

# Overview of Liability Claims

“A desk job. Is that all you see in it? Just a hard chair to park your pants on from nine to five? Just a pile of papers to shuffle around and a sharp pencil and a scratch pad to make figures on, with maybe a little doodling on the side? That’s not the way I see it, Walter. To me a claims man is a surgeon, and that desk is an operating table, and those pencils are scalpels and bone chisels. And those papers are not forms and statistics and claims for compensation. They’re alive! They’re packed with drama, with twisted hopes and crooked dreams. A claims man, Walter, is a doctor and a bloodhound and a cop and a judge and a jury and a father confessor all in one.”

- Edward G. Robinson, talking to Fred McMurray, in *Double Indemnity*, MGM, 1941

## INTRODUCTION TO LIABILITY CLAIMS

Since Edward G. Robinson’s quote in the 1941 MGM film *Double Indemnity*, the world of the claim representative has changed in some ways, but not in others. Today, the term “claims man” is obsolete. Even the term “adjuster” has increasingly been replaced by “claim representative,” especially when referring to people handling liability claims. The intrigue of the job, however, remains the same. Being a liability claim representative still requires a broad range of skills, knowledge, and talent.

### Liability Claims Basics

The first insurance coverages protected insureds from their own losses, usually those caused by some force of nature. These insurance coverages involved only two parties, the insured (the first party) and the insurer (the second party). Liability insurance is somewhat unique in that it provides coverage for losses experienced by a third party.

Liability insurance coverages were created to help protect insureds from the financial consequences of an insured’s legal obligation to a third party. In theory, insurance coverage either exists for a claim or it does not. There is no in-between status. Liability, on the other hand, comes in various shades