

Claims[®]

COVERING THE BUSINESS OF LOSS

A CRASH COURSE IN LEARNING

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Application-Based Models and Auto Adjusting

Job competency relates to the skills, knowledge, and attitudes required to be successful in a specific position within a company. Employers evaluate competencies of prospective employees during the interview process to ensure they would be suitable for the roles they are intended to fill. The ongoing evaluation of competencies is also important and necessary throughout an employee's career. When job competencies are properly aligned, both the employer and the employee benefit. This is especially true in the claims profession.

To be successful, claims representatives must be able to perform job functions with incredible competence. These functions fall into several job-related competencies, including claims administration, investigation, evaluation, negotiation, and litigation.

One challenge for our claims brethren specifically is to keep up with all of the changes that occur in the insurance profession. There is the invariable daily bombardment of new laws, regulations, and guidelines that affect how they do their job.

Augmenting Aptitudes

Claims representatives must be competent because there are various stakeholders to satisfy. Moreover, the adjuster must answer to employer, state regulators, the insured, and the claimant. The claims adjuster has a good-faith obligation to conduct a fair and adequate investigation to determine the legitimacy of a loss and whether coverage exists. Additionally, there is the ever-present obligation

to fairly evaluate and resolve claims after liability and coverage have been assessed.

In some cases, a claims representative must become involved in the negotiation and litigation of a claim. If a claim cannot be resolved through negotiation, then litigation will ensue. When this happens, it is necessary that the claims pro be aware of litigation management techniques and how to employ them efficiently. It should be noted that litigation management is an ongoing process intended to control legal expenses while retaining high-quality counsel and legal services.

Claims representatives can enhance their skills and knowledge in job-related competencies through education. When pursuing further learning, claims representatives should consider the proficiencies their job requires and attempt to align their education accordingly. The Institutes can assist claims representatives and other insurance professionals by providing new application-based learning methods to offer knowledgeable solutions specific to job competencies. This type of

learning is achieved by providing content that is immediately usable on the job.

The Institutes' application-based courses are designed to convey useful and appropriate knowledge, skills, and attitudes to professionals, who can thereby apply the techniques learned to real-life scenarios. In some cases, the application of the knowledge will also require analysis and evaluation. With large amounts of insurance-related information freely available on the Internet, The Institutes strive to differentiate themselves by designing content in a way that helps learners translate knowledge and enhance on-the-job performance.

Application-Based Models

There are two types of application-based activities that are an essential part of the learning experience and will help claims representatives enhance their ability to harness new-found knowledge on the job. The first, "Apply Your Knowledge Activities," are short, scenario-based activities that enable learners to apply knowledge from a single learning objective.

For example, Joe purchases a personal auto policy in which he is the named insured. On the way to work in Joe's car, his wife Jane is involved in an accident in which she is liable for thousands in damages. Jane does not have a policy of her own. Based on the policy definitions, are Jane's damages eligible for coverage under Joe's policy?

The correct answer is "yes." Joe's wife is covered under the personal auto policy. On the declarations page, the words "you" and "your" include an unnamed spouse of the named insured—provided that the spouse is a resident of the same household. In fact, even when an unnamed spouse of the named insured moves out of the household, but remains married to the insured, the spouse is considered "you" for another 90 days or until the policy expires—whichever comes first. Coverage ceases if the spouse is named on another policy.

The second group of activities, "Knowledge to Action Activities," are extensive case-based exercises that enable learners to apply knowledge from multiple learning objectives. As part of the course work, learners will be required to review the relevant sections of the policy and answer questions pertaining to the facts of the case.

AIC PERSONAL AUTO TRACK OVERVIEW

The Institutes has refined the requirements of the personal auto track for those looking for an in-depth analysis of auto claims while earning the AIC designation. The required courses encompass the following topics:

- ▶ Property and liability insurance principles (INS 21)
- ▶ Claim-handling principles and practices (AIC 33)
- ▶ Personal auto insurance and managing bodily injury claims (AIC 38)
- ▶ Auto liability claims practices (AIC 39)
- ▶ Ethical guidelines for insurance professionals (Ethics 311) OR ethics and the CPCU code of professional conduct (Ethics 312)



Both AIC 38 and AIC 39 are new courses for The Institutes. AIC 38 is designed to help students learn the fundamentals of personal auto insurance, improve their customer service skills with an enhanced knowledge of auto contracts and endorsements, learn how to manage injury claims more effectively, and control expenses and loss costs, according to David P. Thomas, CPCU and director of sales at The Institutes.

In AIC 39, auto liability claims practices will be enhanced, as professionals will learn how to reduce time and costs, effectively manage fraud investigations, and improve claim handling after learning evaluation and settlement techniques.

Sources: www.aicpcu.org, www.theinstitutes.org/AIC

A New Test-Drive

Previously, The Institutes' case studies illustrated the application of knowledge, skills, and attitudes. Now, however, rather than telling the claims professional what to do, they are encouraging the learners to do it. Instead of providing the answers, the case studies provide a set of facts and resources, prompting the learners to resolve the issue.

The new Associate in Claims (AIC) Personal Auto Track is the first track

The Institutes created following application-based learning methods. This track was designed to help auto liability adjusters learn how to efficiently and effectively navigate through the ever-changing landscape of auto liability claims and the entire loss adjustment process. This track is designed to improve employee effectiveness, enhance adeptness at handling coverage disputes, help mitigate costly lawsuits, and reduce the time and costs

associated with dealing with personal auto claims.

The AIC Personal Auto Track illustrates the basics of auto liability and physical damage claims handling, including discussion of the coverage provided in auto policies. Additionally, a portion of the course material will help learners in evaluating bodily injury claims.

According to The Institutes, completion of the AIC Personal Auto Track will benefit the public, the insurer, and the claims representative. This education will help steer claims representatives toward more effective and efficient claim resolution. Better claim handling not only improves customer satisfaction and retention, but also the insurer's bottom line. This track is the first of a long line of claims-specific job competency education to be provided by The Institutes. For more information, refer to the sidebar to the left. ■

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