



AFM COO NETWORK

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Managing the Rising Expectations of regulators and Customers – Whilst optimising reserves...

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Gathering Fact, Removing Doubt



The Challenge

-  Controlling claim costs.
-  Keeping members happy.
-  Satisfying regulatory requirements.



How?

- ▲ Dynamic Claims Management
 - Early Intervention
 - Active Assessment
 - Structured Claim Reviews “Avoid Claim Drift”
 - Portfolio Review



Why?

- ▲ Manage....
 - Claimant expectations
 - Claim durations
 - Resources
- ▲ Leading to...
 - Cost reduction
 - Optimised reserves



2 Golden Rules!

- ▲ Resource Management
 - 1 assessor per 80-100 claims
 - Structure, Experience and Consistence
- ▲ Portfolio Review
 - Remove invalid claims
 - HCB experience – 5%-20% reserve release



Case Studies

 Opening Reserves
- £200m

 50 Largest Claims
Reviewed

 9 Claims Closed
or Limited (18%)

 Reserve Released
- £13m

 6 Months Work

 Claim Reserves
£11.9m

 1000 Claims

 Terminations – 338
(33%)

 Reserve Released
£4.7m

 9 Months Work

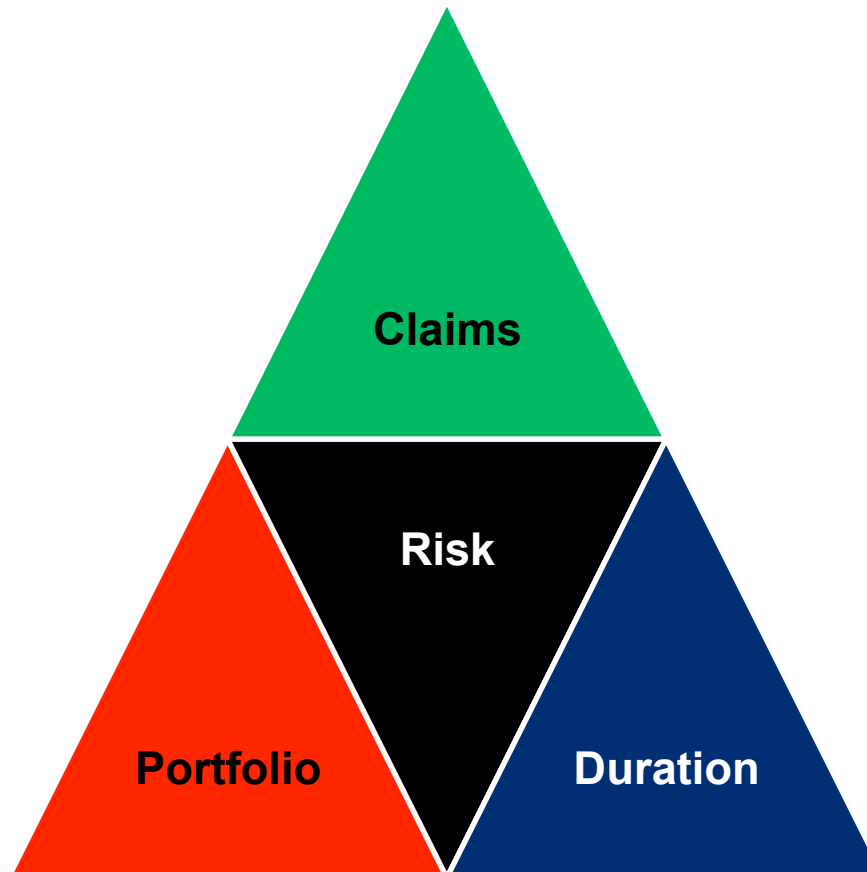


Conclusions

- ▲ Active claims management produces RoI.
- ▲ Passive management or “abandoned claims” present an unacceptable risk.
- ▲ Most portfolios have reserves “on the table”.
- ▲ Small claims departments are exposed to risk.

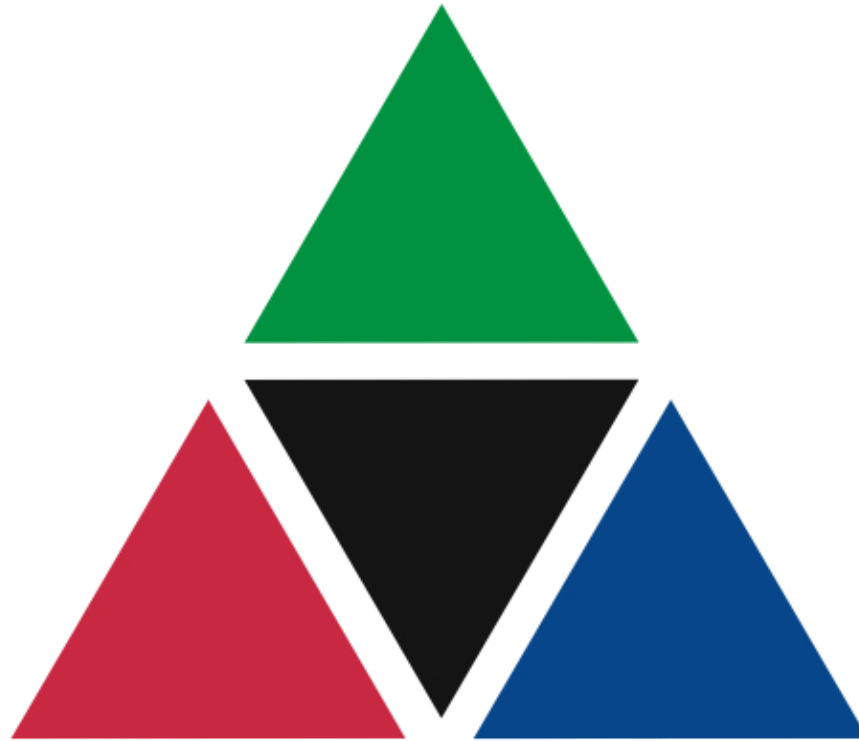


Managing...



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