2004, and CPCU in 2007. She is currently working to complete her BS in

Business. She also credits the “Awesome Claims Customer Service” class as giving her helpful tips that she uses daily.

She says one of her main strengths is the ability to determine a negotiation strategy very quickly upon review of a file. People who know her best say that she is a quick learner. Rutzinski tells us that “claim handling can be tough; you have to keep your sense of humor and remember why you are in this business.”

Another Patti, Patti Weiland, a previous supervisor, is the person she quickly names as someone who influenced her most in her career by giving her the confidence to become an adjuster.

Rutzinski and her husband, John, have two children: Emily and Abby. Patti’s favorite quote, “The journey is the reward,” seems to complement the journey in both her personal life and the journey she began 20 years ago. ■

## MANAGER SPOTLIGHT

## A Mardi Gras Meeting

Upon graduating from the University of New Orleans, Shawn Paretti attended the Mardi Gras Career Fair, where he encountered recruiters from St. Paul Insurance. Impressed by this encounter and what the insurance industry had to offer, Paretti gave great thought to the idea of a career in insurance.



After that Mardi Gras meeting, he started working as a claims representative trainee with St. Paul Insurance in 1991 and then quickly moved upward to senior claims representative. After leaving St. Paul Insurance, Paretti joined Louisiana Medical Mutual Ins. Co (LAMMICO) as a senior field representative. Promoted to positions of team leader, claims supervisor, and claim department manager, Paretti now holds

## TRAINER OF THE SEASON

## A Shine in a Rough Stone

Martha Bright started in insurance with Arbella Mutual in 1991 and then moved to Columbus, Ohio-based Safe Auto Insurance in 2004.



After being invited two and a half years ago to join the claim training department, she currently holds a position as a personal auto claim trainer, which is a new position at the company. Bright says she considers her involvement in the creation of the eight-week training program her biggest

accomplishment thus far. The program facilitates the transition of newly hired adjusters into productive members of the team. “We take new hire associates and train them in everything that’s necessary to start their careers in claim handling,” she says.

Holding a business degree with a concentration in management and marketing, Bright is now working towards her AIC designation. She has also attended two III seminars, one on time management and another about managerial soft skills. Each seminar has provided tips and tools that

have been incorporated into her training. Bright also adds that she attended a communication skills course by Power Presentations. Though she regards it as the most difficult and challenging seminar of her career, she says that she “learned so much.”

Bright truly believes in the sentiment uttered by Benjamin Franklin long ago: “Tell me and I forget; teach me and I remember; involve me and I learn.” She adds that she encourages her students to learn something new each day and seek out additional responsibilities to show

the position of vice president of insurance services.

“Working to make processes involving multiple departments work more effectively,” is what Paretti said he likes best about his current position. One of his primary jobs focuses on LAMMICO’s corporate process improvement initiative. The process involves documenting and analyzing existing workflows to identify opportunities for improvement.

Holding a BS in marketing along with the AIC and ARM designations, he is now working toward a CPCU, which is 50 percent completed. Paretti told CEM that Tillinghast’s medical professional liability seminar and “Eight Characteristics of the Awesome Adjuster – Customer Service” were the most valuable training classes that he attended.

Paretti attributes his success to great managers and coworkers and to “treating others how you expect to be treated. Every experience that God gives us, every person he puts in our lives, is the perfect preparation for the future that only he can see.” He also says the most important thing he has learned is

their ambition. “If you are new in the industry, always know the steps you will need to take in order to reach your next professional goal,” Bright says. “As I see the new associates move on to bigger and better things, it makes me really proud.” With Martha’s outlook on life and her attitude about continuing education, it’s not difficult to see why they succeed. Bright transfers her passion, enthusiasm, and love for the industry.

She also expresses her gratitude to the influential people in her professional life: Bill Grey, her first supervisor, for seeing the shine in a rough stone; and Linda Timpe, her current manager, whose trust and encouragement has afforded her countless opportunities to grow.

that “goals and objectives are essential if one is to reach his fullest potential.”

As a Louisiana resident, Paretti’s future ambition is to continue working to keep medical professional liability rates reasonable in the state. When not working on his career goals, he loves attending his children’s activities and spending time with family and friends. ■

## NEWS || BRIEFS

### ▶ NEW MEMBERS

We are delighted to welcome our newest members who have joined International Insurance Institute’s member list, either through on-site training programs or training materials.

#### United States

- County of Santa Clara, Thelma Rabee
- Guide One Insurance, Marsha Halvorson
- Puget Sound Energy, Mike Main
- Profession in Worker’s Compensation, Diane Cohen
- Property Damage Appraisers, Kathryn Slate
- LAMMICO Insurance, Rochelle Swanson
- Arbitration Forums, Tim McKernan
- Liberty Mutual, Sue Smith
- American Electric Power, Angie Hall

#### International

- Aviva Canada, Wendy Hillier

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# Tracking the Claim Staff's Training Needs

This course is designed for the manager who values continuing education. Every manager must keep his or her staff up to date with the best training possible. However, every employee has individual needs that may differ from that of the team. This course teaches supervisors how to recognize the real issues behind common problems, because not every complaint by a customer or an associate is as simple as it seems. This course highlights the following points:

- ▶ The first step in determining correct training is identifying the real issue behind a problem.
- ▶ Identifying the real issue involves evaluating what the person is really trying to say with his or her complaint. The apparent issue can show you what the real issue is.
- ▶ Once the real issue is revealed, you can analyze and evaluate the most crucial training needs.
- ▶ Regardless of whether the complaint is from a customer or an adjuster, you must decide on the most appropriate course of action to then begin to effectively and efficiently train your team.

## Effective Office Meetings

Anyone can run an office meeting, but not everyone can run a suc-

cessful one. This course teaches you how to not only effectively operate in a meeting, but also how to inspire and engage attendees. Office meetings require good communication and efficient problem solving, two seemingly simple skills that may be complicated to exercise when the pressure is on. Also, office meetings represent something larger: the organization itself. Often what goes on in a meeting is reflective of how the organization is doing as an entire entity.

This course covers a range of topics, including the following:

- ▶ What goes on in the workplace from day to day surfaces in its office meetings. This requires a concerted effort to make those meetings effective.
- ▶ To run an effective office meeting, a manager must have a clear goal to ensure that the meeting runs with a purpose.
- ▶ The meeting must address significant issues. Otherwise, participants will not care, listen, or take anything away from the meeting.
- ▶ Office meetings can be important brainstorming tools, if they are done correctly. A meeting should encourage ideas rather than criticize bad ones.
- ▶ Brainstorming should involve everyone, and everyone involved should be building on others' ideas. ■



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