



# Delivering excellence in insurance claims-handling














A response to AIRMIC's best practice guide

The background of the page is a blurred photograph of two people in a modern office setting. They are standing in front of a large window with a dark grid pattern. The lighting is bright, creating a high-contrast, blue-tinted scene. The figures are out of focus, emphasizing the architectural elements and the overall atmosphere of a professional environment.

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## Client charter

-  We will provide you with world-class global claims management solutions.
-  We provide a global claims network able to respond wherever it is required in the world.
-  We will provide you with a tailored claims management solution to meet your specific requirements to include detailed and meaningful management information.
-  We will provide you with claims professionals who have the time and business tools to deliver service excellence.
-  We will provide you with a dedicated Claims Account Manager.
-  We provide a seamless link between claims personnel and underwriters to ensure that an overall business perspective is maintained.
-  We will ensure that we understand your business and the impact of claims on your business.
-  We are transparent and straightforward in our dealings and we will adopt a collaborative approach in all claims.
-  We have a policy to return all phone calls within one business day.
-  We will respond to urgent communications as a priority and within the time frames agreed with you. All other communications will be responded to within five working days as a maximum.
-  We treat you, those making claims against you and other relevant parties with fairness, integrity and respect.
-  We properly address any expressions of dissatisfaction and learn from them.
-  We will honour our commitments to you.

# Our core values are more than just words – they reflect the way we do business.

**An exceptional claims handling service delivered in line with our core values.**

## **Ethics**

We insist on the highest standards of personal and professional conduct to secure the absolute trust and confidence of our clients, our shareholders and our colleagues.

## **Teamwork**

We achieve a greater contribution when we work together. We will recognise and reward teamwork.

## **Excellence**

We require continuous improvement in the quality of all that we do. We will reward those who continually seek to improve the quality of their work.

## **Development**

Ensuring that our staff realise their full potential is the only way for us to reach our business objectives. We expect everyone to take the initiative for their own professional development and assist in the development of colleagues and subordinates.

## **Respect**

We value and respect the differences and diversity within our organisation. Lack of personal and professional respect in dealing with our colleagues will not be tolerated.

Our core values are more than just words – they reflect the way we do business. Our whole approach to managing your claims is intrinsically connected with these values.

## Culture & philosophy

At XL Insurance, we aim to be a world-class provider of global claims management solutions. Our solid reputation for claims handling is important to us and we invest in maintaining it. That means positioning the claims function at the heart of our organisation.

We understand that there's more to effective claims handling than the technicalities – the disruption to business needs prompt resolution too. That's why our approach to claims is based on understanding the needs of our clients.

<p><b>How important is the claims function to XL Insurance?</b></p>	<p>Our claims operation is an integral and fundamental part of our organisation. A key priority is to ensure that the claims operation works closely with underwriters, client relationship managers, risk engineers and other internal business partners at all levels</p> <ul style="list-style-type: none"> <li>– even at the pre-quote stage – enabling us to deliver a seamless service to you.</li> <li>– the Global Head of Claims is a member of the XL Insurance Executive Management Board and reports directly to its chief executive. Local and regional claims</li> </ul>	<p>operations are regarded as essential parts of the business with representation on Regional Management Boards.</p> <ul style="list-style-type: none"> <li>– in a continually evolving business environment, investment in the claims IT infrastructure is paramount not just for efficiency but also to provide accurate and consistent data quality across our global claims organisation.</li> </ul>
<p><b>What can I expect from XL Insurance?</b></p>	<ul style="list-style-type: none"> <li>– A claims team and systems focused on the special requirements of commercial clients.</li> <li>– Claims professionals with great experience and technical excellence in diverse areas of risk.</li> <li>– A tailored claims handling solution to meet your needs.</li> </ul>	<ul style="list-style-type: none"> <li>– A detailed client charter to ensure that we deliver on the commitments we make.</li> <li>– An undertaking to treat all customers fairly and with respect, responsiveness and integrity.</li> </ul>
<p><b>How is this achieved?</b></p>	<ul style="list-style-type: none"> <li>– We employ, develop and retain talented claims professionals. Technical expertise is not enough; we look for a business acumen that will help your business through the impact of any large, complex or everyday claim.</li> <li>– We ensure that each claims professional has a manageable caseload to ensure that you receive service excellence.</li> </ul>	<ul style="list-style-type: none"> <li>– Your own dedicated claims team led by a Claims Account Manager will deliver what you need.</li> <li>– Documented claims procedures ensuring a consistent approach wherever the claim, transparency of process and a full understanding by all involved.</li> <li>– A worldwide network of XL-owned offices and partner offices, including where applicable full access to the Lloyd's network, supports your business operations.</li> </ul>
<p><b>How is this managed and controlled?</b></p>	<ul style="list-style-type: none"> <li>– Diligent regulatory compliance by way of our own internal financial controls and procedures, including internal and external audit.</li> </ul>	<ul style="list-style-type: none"> <li>– Key Performance Indicators.</li> <li>– Global technical oversight by senior operational and technical Claims Practice Leaders.</li> </ul>

# Technical expertise is not enough – our Claims team has the business acumen to help your business through the impact of a large and complex claim.

## Communication

We believe that open, professional and efficient communication sits at the heart of our operation. It builds partnerships and creates value. It helps to reduce misunderstandings. It creates a culture whereby collaborative action recognises, and eliminates barriers to success. We take pride in tailoring solutions to suit your business.

### You will work with people you know

You will have a dedicated claims team led by a Claims Account Manager.

- You will have access to specific line of business expertise.
- We will ensure that you know the team from the outset.
- We will not operate any call-centre style arrangement.
- We will manage caseloads so that our claims team is available and responsive.

### Tailored services

- We tailor our claims management solutions to your needs. We strongly encourage pre-inception meetings along with regular liaison meetings to help deliver consistently the service you expect.
- Claims information and statistics can be provided in an agreed format on a regular basis.
- We will agree formal claims procedures with you before inception, where possible, to facilitate the provision of information required to deal with your claim quickly and efficiently.
- We strongly encourage post-settlement ‘Lessons Learned’ sessions with you on large and complex losses.

### Sharing information

- We keep you or your representatives informed of developments on a regular basis.
- We communicate with third parties or their representatives in a professional manner.
- A claim resolution strategy is agreed with you and any alterations communicated.

- Claim report, audit and review formats are agreed with you.
- We encourage regular reviews and discussion to enhance understanding of your business and the impact of claims activity.
- We recognise the need for streamlined processes where more than one insurer participates in respect of any loss and we will communicate with your excess insurers as appropriate.

### Help us to help you

- We welcome and encourage feedback that will help us to meet your expectations.
- We will carry out regular customer surveys, and use feedback for continuous improvement to our service.
- We always prefer an open and transparent exchange of views to resolve any issues, but if you are less than 100% satisfied with the service which you receive, naturally you can access our complaints procedure which is in accordance with FSA guidelines.

## People

We are confident that you will not find a better global claims team in the market.

### Quality people

A robust recruitment process tests each candidate on technical and, just as importantly, business-driven issues to enable us to recruit the best claims professionals. We recognise that it is not simply what we do but how we do it that matters. Attracting and retaining quality people who understand the technicalities of claims is not enough – we look for talented people who are solution-orientated, can effectively communicate difficult and complex issues and can understand your business.

### The right people for the right claim

– We ensure the right claims expert is appointed to deal with each claim, whether straightforward or complex. We regularly review claims authorities to ensure our people are empowered to make decisions. We know that in today's global business environment, claims can be extremely complex.

Your large, complex claims are handled by experienced professionals and when required, by our team of global and regional Practice Leaders who provide technical support across the globe on the very largest of profile claims.

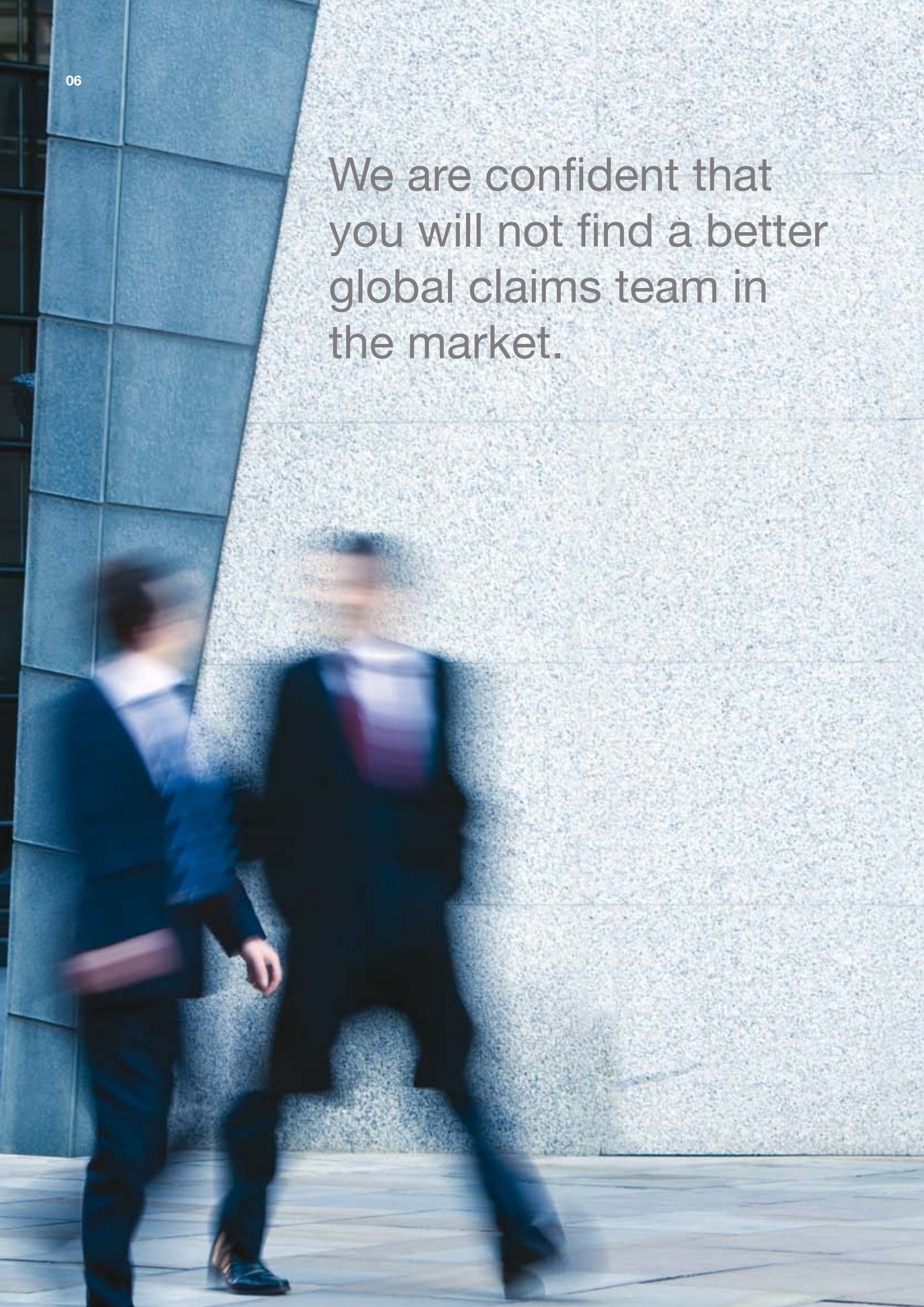
- Not only do our global guidelines ensure a consistent service, we are also sensitive to the distinctive practices, laws and regulations of the individual jurisdictions in which we work.

### Skilled and motivated people

- The average experience of our 50-strong UK team is 18 years.
- We value and promote academic qualifications and achievements. Most of our team have CII, Legal or Business qualifications with others working towards them.
- We have a performance-driven culture.

- Our focus on succession planning ensures that our future leaders are identified throughout their careers and are supported in their development. We are happy to spend time and money on training to supplement existing skills and give our people the technical and business skills necessary to deliver a superior claims management service.
- Our claims professionals' caseloads are monitored regularly and they have a challenging but not burdensome caseload which enables them to optimise support for your business.
- Our staff retention levels are high – well above service industry averages – which enables us to provide you with an experienced, skilled and consistent service.

We are confident that  
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global claims team in  
the market.





## Infrastructure

Our infrastructure is the foundation on which we build our global claims service.

### Global network

Our worldwide presence provides us with the opportunity to understand your local needs. All buildings are equipped with high quality facilities and technology to allow for video conference, telephone conference and face-to-face meetings.

- Our executive headquarters are based in Bermuda.
- With a global network of owned offices and fronting partners we serve clients in approximately 100 countries.
- We structure our insurance operations into four business units: North America P&C; International P&C (which includes Europe, Asia and Latin America); Professional; and Specialty.
- We support the smaller offices and fronting partners' network with three centrally located regional hubs in Vienna, Sao Paulo and Hong Kong.
- Our Lloyd's platform, syndicate 1209 managed by XL London Market Ltd, provides facilities for brokers to meet our claims professionals at the box and allows access to the Lloyd's global network.

### IT facilities

We have a secure and sophisticated data-managed desktop system which ensures efficiency and is constantly upgraded as technology advances. This system is a single global platform which streamlines our business and allows our network to access consistent global information.

Security of data along with a comprehensive, fully-tested disaster recovery plan for each individual office provides business continuity and gives you the comfort of knowing that your claim will be handled without delays. We also provide our claims personnel secure access away from the office and business tools to offer a service beyond 9am-5pm.

### Our key IT facilities

- Dedicated claims systems
- Diary/workflow system
- Intranet housing guidelines, reports, research, case law, etc.
- VPN – secure access for remote working.

We believe we have shown a true commitment to investing in systems which support the claims process by continually looking to improve our systems in line with technological advancements. We are investing significant time and money to develop and implement a cutting edge system across our entire global claims network.



## Claims procedures

We believe that excellence in the operational claims management process is essential for both effective control of costs and financial exposure. We strive to foster a team approach between you, our service providers and ourselves. This is reflected in our procedures and practices.

### Tailored services

Our claims personnel are required to adhere to global guidelines that ensure consistency of claims management around the world. However, we recognise that your business is unique and claims procedures must be tailored for you. Written, flexible and tailored claims procedures are a crucial element in delivering the service you expect from us.

### Service suppliers

We draw on a huge resource of technical knowledge and experience both from within the XL group and from independent specialist firms including loss adjusters, surveyors, lawyers and accountants with whom we have built relationships over many years. We believe that long term partnership brings us in depth knowledge of service providers' expertise and capabilities.

We secure service level agreements with all our preferred suppliers which ensure consistently high standards for us and you. We are aware of the cost of external suppliers and we control these costs carefully.

### Recovery actions

We promote a robust but flexible approach to recovery as an integral part of any claim as this can bring cost benefits. As the nature of recovery actions can be complex, we are sensitive to the economics of recovery actions and the impact on your business. We believe a collaborative approach is an essential tool in the claims process.

### Risk management

Through our extensive experience and capabilities in large losses, complex, catastrophe claims and volume claims we can offer insight to augment your own risk management strategies. Our own global catastrophe protocols are regularly reviewed and updated with robust risk management in mind.

### AIRMIC initiatives

We were pleased to take an active role in the development and implementation of the AIRMIC Statement of Principles in respect of Reservation of Rights and its Speed of Settlement initiative.

- We strongly encourage an early, open exchange of views upon notification of large losses. Our claims experts are fully conversant with the Statement and have undergone internal training to ensure that we act in accordance with it.
- We also recognise the challenges of cash flow during the lifetime of large and complex claims and are actively working with AIRMIC and its partner carriers.

## Data management

Your data needs to be secure, reliable and only accessible by authorised individuals. Our protocols set the standard for how we manage data in line with legal and regulatory requirements and ensure that we preserve data integrity and reduce the risk of fraud. Robust business continuity plans are in place to minimise the impact of any unexpected disruption to operations.

### Our data management protocols cover the following areas:

<p><b>Data protection, integrity and compliance</b></p>	<ul style="list-style-type: none"> <li>– Our standards seek to comply with all local laws of the numerous countries within which we operate and are an integral part of our daily business practices.</li> <li>– All employees must certify an understanding of the Code of Business Conduct and Ethics as a part of the terms of their employment, which is being extended to cover accounting procedures and our document retention policy.</li> </ul>	<ul style="list-style-type: none"> <li>– All of our systems are password protected. Where appropriate, actions are restricted based upon level of authority.</li> <li>– Our formalised Records Management Policy supplements our Code of Business Conduct and Ethics, aimed at meeting all business, regulatory and legal requirements for the purposes of records retention.</li> </ul>
<p><b>Reliability, accuracy and validity of data</b></p>	<ul style="list-style-type: none"> <li>– Compliance controls ensure that all data entry has been authorised and is accurate.</li> <li>– All claims experts are provided with authority levels which are subject to referral procedures and audit.</li> <li>– All of our systems have audit trails which can identify staff entry.</li> </ul>	<ul style="list-style-type: none"> <li>– Regular control reports are utilised to ensure that all data is checked and validated.</li> <li>– We are used to handling the sophisticated reporting requirements of our numerous client captive accounts.</li> </ul>
<p><b>Identification and investigation of suspicious and fraudulent claims</b></p>	<ul style="list-style-type: none"> <li>– Although the vast majority of the claims that we receive are genuine, where necessary we rely upon internal and external specialists to address fraudulent claims.</li> </ul>	<ul style="list-style-type: none"> <li>– We have a specific corporate policy to deter, prevent, identify and investigate all potential fraudulent activity.</li> <li>– All claims personnel undergo mandatory certified annual fraud awareness training.</li> </ul>
<p><b>Business continuity and disaster recovery</b></p>	<ul style="list-style-type: none"> <li>– We have a comprehensive Emergency Response and Continuity/Recovery Plan covering essential business operations managed and directed by a Crisis Management Team. This plan is regularly reviewed and tested.</li> <li>– The plan incorporates the claims operation and is designed to minimise the impact of unplanned disruption including the maintenance of essential IT platforms and preserving the continued use and integrity of data.</li> </ul>	<ul style="list-style-type: none"> <li>– An emergency recovery site will enable temporary operations pending resumption of all normal business activities.</li> </ul>

# Operational managers work with technical practice leaders to deliver operational expertise allied with technical strength.

## Operations

Our Global Claims Executive Management team includes both operational and technical managers. Our four business units are run by operational managers who are responsible for managing the claims operation. Their work is augmented by technical Practice Leaders in all lines of business who drive technical claims performance.

### Operational focus

Our claims management operations are supported by our communications, people and infrastructure, and influenced by our claims procedures and data management protocols (see previous sections).

We write our business on two platforms – through XL Insurance Company Ltd and through our syndicate at Lloyd's of London. Although the claims processes differ, they are designed to deliver consistent service excellence on both platforms so that you are free to choose which platform best serves your business needs and can be confident that you will receive the same level of service and expertise. To deliver this consistency, our company and Lloyd's operational processes are clearly defined within our claims guidelines.

Typically, our Lloyd's platform claims are transacted in partnership with Lloyd's brokers. We are fully supportive of the electronic trading system (ECF).

Operational performance, including speed of payment, is monitored in a number of ways (see page 11).

We deliver operational performance through our own in-house claims professionals and in addition we utilise a limited number of third party administrators (TPAs), as required.

### Delegated claims-handling

We believe our own in-house claims-handling best provides the service excellence that you need. However, we are flexible to your business requirements so where appropriate we delegate claims to TPAs. A dedicated team manages this process for you.

We currently work with a number of TPAs via service level agreements and specific delegated authorities. We control thousands of smaller claims in this way.

However we ensure that larger or more complex or sensitive claims are directly controlled or handled by our own claims professionals. When claims are handled by a TPA we retain ultimate responsibility and through rigorous processes ensure that we know what is being done on our and your behalf.

A direct system interfaces with our key TPAs, ensuring regular data reconciliation. Through our regular audits, we ensure that the quality of claims handling is to the standard we require. The TPAs can, if required, make payments directly through a designated fund, which is monitored on an ongoing basis to ensure that there is no delay in settlement.

### Technical focus

Our practice leaders are responsible for the technical development of our claims personnel and the development of best practice claims-handling. This includes the consistent application of policy interpretation across our platforms, which we see as critically important.

## Monitoring & review

Performance review is an integral part of our global guidelines and the structure we have in place allows us to monitor performance objectively against Key Performance Indicators to see how actual performance meets our intended level of success.

**Some of the main features that assist in evaluating our performance include:**

### **Customer satisfaction surveys**

Our online survey offers you the opportunity to provide feedback on our service. We take your comments on board and use them to help us continually improve.

### **Broker performance surveys**

We also take notice of how your insurance broker rates our service. Again, any comments are used to improve our processes.

### **Claims key performance indicator reports**

We produce regular management reports in respect of workflow, closing ratios, data management etc. to monitor and evaluate the speed and quality of service that you receive.

### **Comprehensive comments/complaints procedure**

Of course we want to hear when we do a good job, but we also want to know when we can do better. Our FSA compliant procedures are structured to ensure senior management is notified of all performance-related comments and ensures that issues are addressed to your satisfaction.

### **Employee performance appraisals**

Our claims personnel are continually appraised to review the service that they are delivering. Our team approach swiftly identifies areas of strength and development that enhances the service you expect.

### **Claim reviews**

A range of audit processes are carried out within XL Insurance, with both internal compliance and external audit bodies providing independent and objective feedback. On a more frequent basis, our own claim managers continually review performance and service quality.

### **Review meetings**

Known also as 'Lessons Learned', we have the opportunity to review settled high profile cases with you to gain further insight into their development and take away both the positive and not so positive aspects to improve future claims experience.

## Testimonials

“

We recently had cause to make sizeable claims in respect of our operations in South Africa and Poland. XL Insurance settled these claims very quickly and provided us with an outcome with which we are pleased. What made the difference was that XL Insurance weren't hidden behind a third party service provider. They were prepared to push forward the claims settlement process decisively, as well as getting round the table and negotiating face-to-face with our local businesses together with my own team.

”

**AB Electrolux**  
18 September 2008

“

We recently made two large and complex fire and flood claims in respect of our operations in Italy. In both claims, we found that the XL Insurance team had a good understanding of the requirements of our business, drove the claims process and, even more importantly, were empowered to make settlement decisions. As a result, these claims were resolved to our satisfaction within around six months rather than a much longer period, enabling our local companies to concentrate on rebuilding their operations.

”

**NSG Group**  
6 October 2008

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