

May 2020

COVID-19: Claims Management Best Practices



Traditionally in India, claims management has always involved physical loss site inspections. Even the regulator mandates physical site visits. The documents are mostly shared in physical form and the insurers are accustomed to reviewing the physical survey reports. While there is serious constraint in continuing with this traditional mode, there is some amount of discomfort with some insurers in managing claims remotely and based on digital documentation.

Remote Claims Management is the need of the hour. Insurers / surveyors are adapting to the idea of processing files based on digital documents and increasing number of meetings are happening virtually.

While new ways of servicing claim requirement crystalizes, the client may also consider some unique ways of fulfilling evidential requirements which can be scrutinized and validated remotely for a speedy claim settlement during these trying times.

We suggest having all submissions on claim routed through Marsh's client executive for a review before sharing the same with insurer/surveyor.

Our clients may have two types of claims to respond to during this crisis:

- The ongoing claims with or without reinstatement provision
- New claims reported during the lockdown

On Going Claims:

- Please take adequate measures to safeguard the affected/ in the process of restoration property from any further damage.
- Most insurance policies have a provision that in the event of a loss or damage any rights of recovery from other parties are required to be protected. In case undertaking such measures are impacted due to COVID 19 circumstances, please keep the insurer informed.
- Insurance is classified as essential services, where the authorities permit insurers to issue travel pass to surveyors for onsite survey in the lockdown areas. Please support them with requisite information for issuance of such travel pass.
- Explore the possibility of providing remote access to surveyors or insurance companies for verification of data or information without

compromising your companies' data security protocols. This may help expediting settlement of claim.

- You may consider the option of settlement claims on market value basis where reinstatement of property is likely take longer time or there is some uncertainty around reinstatement.

New claims reported during the lockdown:

- Insurance is classified as an essential service provider and new claims are getting registered. So intimate the claims as soon it is discovered or known.
- Wherever possible, please try and take photographic/video evidence of the damages with date and time. This is can be a reliable evidence of the loss occurrence and extent of damage.
- Marsh executives will assist you in coordination with insurer for appointment of surveyors preferably the ones who are equipped to undertake a remote survey if site visit or client meeting is not feasible. Surveyors are attending the losses on audio and video calls supported by live video feed of loss/damages where feasible. Such interaction is followed up by written instruction on the further course of action. In some instances insurance companies are arranging travel passes for surveyors to travel when on site physical survey is required.
- List the damages and calculate the provisional loss amount wherever possible. Based on this, one needs to explore possibility of interim payment. (For making efforts towards interim payments an indicative list of requirements is attached)*.
- Please ensure you have a clear advice from surveyor/insurer about how to go about dismantling /disposal of damage property under claim.
- With regard to loss minimization measures advised by the surveyor/insurer, please review same are practical and implementable. Ones that are not implementable should be communicated back to surveyor/insurer and wherever required seek their support or guidance.

***Insurers consider interim payment, when they are satisfied about the admissibility of the claim. In case of any ambiguity, Insurer might seek additional documents in order to satisfy themselves that cause of loss is an insured peril**.*



FOR MORE INFORMATION PLEASE CONTACT YOUR NEAREST MARSH REPRESENTATIVE.

Disclaimer: Marsh India Insurance Brokers Pvt Ltd is a joint venture between Marsh International Holdings Inc. and its Indian partners. Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer and Oliver Wyman. This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Insurance is the subject matter of the solicitation. For more details on risk factors, terms and conditions please read the sales brochure carefully before concluding the sale.

Prohibition of Rebates - Section 41 of the Insurance Act, 1938; as amended from time to time: No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer. Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to ten lakh rupees.

Marsh India Insurance Brokers Pvt. Ltd's corporate and the registered office is at 1201-02, Tower 2, One Indiabulls Centre, Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400013. Marsh India Insurance Brokers Pvt. Ltd is registered as composite broker with Insurance and Regulatory Development Authority of India (IRDAI). Its license no. is 120 and is valid from 03/03/2018 to 02/03/2021. CIN: U66010MH2002PTC138276.