

Commercial Insurance Claims: Findings from Research with SME Customers

Prepared by Quadrangle for the Financial Conduct Authority (FCA)

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Further details of the research are set out in the Technical Report section in the appendix of this document.



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1 Executive Summary

In May 2014, the Financial Conduct Authority (FCA) launched a thematic review of first party commercial insurance claims made by small and medium-sized enterprises (SMEs)¹.

To inform the review a programme of qualitative interviews was conducted with a range of SMEs that had made an insurance claim over £5,000 in the previous two years. Key findings from these interviews with SMEs are summarised below.

1.1 The broker role is central when arranging insurance

Amongst the sample in this research, the most common approach to buying insurance is through a broker, for some simply because it is 'best cost/least effort', and others because they may have specific needs (complex or sector-specific) requiring specialist knowledge or access to sector-specific insurance panels. Those buying direct from insurers tend to do so as last minute distress purchases, where they have very basic needs, or where they feel that 'cutting out the middleman' will help to save costs

1.2 Inadequate cover is common

'The best cover and at the best price' describes the approach to buying insurance for many. While businesses often talk of being 'confident' about what they are covered for prior to a claim, many find that the terms and conditions, warranties and exclusions subsequently prove that they didn't have the cover they thought they had. Some customers also readily admit to not being able to understand or engage with the volume of terms and conditions supplied with their policy, leaving them at a disadvantage.

1.3 Initial response times vary and action planning is limited

While response times at the initial point of claim are often prompt and largely acceptable, the research has shown that in some cases, they fall way short of what is required; there are examples of major fires or ingress of water on business premises where site visits have not been made for up to two weeks after being reported. This means that businesses may not be able to progress claims as quickly as they would like in order to take the appropriate action and minimise losses.

As with response times, the advice and guidance received at the first point of contact or first visit can vary. While some claimants appear to have had prompt and clear instructions,

¹ The Department for Business Innovation and Skills describes businesses with 0-49 employees as small businesses and businesses with 50-249 employees as medium businesses. The Federation of Small Businesses further segregates the small category into micro (0-9 employees) and small (10-49 employees) categories. We have used these definitions in this work. Further detail can be found in the technical annex to this report.



there are a number who claim to have had very little useful guidance regarding business continuity or other practical matters (e.g. whether they are able to begin clearing up after a fire or flood). In addition, there is considerable evidence to show that a number of claimants feel they are not being provided with clear and effective project plans or details about how their claim will proceed, including expected timescales to reinstatement and settlement.

1.4 The progress of claims varies with excessive burden sometimes placed upon claimants

There are many examples of claims that progress to settlement within acceptable timeframes, and claimants understand that in the case of material damage there is a necessary timeframe to reinstatement and/or rebuild if that is what is required. Those claims that are reported as going well are typically described as being 'joined up' and with effective communication demonstrated.

At the same time, there are examples of complaints about claims where progress has stalled, and there are long periods of inactivity and lack of communication. SMEs attribute this variously to a number of factors:

- Loss adjuster workloads meaning they have little time to devote to the claim (some blame the floods of the past two years as being in some way responsible for this).
- Loss adjuster 'tactics' to avoid paying out on parts of a claim; creating delays and behaving in a 'difficult' manner.
- The burden on the claimant to provide large quantities of information, either inventories of property that has been lost, or supporting information for business interruption claims. In some cases these demands are felt to be unreasonable and excessive.
- Handoffs between various contractors and other parties, and the process of dealing with contractors and getting quotes.
- Disputes over how to progress a claim (e.g. to replace or to repair a piece of equipment), and inappropriate or poor contractor workmanship (requiring additional remedial work).

1.5 How loss assessors are perceived

Loss assessors are described in both positive and negative terms when it comes to the success or otherwise of a claim. While some claimants have found their input to be invaluable in terms of driving a claim forward and enhancing the settlement, others have found them to add little value. In a handful of cases, there are questions raised about whether the involvement of both a loss adjuster and loss assessor is really to the benefit of the claimant. This issue is typically brought up due to concerns about the apparently



opposing remuneration structure, and that in some claims, the loss adjuster and loss assessor may be known to one another and will have conversations without the claimant's participation. For those claimants that are heavily engaged in the claims process, it can feel like they are being left out of the loop.

1.6 Reactions to settlements are mixed, with the time taken to reach a settlement often excessive

Claimants' reactions to settlements are varied. Many receive the settlement that they are expecting, and some receive settlements that exceed their expectations. Examples of this include loss assessors pointing out business interruption payments that they may not know they are eligible for, or in some cases, a flexible loss adjuster allowing a degree of betterment or a rebuild or refurbishment that is an improvement on the previous incarnation.

On the other hand, there are settlements that fall short of claimants' expectations, whether through falling victim to unknown or unexpected terms and conditions, warranties and exclusions or having claims 'adjusted'. This means that there are elements of repudiation in many cases, resulting in lower than expected settlements or in no settlement at all.

In other cases, there are examples of claims being higher than they need to be, including larger business interruption payments as a result of delays to the claim, or in some cases, poor workmanship from contractors.

In a number of cases, no matter what the settlement, claimants note that the time taken for settlement is excessive. There are many examples of both interim and final payments that need to be chased several times, and in one or two cases, settlements have only arrived where claimants have complained to the insurer or to the Financial Ombudsman Service.

1.7 Subsequent impact on businesses varies; in some cases it can even be a positive learning experience

For a number of claimants, the overall impact on the business is slight. Even in the case of some fires and other material damage claims, some businesses simply take things in their stride (particularly where a full business interruption settlement can be made).

On the other hand, there are examples of businesses being put under severe financial strain. The research has picked up at least one business who felt that the time taken to receive a settlement was the main factor in the business going under, and others that only survive through support from their banks and suppliers. In some cases, businesses have had to borrow from friends or take additional loans in order to maintain a workable cashflow.



There are examples of typically smaller businesses with less of a support network, that have been exposed to considerable emotional strain and stress which can impact on other areas of their lives.

There are some positive impacts however, even for those businesses that have suffered through complex and stressful claims. Some note that they are now better insured, others claim to now have a different mindset and to be far better prepared for business continuity emergencies and with better infrastructures than ever before.

Six Key takeouts

Taking all of the research into account it is clear that there are many claims that have played out either satisfactorily or very well for claimants. At the same time, a number of major problems have been identified worth emphasising. These are summarised below.

1. There is no one clear driver of satisfaction across claims overall.

The factors involved in making a claim are many and varied, including characteristics of the business, the incident itself and how both the business and the relevant involved parties react to it. This means that claims *can* be complex journeys, and satisfaction is driven by varied combinations of both process and outcome. This also includes the personalities involved and how they interact/communicate.

2. A number of claims are going very wrong for claimants.

Looking at some of the more severe incidents and complex claims, there is evidence of claimants being subject to some severely impactful financial and emotional stresses. All of the elements surrounding the claims can take up considerable time and energy, and this can be damaging both to the business and the responsible individuals.

3. While many claimants begin confident that they have the right cover, this is not always what it seems.

There are a number of claims in which the terms and conditions, warranties and exclusions can impact ultimate settlements hard. In some cases, this is down to claimants having not reviewed their policies properly at the point of purchase or renewal; in other cases claims may be 'adjusted' through interpretation of a policy, and there are also examples of inappropriate policies being sold from the SME perspective. The policyholder's mantra of 'the best cover at the best price' may be obscuring the fact that the 'best price' may well come at the expense of unexpected terms and conditions.



4. Loss adjusters raise the most concerns among SMEs across the claims process.

While many loss adjusters are thought to be fair and balanced, in a number of claims (mainly the more complex ones), there are examples of perceived incompetence and claims not being given the timely attention and responsiveness that SMEs felt they deserve. Some claimants feel that loss adjusters will do 'anything they can' to reduce settlements, and the reported behaviour of some loss adjusters (and on occasion loss assessors) could be said to be far short of acceptable.

5. Project management can leave a lot to be desired.

A number of claimants assert that at the initial point of claim (and following this) they are left with no clear idea of what their next steps should be. Often this is when they are at their most vulnerable (e.g. what actions should they take in the event of a major fire – begin to clear the damage or leave the scene as it is for a fuller inspection?) And many claimants feel that they are not given a clear 'project plan' highlighting what the stages of the claim will be and timescales involved (which can have a considerable knock on effect on finances and business continuity).

6. Reactions to settlement are mixed.

While a number of claimants get what they expect in terms of settlement (and some get more than they expect), for some this falls short of expectations, and there are claimants surprised to be left considerably out of pocket. There are also examples of both interim and final settlements taking excessive time before they are finally paid – in some cases only appearing after complaints or threats of complaints being made to either the insurer or the Financial Ombudsman Service.



2 Background and Objectives

In May 2014, the FCA launched a thematic review of first party commercial insurance claims among small to medium sized enterprises (SMEs).

This work was commissioned to provide insight into the SME claims process from the initial purchase of insurance through to eventual settlement (or not), from the perspective of the SME.

The work involved qualitative research with SMEs who had made a first party commercial insurance claim in the previous 24 months from September 2014. The research with SMEs set out to explore the following:

- SME experience of buying/renewing insurance;
- SME expectations when making an insurance claim;
- Areas of satisfaction or dissatisfaction and the reasons for these;
- The SME customer journey through the claims process;
- Role of loss assessors, insurers, managing general agents and brokers and SME perceptions of these;
- Overall satisfaction with the eventual settlement.

This document reports on the findings from these interviews.

From this research individual case studies were produced for claims that were particularly difficult or controversial from the perspective of SMEs. Eighteen of these cases were passed to a firm of specialist claims consultants (Camford Sutton Associates Limited) by the FCA for a detailed review of case files. Findings from this review are published separately to this report.



3 Methodology and sample

A qualitative interview methodology was chosen in view of the need to gain an in-depth understanding of individual SME experiences and behaviours. 100 interviews were conducted, each lasting approximately one hour.

Conversations were structured around the claims process, though interviewees were allowed some freedom in ‘telling their story’ and to ensure that the discussion flowed freely.

SME contact details were provided by a range of insurers, brokers, loss assessors and Managing General Agents (MGAs) taking part in the FCA’s thematic review. All were SMEs who had made a claim over £5000, within the last 24 months.

A range of business types and sizes took part in the research and had experience of different peril types (theft, fire, accidental damage, flood etc.), claim sizes (£5,000 - £100,000) claim outcome (agreed, repudiated and withdrawn) and had varying degrees of satisfaction (very satisfied to very dissatisfied).

Fuller detail on the methodology and sample, including the full discussion guide used in the interviews can be found in the Technical Report in Appendix 1.



4 Some context on what influences the claims experience

Across the 100 interviews conducted, one of the most striking findings is the sheer diversity of businesses and the range of factors that influence how claims play out.

Examples of the breadth of business size and activities across the sample include the following:

- Small butchers shop (three employees);
- Private landlord with ownership of six properties;
- 3D printing specialist;
- Nursing home with 40 residents;
- Outsourced celebrity social media account management;
- Manufacturer & wholesaler of cleaning products (85 employees).

Acknowledging this diversity, there is also evidence of a wide variety of both ‘hard’ (e.g. cashflow, severity of incident) and ‘soft’ (e.g. claimant personality, business process focus) variables. These variables influence the way in which individual businesses go about the insurance purchase process, respond to incidents and deal with both claims and the parties involved. The most common factors influencing how claims play out can be seen below.





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Given this range of variables, the 'sophistication' of a business and the ability to deal with the insurance purchase and claims process does not necessarily follow a clear pattern in terms of both business size and type. It is therefore difficult to make generalisations about the ability of specific business types to successfully absorb and manage the impact of an incident and the subsequent claims process.



5 Commercial insurance: the purchase process

5.1 Purchase channel

5.1.1 The broker role is central

Brokers appear to be the channel of choice for the SMEs that took part in the research and this is largely driven by the desire and/or need to limit their own time and effort spent arranging the policy. Going through a broker is typically seen as the simplest way of accessing a range of insurers and is an opportunity to compare costs.

In general, SMEs place a lot of trust in brokers, with the expectation that brokers have the required knowledge and expertise to advise them on the best policy for the needs of the business, at the best price. In some cases this will be a simple transactional relationship, in others there may be a closer relationship between the business and the broker.

“I rely on their expertise, because I don’t know anything at all about insurance and they are an established insurance broker and that’s why I chose them.” Micro business, £5 – 20k claim²

“We do tend to trust the broker. Each year they search for quotes and send us our renewal notice. We’ve got to know them over the years, and they always answer queries quickly and [remind me when the renewal is].” Small business, repudiated

In some cases, businesses use multiple brokers to gain access to an even wider range of policies and compare them against one another to ensure they get the best price.

“I’ve got four or five brokers that I put it out to each year, and they come back to me with their best quote...[with] different prices, depending on what sort of deal they’re getting with it. You know, if they give them a lot of work they might get more [of a] discount. It does really depend, but [the prices are] never the same.” Micro business, £5 – 20k claim

“We have an accountant; he works with lots of restaurants [and] he works with various insurance companies, so he advised.” Small business, £100k+ claim

² Where interviewee quotes have been used in this document, contextual information about their claim is provided in the format below. Further information on how SMEs and claims are categorised can be seen in the Technical Appendix.

“Quote text.” Company size, Claim size (£)



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Only a handful of claimants tend to buy insurance direct from the insurer and a number of reasons are apparent for this:

- It may be a 'distress purchase' – the business is new and there is a late realisation that cover is required;
- Insurance requirements are actually very simple/low value, and therefore the business doesn't see the need to retain a broker;
- Renewal costs may have increased and some businesses have gone direct to reduce costs;
- An insurance policy may have been inherited from a previous business owner (one example, as part of a business banking package).

"Our insurance is through [bank]. It was originally underwritten by [insurer] in 2008, but now by [insurer]. [It] is piggy-backed via the last owner of the business, who was also with [bank]." Micro business, £100k+ claim

"The following year [the broker] put [the premium] up, so I started looking at the market direct online and saved a lot of money doing that." Micro business, £5-20k claim

For some specific types of businesses across our sample there are a limited number of insurance providers able to offer the cover that's required, and hence they will be restricted to using one of the brokers who can provide a quote. Examples of these include private landlords, pubs and nightclubs, hairdressers and self-storage businesses, where only a small number of insurance providers thought to be able to fulfil these needs.

In some cases it is evident that brokers are accessing smaller 'panels' of MGAs and insurers. Some feel that this leaves little choice or opportunity to take advantage of competitive pricing.

"As a landlord, there are a limited number of options open – the market isn't really working very well for this sector." Micro business, £20-100k claim

"I found a broker on the internet. They usually offer you the same thing in terms of cover, but I wanted the best deal. I found 15 names but only one of them could give me insurance." Micro business, £20-100k claim



5.1.2 Approach to review and renewal is largely dependent on sophistication of needs

At the point of review and renewal, SMEs typically take one of two approaches.

1. Brief review and simple roll over
2. Fuller review with audit/inventory checks

Those who make brief policy checks at the point of renewal, typically spend around 60 minutes reviewing per year when the policy documents come in. This may be adequate depending on the knowledge of the reviewer and the sophistication of their needs, though some do admit that they should perhaps spend more time reviewing their policy.

“I don't really review the risks, but now you ask I'm starting to question whether I should.” Small business, £5-20k claim

“I rely on the broker and their expertise really. I'm not an expert on insurance so I leave it to them – I'm trusting that they're going to select the right cover for me.” Micro business, £5-20k claim

Businesses undertaking fuller reviews and audits/inventory checks were generally triggered by:

- Significant changes to business equipment, property or stock holdings;
- Changes to business activity;
- Significant business growth;
- New members of staff looking to make a mark or spotting inadequacies or opportunities to save;
- Outcome of recent claims e.g. low level of cover for stock has led to greater focus on what is required;
- Unsolicited sales calls e.g. brokers requesting to quote.

“We began to use a broker recommended by a trustee 5-6 years ago. It got us a saving and better cover.” Small business, £5k-20k claim

“[The fire and subsequent claim] has fundamentally changed the way we think about our business. We've gone through things line by line, and I've insisted the insurer came to see us and to tell us what we need. We've over-secured [it].” Micro business, £100k+ claim



5.1.3 The type of relationship with brokers varies

For SMEs with simple needs and where there have been no changes to business processes or risks, the purchase process is fairly perfunctory. As such, there is often minimal interaction with the broker, who simply provides a number of quotes via email or letter with their recommendation.

“We review each year – it’s easy to look at the inventory, perils etc. We don’t spend long reviewing as we have no major risks. Around an hour each year?” Micro business, £5-20k claim

However, for others there is generally a closer relationship between the broker and the business and these largely fall under three categories:

1. Businesses with complex needs and activities that require specialist knowledge and more in-depth assessment often have a closer relationship with the broker. This level of involvement may require a site visit and hence enables a greater level of interaction between both parties. This is evidenced across businesses involving (for example):

- Specific equipment, e.g. audio-visual or manufacturing equipment;
- Activities involving young people e.g. a children’s charity;
- Frequent contracting and subcontracting;
- Frequent foreign travel;
- Multiple changes to needs throughout the year, e.g. property investment firms.

“We met earlier this week as we had a new underwriter. The broker got a specialist to come out. [He] asked about things such as contractors on site.” Small business, £5-20k claim

“Whenever something changes, like we are going to sell a property or a property will be tenant free, I will let him [broker] know, because it’s of interest to us, because if the liability decreases, the insurance premium decreases.” Micro business, £5 – 20k claim

“We’re quite happy with our broker at the moment, he comes out and meets us...we talk about what our contract projected turnovers are, who we work for, our premises, security and changes in the business. So it is quite thorough.” Micro business, £100k+ claim

2. Local brokers with specialist knowledge are used by some of the more rural businesses in this research, e.g. agricultural businesses. The brokers are often well known



in the area and may serve a number of peer businesses and are thus believed to have the requisite knowledge to ensure policies are sound.

“We go through a local general broker that knows a lot of the local farmers and therefore the industry.” Micro business, £20-100k claim

3. Long standing or personal relationships exist in some cases. In some cases a new employee may recommend someone they have used elsewhere.

*“The broker we’re now with, I use for my personal stuff and they’re very good.”
Micro business, £5-20k claim*

“For a good number of years we’ve been loyal to one broker – they’ve always done an exceptionally good job. During the recession they were very reactive about seeing what we needed and getting us the right cover. And they are very good at explaining what you get.” Micro business, £100k+ claim

5.2 Broker advice is not always consistent

The degree of advice given by brokers appears to vary considerably according to needs.

For some, typically smaller and simple businesses, advice is not required or expected or in some cases it is simply assumed that the broker has delivered the right policy options. Other businesses, whether due to past experience or simply because they are detail focused, will expect a greater degree of advice and engagement than they actually receive.

“They used to have feet on the ground, but not anymore. [They’re all] just trying to cut costs.” Small business, 100k+ claim

Others with more complex needs and/or relationships with brokers, may receive site visits or fuller and more detailed reviews of their requirements, including audits. This gives businesses a degree of reassurance that they have the right level of cover.

“We use a firm of brokers, which is reviewed on an annual basis. They’re engaged two months prior to renewal, and then they present back to our team. They have a template for the type of coverage required, and we have face to face meetings because of the high policy value. They minute the meetings and we get the opportunity to submit questions afterwards.” Micro business, £100k+ claim

Nonetheless, some businesses feel that they are subsequently let down by their policies, and, by association, the broker that sold the policy. However, few are explicitly critical of the brokers – this is reserved for the insurers and loss adjusters.



5.3 Confidence in cover can be misplaced

Many interviewees claim that their approach to buying insurance is 'the best cover, at the best price'. But in a number of cases, cover is often not as solid or comprehensive as businesses think when they initially take out the policy.

While the research has shown a number of cases where policies have paid out as expected, there are also a number of examples where they have not – though even in many of the cases where they did not pay out in full, businesses were generally pretty confident that they had the right level of cover prior to the incident. These examples typically show that where claimants are reassured by the broad terms of their policy (e.g. £X,XXX worth of cover for stock), they are subsequently caught out by terms and conditions, warranties and exclusions (e.g. not being covered for theft if there are no bars on the windows).

Reactions to being 'caught out' by such terms and conditions vary:

- Some are angry or disappointed and may feel that they have been deliberately misled or had policy details obscured;
- Some feel that there was a degree of interpretation that was used against them (or in some cases may have benefited them);
- Some admit they had not taken time to understand the policy in detail – subsequently 'lesson learnt'.

There are also a number of claimants that are upfront about the fact that they struggle with 'legalese' terms and conditions, and are unlikely to be able to engage effectively with the materials that are sent to them.

"Nobody took me through what I had. Just a schedule and 100 pages of fine print that nobody has time to read." Micro business, £20-100k claim

"[There was] really poor and complex communication from the insurance company at renewal. It was about 30 pages on conditions and small print held together by a paperclip – reams of paper with disclaimers. It wasn't very clear." Micro business, £5-20k claim



5.4 Buying insurance: two very different outcomes

The following case studies (and subsequent case studies throughout this report) are designed to outline the varied experiences of claimants (from their point of view), in each of the relevant areas.

Experience and expertise counts

A restaurant with ten members of staff. The owners also have a larger restaurant venture.

Their insurance requirements and policy is regularly reviewed by an accountant that specialises in restaurants and with whom they have had a longstanding relationship. Having had to make a claim in the past, they made sure they had enhanced business interruption cover.

When part of the building collapsed due to excavation, the owners were able to work with both loss assessor and loss adjuster to quickly negotiate a payment that allowed them to take on a lease in a new property.

"I didn't feel like it was going to be a battle, I trusted them. We got what we were insured for." Small business, £100k+ claim

Caught without full coverage

A small shop, with insurance bought some time ago from a broker that would visit the premises. When the broker left the business, the claimant was reverted to another broker, at which point the visits ceased to happen (even though they were requested). The policy was then subsequently rolled over each year at renewal.

The claimant said that they were fairly unclear on the policy coverage. When the shop burned down, the material damage was covered, but the owner had to take out a bank loan to cover the settlement shortfall.

"I'm not literate, not like that... If you want me to look at something on a piece of paper you'll have to explain it to me... I thought I was covered for [business interruption] but obviously I wasn't was !!" Micro business, £20k – 100k claim



6 Initial responses to incidents and claims planning

6.1 SMEs' initial reactions to incidents

The first reaction to an incident is not always to contact the insurer. The initial action taken by a business depends upon the extent and severity of the incident.

For larger and more severe claims, including fire and flood, claimants may be in a state of shock and/or focused on planning how they can re-start the business elsewhere to continue trading. Consequently, contacting their insurer is not always initially top of mind, though they may call their broker to make them aware of the situation and that a claim is incoming.

"It's a 'humiliating' experience, given the fire brigade, police and media are all there. My first instinct was to get the business back up and running, so I basically spent the night disaster planning in the car park." Small business, £100k+ claim

"I phoned them as soon as I heard [about the fire]. Just to give them fair warning really of what was coming." Micro business, £100k+ claim

"We contacted them I think a few days after the incident. They were very helpful, told us they would give us a loss adjuster who would work on our behalf and talked us through what would happen..." Small business, £100k+ claim

Where incidents are of lower impact, such as minor theft or damage, there may also be some delay in informing brokers and insurers that a claim will be forthcoming, often because businesses may not even have initially considered making a claim.

Whom a business contacts post-incident very much depends on the relationships that they have. Where a solid relationship exists with a broker, they will often be the first port of call – either because of the relationship, because they are the contact details that are closest to hand, or as in a handful of cases in this research, the business may not be aware that the policy is underwritten by another organisation. How the broker responds to such calls and the involvement they have in the claim process varies:

- Some contact the insurer on behalf of the business and are seen to drive the claim forward;
- Some may limit their involvement to reporting the claim;
- Others may simply advise the business to contact the insurer directly.

"I phoned my broker immediately. They then got in contact with the insurer and arranged for an emergency clean-up team to come out the same day." Small business, £100k+ claim



“When we contacted the broker to instigate claim, they were great, we got given a tick list of what we needed to do, such as pulling together the itinerary of items, [and all the other] information needed for the claim.” Small business, £5-20k claim

“We called our broker to report the damage and start the claim process, but we were told to speak to the lorry company's insurance to claim, so that it wouldn't affect our no claims bonus.” Micro business, £5-20k claim

On very rare occasions, the broker or loss assessor will come directly to the claimant, typically in the case of larger fires or floods where the incident becomes public knowledge. This will often be the first contact the claimant will have with anyone from the insurance world and introductions may well be made on site while the fire or flood is still being contained.

“I don't know how they [loss assessor] got my number, but I was contacted by them within hours [of the fire starting].” Micro business, £100k+ claim

6.2 Response times vary considerably; some lack urgency

Responses to FNOL vary quite considerably. On the one hand there are many examples of claimants experiencing timely and effective interventions, where a loss adjuster attends within two to three days.

“The loss adjuster arrived very quickly... they made an interim payment within the week and also [set us up] with a portakabin and generator so we could start working again.” Micro business, £20-100k claim

On the other hand, there is also evidence of some claimants waiting up to two weeks for a loss adjuster to visit following quite serious incidents, such as fire and ingress of water. In a small number of these cases, the poor response times can prove detrimental to the business.

“We contacted the broker. They didn't really appreciate the extent of damage... They visited and drew up an action plan about 2 weeks later. We got no advice on what we should be doing – we wanted guidance as it was our first ever claim.” Small business, £100k+ claim

“On Christmas Eve we were flooded inside and out. A week later, the roof came in... on 7th January, the loss adjuster visited – it was the worst experience.” Small business, £100k+ claim

Where incidents occur over the weekend, it can pose difficulties in terms of response times. For example, when an incident happens on a Friday evening, claimants may not be able to



Speak to their broker until Monday, at which point there is then a further handover to the insurance company and then loss adjuster, losing potentially valuable time.

6.3 Initial guidance and project planning can be poor

Expectation setting often comes in for criticism from claimants and in general, there is no real evidence of action/project plans being provided to claimants at FNOL. For simpler claims where the process is often fairly straightforward, this is less of an issue. However, for more complex cases, claimants do not feel they receive adequate advice about what to do or what to expect in terms of the claims process moving forward.

“I wasn't given any advice or support on the phone – I wasn't sure whether I could start to clear up or whether I had to leave things as they were.” Micro business, £20-100k claim

“There was a serious lack of information from them; we had no idea how to progress the claim.” Micro business, £20-100k claim

“I don't think he gave us the info I needed – particularly around timescales. I explained it was distressing for our [nursing home] clients. It was never made clear how long it was likely to take and when could move back into the room.” Small business, £5-20k claim

6.4 Putting claims in motion: two very different outcomes

Joined up, well planned and executed

A company had a break-in, during which several computers were stolen.

On contacting their broker, they were given a clear list of the actions that needed to be taken (e.g. providing an itemised list of all the property that had been stolen).

The insurers visited to discuss ways in which the security of the premises could be improved in order to prevent break-ins in future.

The claimants were contacted soon after with a confirmation that the claim would be paid out in full.

“They were very even-handed and we were happy with the speed overall.” Small business, £5-20k claim



Misjudged and poorly managed

A specialist consultancy had an ingress of water from a private property above their offices. This caused extensive damage to both stock and their office equipment.

This was reported to the insurer, who did not fully grasp the seriousness of the situation at this point, and it was a full two weeks before the loss adjuster visited to view the damage. The company received no clear direction or support from any party.

The incident was eventually escalated once the company had retained the services of a loss assessor, but it took some considerable time before a settlement was offered – one that was lower than they believed they were entitled to, but by this point the company simply wanted closure.

“We got so little from anybody, in the end we Googled ‘people to help with your insurance claims’.” Micro business, £100k+ claim



7 Claims progress

7.1 When claims go well

Where interviewees report that their claim went well, this is typically due to a 'joined up' claims process, and this has been evidenced in a number of cases across all levels of complexity.

Communication throughout the claims process plays a key role in providing a joined up claim, and it is recognised when:

- The broker, loss adjuster and/or loss assessor liaises effectively with all parties and relays details back to the claimant;
- The claimant is able to deal with the same individual/department throughout the claim when they go to the insurer directly;
- All parties appear to be working for the benefit of the claimant, without any apparent motive to drive down the settlement value.

“Everything went well...They worked together and got things moving pretty quickly.”

Medium business, £5-20k claim

“I think the claim was dealt with in a way that I could get hold of people very quickly.

If I needed advice, [loss adjusters] were extremely good. I just felt I'd been dealt with quite fairly and luckily.” Micro business, £20-100k claim

“I was kept very well informed by [loss adjuster]. The brokers were good. They were chasing me for information rather than me going to them and I really left it to the

professionals to get on with it.” Micro business, £20-100k claim

7.2 When claims get delayed

Many claimants have experienced delays during their claims process and although the delays may be valid, there is often a lack of communication with claimants as to the reasons for this and consequently, they feel left in the dark. Many have reported having to chase their loss adjuster and/or insurer repeatedly after the initial visit to find out what was happening.

Even among some of the supposedly simpler claims, they can stall for long periods of time:

“The completion and submission of the report took a long time...it's only a small claim and it's rather uncomplicated, so it did surprise me that there was this week



*gap between making an agreement and sending it to the insurance company.”
Micro business, £5-20k claim*

“The main issue was the response time from the loss adjuster. There were floods over in England at the same time admittedly, but [the settlement] kept getting pushed back and back.” Micro business, £20-100k claim

The more parties that are involved in the process the greater the need for communication and coordination to ensure that everyone is kept well informed and that activities happen in a timely manner. There are some claims where communication between parties has broken down and the claimant suffers as a result.

“[We] relied on the relationship with the broker and loss adjuster to manage the case from diagnosis to repair. We were let down on both sides largely through a lack of communication and change of personnel. [Eventually we] complained to the broker and insurance company after five months of nothing happening.” Micro business, £20-100k claim

There are also other factors cited by claimants as reasons for delays:

The use of contractors - Using contractors can cause delays, both in terms of getting the work started and also in getting it completed to an acceptable standard. Some claimants feel that the coordination of and communication between parties is not always effectively managed, leaving them feeling ‘out of the loop’ and at the mercy of others. In some instances claimants have to manage parties and contractors themselves and this can feel onerous and time consuming.

“The amount of time I’m spending doing it is outweighing it if I were to go out and earn the money.” Micro business, £5 -20k claim

Furthermore, in some cases, contractors aren’t always felt to be selected in the best interests of the business, with claimants feeling they have been selected to cut costs or as a result of pre-existing relationships or agreements between the parties involved. There are some examples where the quality of the repair work has been felt to be poor, which has further exacerbated the claimant’s frustration.

“Surely they must be regulated by somebody, they must have to have training, but they hadn’t got a clue. As a result, they missed three complete walls, so they hadn’t dried half the wall area.” Micro business, £20-100k claim

Perceptions of the loss adjuster’s time and attitude towards the claim - In some instances it can seem to the claimant that the loss adjuster is ‘dragging their heels’, is overworked, is focusing on other higher value cases, or is placing a disproportionate



emphasis on trying to lower the value of the claim (more detail is provided on loss adjusters in section 8.1).

“The loss adjuster was generally pretty unresponsive, and I suspect they probably had a number of other cases that they were involved in – it was around the time of the floods.” Small business, £100k+ claim

7.2.1 The burden of providing evidence can be severe

Some claims can put enormous pressure and burden on the business and claimant, particularly where the loss adjuster/insurer requests a large amount of documentary evidence that can prove time consuming and unwieldy for the claimant to provide.

This is typically seen in the more complex claims and those involving business interruption, where a large amount of documentation can be required and is often heavily scrutinised. In some instances, these cases have involved fires where the necessary documents have been lost and pressure is placed upon the claimant to provide evidence that they are no longer able to access.

“[They wanted] a mind-bending amount of information, just to prove that we were underinsured.” Micro business, £100k+ claim

“They wanted it all recreating to show proof of ownership up to [nearly £100,000]. The invoices were lost in the fire and there were [machinery] that I had bought years ago – it was impossible to tell what was in the building... So I had to go on the internet to do it... It took five or six weeks... The loss adjuster complained that I’d given her too much information.” Micro business, £100k+ claim

There is a perception among SMEs, in a small number of cases, that claimants are being ‘worn down’ by ongoing requests for information and delays, so that they will eventually give up or go under.

“I think we felt we’d been played [or that they] hoped we’d go under before the claim paid out]. When you’re in that situation you can’t commit to leases, cars, advertising, and things like that – it’s a long period of uncertainty.” Micro business, £100k+ claim

“We did take legal advice, and they told us, ‘the insurer wants you to hang up your hat and walk away’.” Micro business, £20-100k claim



7.2.2 Banks can play a major role in the impact of claims

The actions of a claimant's bank can have a major impact on how the claim affects the business and there are examples where SMEs feel that banks have both helped and hindered outcomes.

There are some claimants for whom banks have provided invaluable support during the claims process by extending overdrafts while interim payments or settlements are being processed. This has enabled businesses to purchase new stock or initiate repairs and reinstatement. In one instance, a claimant's bank actually wrote to the business's insurance company to demonstrate their support of the claimant's pursuit for settlement.

"[My bank] was absolutely fantastic, they put a letter in to the insurance company and to [the loss adjuster] and said 'Listen, if you're trying to put this company into bankruptcy, think again, because we're supporting him and he's going to take this claim all the way to the end'." Small business, £100k+ claim

However, there are also SMEs who feel their bank negatively impacted their ability to maintain their business during the claim. In one instance, the claimant's bank refused to support the business until settlement payments were received, and in another case, the bank refused an overdraft, offering the claimant a loan instead.

"Exceeded the overdraft and [bank] withdrew the loan. I opened another account with [another bank] to manage the business through the refit process, but by prioritising getting the business up and running again, I let the first account lapse and eventually defaulted." Micro business, £5-20k claim

7.3 Personalities and relationships can impact heavily on claims

The personality of the claimant and their relationships with their broker and/or loss adjuster can influence how they react during the claims process and thus, to an extent, can influence the success of their claim.

Some claimants are simply more confident in nature; others might have previous experience of insurance claims and/or insurance knowledge, all of which appear to better equip them to dispute advice or decisions.

"I eventually emailed the loss adjuster, copying the broker and insurer to tell her that I had no confidence in her and no interest in her opinion. Then I went straight to the insurer." Micro business, £100k+ claim

"[Employing the technical consultant] was an important decision – it meant we were able to go to them with the facts... [they paid] in full, including for the consultant." Small business, £20-100k claim



In contrast, there are examples of claimants who feel overwhelmed by the process itself and a small number even feel fearful of the loss adjuster, which can drive them to seek out a loss assessor, or other advice from a friend or relative.

“We were afraid to say anything...we felt under suspicion, even though the fire started several doors away.” Micro business, £20-100k claim

“If we hadn’t insisted on an explanation on the third visit, we wouldn’t have known [it’s true value was much higher].” Micro business, £100k+ claim

7.4 Claims progress: two very different outcomes

Complex but successful

A large manufacturer was informed by the water board that some chemicals had leaked into some nearby pools. This necessitated both a new drainage system plus pumping and cleaning of water company assets.

The company was comprehensively insured, relatively cash rich and confident that the claim would be paid out.

The drains underwent a complete overhaul to address the immediate problem, and it was then left to the loss adjuster and water company to arrange a settlement. There was little contact with either party as clear fault was attributed. Full payment was eventually made and the process had little overall impact on the business – in fact they came out of the process in a better place, having replaced the drainage infrastructure.

“The insurers and loss adjusters did a good job... And we always come out of claims better and change the way we do things... we have new drains now.” Small business, £20-100k claim



An extended period of stress

A small shop that burned to the ground after a nearby shop caught fire one night. Initially, they were confident about the level of cover that they had – *‘the broker gave good advice, it was a good policy.’*

At the initial meeting with the loss adjuster, they felt they were under extreme scrutiny and suspicion, and at a point where they were still in shock at the incident, being asked to provide large amounts of information.

They were then recommended to retain a loss assessor, though they felt that the assessor and adjuster were ‘in cahoots’. Several meetings took place without them and they felt they were left in the dark. Several requests for accounting figures were made, each time creating more work (yearly, monthly, weekly etc.). Later in the process, photographs taken of the property at the time of the incident were alleged to have gone missing.

After an extended period, the claimants ‘surrendered’ to a far lower settlement – as the stress was getting too much – and the owner’s son part rebuilt the shop himself (at the expense of doing paid work). While they considered legal action, they could not afford to mount this, and felt that the insurer was just waiting for them to give up on the claim.

Part settlement was eventually made, with a number of delays in delivery of the cheque. A complaint was subsequently made to the insurer but no response was ever received.

“A ‘stitch up’... The only way for us to do it was to accept the settlement and for me to do all the work in the shop myself for free.” Micro business, £100k+ claim



8 Specific role and experience of loss adjusters and loss assessors

8.1 Loss adjusters

Experience of loss adjusters varies greatly across the claims reviewed in this research and their role/presence on some claims can be said to produce very mixed outcomes.

On the one hand, there is evidence of some very positive experiences where loss adjusters, particularly among the simpler claims, arrive within a reasonable time frame, listen to the claimant, actively manage the process with a seemingly balanced view and ensure that all parties involved work together.

“The loss adjuster came to see us in basically the following few days maybe on the Friday he came down there, very helpful actually.” Small business, £5–20k claim

“The loss adjuster turned up ten days later, which was acceptable, largely down to my availability. Things were pretty clear cut – we spoke about process, it was below a certain threshold and so wouldn’t have to be full tender. I’d had previous contractors who did a good job and the loss adjuster was amenable to that. Once [he] understood the situation [he] did a very good job, and seemed to work well with the contractor.” Micro business, £20-100k claim

In these instances, even when the news that the loss adjuster is relaying bad news to the claimant, if the reasoning is well-communicated and the delivery is felt to be balanced and fair, there is a general acceptance that the loss adjuster is simply doing their job.

“Oh, yes, don’t get me wrong, the loss adjuster was trying, he was perfectly polite about it [not paying in full for a new digger], but his decision was final.” Micro business, £20-100k claim

There are also examples of positive experiences among the more complex claims. In one case, the loss adjuster was on the scene the next morning following a fire and provided a fast interim payment, a portakabin and a generator, because the claimant wanted to get the business back up and running straight away. The loss adjuster returned several times throughout the claims process to ensure the claimant had everything they needed.

“They came down to check and see that we were okay. They were quite local to us. So yes, we did have quite a few visits from them just to see that we were okay and that everything was going the way we wanted it to.” Micro business, £20-100k claim

Where experiences are positive, claimants often describe loss adjusters as ‘valuable’, ‘supportive’, ‘fair’, ‘efficient’ and ‘helpful’ in working with them through their claims process.



There are, however, numerous instances in which experiences of loss adjusters are considered to be some way short of satisfactory and these work to support the preconceptions of some that their job is to do anything they can to reduce a claimant's settlement.

"To be honest from the beginning they gave me a false sense of security and then they made me feel like a criminal from then on in. They were totally untrusting on what I had to say." Micro business, £100k+ claim

"He [loss adjuster] was absolutely obnoxious...he had no empathy, no understanding and he was just rude." Micro business, £5-20k claim

"Getting them to replace everything was a real penny-pinching process, in terms of the materials they were using. They were always looking to cut corners." Micro business, £100k+ claim

In general, dissatisfaction with loss adjusters is most prevalent where their response is felt to be disproportionate to the claim. For example, where loss adjusters have repeatedly disputed on low value items, or where their written reports have conflicted with what they had previously said to the claimant in person.

"I had no reason to believe that the claims would be anything other than signed off and on we go." Micro business, £5 – 20k claim

"It felt like they were here to save the insurance company money. That's what it felt like to me. We were claiming X amount, and it was like his job to get it for a discount. That's what it was like." Micro business, £5 – 20k claim

In some cases, SMEs feel that loss adjusters are simply incompetent, or are giving particularly bad advice:

"It felt like they wanted to progress and finish the claim quickly, and proposed a scope of work and settlement for [£x]. I don't know how this figure was arrived at but it definitely felt like a DIY job [the claim was worth, and eventually settled on, approx ten times that amount]." Micro business, £100k+ claim

"[He] tried to persuade us to move into one of two vacant properties in the city nearby. Both were off the tourist route and had a history of failed businesses so we turned them both down. We felt that he certainly wasn't working in our favour." Micro business, £20-100k claim

Furthermore, there is evidence of loss adjusters being unresponsive during the course of claims, with many claimants reporting that they had to continually chase progress –



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effectively project managing their own claims. Additionally, some claimants feel that the loss adjuster's level of interest in and/or involvement in their claim is low.

"The loss adjuster's attitude was really poor – I felt they were speaking to me like I was an idiot. I never felt like I was up to date with progress... and I had to spend so much time chasing, getting no response." Micro business, £20-100k claim

While these claimants assume this lack of interest is due to a low incentive to see through a relatively small claim, others have been told of heavy workloads affecting a loss adjuster's involvement in a claim; this was particularly evident among claims made during the major floods in the UK over the past couple of years.

"The biggest problem was the loss adjuster. We were a bit frustrated. They apologised about the sudden work load, so we had to give ground a bit." Micro business, £5-20k claim

"They were snowed under with these claims in England... That's what they were saying, that [because of the floods] they were short staffed." Micro business, £20-100k claim

8.2 Loss adjuster performance: two very different outcomes

Prompt, fair and authoritative

When removing ivy from a property as part of maintenance it became apparent that subsidence had occurred causing damage to the front porch. On reporting this to the insurer, the loss adjuster visited to assess the situation promptly and progressed the claim to undertake remedial work.

Once work had begun, further damage to the property was uncovered, though the loss adjuster was able to attribute this to original subsidence and ensure this work would also be covered.

The loss adjuster was felt to be flexible and fair, and dealt with the issues quickly. Their ability to sign off large amounts of work meant the claim was resolved without any unnecessary delays and the claimant was very satisfied overall.

"The loss adjuster came in and costed how much they were willing to pay to fix the subsidence. He let me use my own contractor too which made it easier." Micro business, £20-100k claim



Reneging on promises, demanding unreasonable efforts

A fire, started several premises down on an industrial estate, burned through all of the workshop, office and storage buildings belonging to a constructions company.

The loss adjuster attended promptly, and stated that the claim would be upheld and that the company would receive a full payout.

After this point, the loss adjuster's attitude apparently changed and they proceeded to look for 'reasons not to pay'. A past company directorship (which was over ten years old, and which the claimant had since resigned from several months before it went into insolvency) was felt to be used as leverage in order to reduce the payout.

The loss adjuster then demanded unreasonable amounts of proof of property and items lost (the evidence for much of which had been lost in the fire). This took almost five weeks to prepare – this was then deemed 'too detailed' and subsequently 'mislaidd' by the loss adjuster.

The claimant had to lodge a 'no confidence' vote in the loss adjuster and deal with the insurer direct before the claim was able to progress, and eventually, after much persistence received a full payout.

"[After promising an interim payment and that this would be a fully settled claim] she then went on to do the exact opposite of everything she had said initially." Micro business, £100k+ claim



8.3 Loss assessors; a range of experiences

Awareness of loss assessors across all claimants in this research was fairly low and typically, those who had made use of them did so through some form of recommendation – whether through a broker’s recommendation to add one to the insurance package or through an acquaintance, other business or professional adviser. There are also instances involving larger fires and floods where the loss assessor approached the claimant on site.

“Somebody I know locally got in touch when they heard [about the fire] and offered to put me in touch.” Micro business, £20-100k claim

Typically, loss assessors are seen as providing either great help or hindrance through the claims process. For some, they are invaluable in helping them to navigate the insurance process, deal with ‘difficult’ loss adjusters and escalate claims where necessary. In particular, in cases involving business interruption, claimants appreciate having someone to outline what they can claim for (which can be more than the claimant anticipated) and helping them to prepare the necessary evidence.

“He was the most efficient man I’ve ever met, and I will always be grateful to him.” Small business, £100k+ claim

Some have clearly been shown to transform the outcomes of claims:

“[Becoming involved some time after the claim had been lodged] They immediately identified that our claim was not being dealt with by the right department – in terms of the extent of the damage – so they fast tracked this through. When we showed them the damage they were shocked at how little advice or attention we’d been given... [They helped us to] structure the claim and told us about what we should be claiming for... They were professional and spoke the same language as us, they really fought our corner. I only wish we’d appointed them sooner.” Micro business, £100k+ claim

Other claimants feel that loss assessors add very little to the process and there are instances where claimants have not always believed that the loss assessor is working in their best interests. In particular, where the loss assessor was not sought out independently by the SME, there are examples of long periods of inactivity where the claimant has struggled to get hold of them.

“To begin with he was fairly good but as time went on he was always somewhere else. I think he was just juggling too many claims.” Micro business, £5-20k claim

In two instances, interim payments were believed to be ‘resting’ in loss assessors’ bank accounts while claimants were struggling to get their business back up and running.



“He told me he’d get me some money [interim payment], that’d he’d get onto it. Three weeks later, I’d not had anything. I contacted him again and he said he’d look into it. Eventually I contacted the insurance company myself – they told me they had sent him the money [several weeks ago] and that the cheque had been cashed... I was so angry, I told them to only send the cheques to me from then on. [The loss assessor subsequently disappeared from the claim after this incident].”
Micro business, £20-100k claim

8.4 Loss adjusters and loss assessors

A number of claimants, through their experiences, have been led to question the relationship between loss adjusters and loss assessors. This is particularly prevalent in a small number of cases where there has been a level of familiarity between the loss adjuster and loss assessor, leading the claimant to wonder what’s ‘really going on’ during their discussions and what is being negotiated - the claimant’s settlement or the adjuster and assessor’s fee? While it may be standard practice for adjusters and assessors to deal directly with one another, this can feel disempowering for the claimant.

“He would be off chasing other fires around the country. So it did add delay. However, he did know how to deal with another loss adjuster. The problem is it becomes the old boy’s club. So they’re just playing the game between them. It felt like they were just playing a game and I’m the poor [guy] in the middle. So [their loss adjuster] is clearly rewarded for how little he pays out, and [my loss assessor] are clearly awarded, well, as long as they get to the 80% level they don’t [care] about the remaining 20%. Well I do, because it’s my money. That’s where I kind of struggled a bit.” Micro business, £100k+ claim

“I was a bit concerned that they all seemed to know one another informally. I know that it’s probably a small town and that happens, but they should save their jokes and their familiarity for when they’re not sitting in front of me.” Small business, £100k+ claim

In some extreme cases, there was a perception from claimants that the parties involved were actually conspiring against them:

“He was a loss adjuster working on behalf of the insurance company... [and he clearly knew the loss assessor]... at one point I got copied into an email by mistake – they were arranging a night out together!” Micro business, £20-100k claim



8.5 Loss adjusters and loss assessors: two very different outcomes

Navigating the maze

Small shop claiming for material damage and business interruption, after sewage pipes in accommodation above the shop burst. This resulted in effluence over whole of the shop and its stockholding. This meant they would need a full refit, including clean-up and all electrical work, plus replacement of stock and loss of profits.

The claimant contacted a loss assessor who was on site within four hours of the incident. The loss assessor managed all dealings with individuals sent by the insurance company and all contractors.

Invaluable advice was received throughout the progress of the claim, and the loss Assessor explained what could and couldn't be claimed for as part of both the material damage and business interruptions. They also ensured that shop equipment was replaced rather than going through a potentially damaging and time consuming offsite repair process. It was estimated that the loss assessor's involvement saved the claimant somewhere in the region of £100k.

"If anyone was going through what I went through I would say it was invaluable. He got my insurance policy, he was able to literally tell me what every single term meant and how it affected me and what I could and couldn't claim for." Small business, £100k+ claim

Lack of proactivity and 'missing' payments

A business owner claiming for material damage during a period of mass flooding. Initially he refused the offer of a loss assessor as he thought he would not be making a claim, but subsequently realised he would need to and so sought one out himself.

Right from the beginning of the claim, the loss assessor was 'elusive'. Communication was poor and the claimant had to continually chase for information and updates. Only a threat of complaint to the FCA helped to get things moving.

The loss assessor brought in their own drying company, who were seen to be incompetent for conducting this work shortly afterwards. The claimant then requested that his own contractor be used.

The claimant chased the insurer for an interim payment for the drying work for some time, only to be told that it had been paid to the loss assessor four months earlier.

"He'd say yeah we'll have that report by the end of the week and, you know, we should have a figure for you by then; and this went on for weeks and weeks and weeks... in November I threatened [them with the] FCA and that seemed to make the difference, you know... this [£x] that they paid me [in November], I mean, they'd had that since July, I think. So they were just sitting on it." Small business, £20 – 100k claim



9 Settlement: mixed experiences

There are a proportion of claimants who have fairly uneventful claim journeys, ending with the expected settlement. However there are also examples where settlements exceed expectations and others where they fall significantly short.

In cases where settlements exceed claimants' expectations, these typically involve a loss assessor. As a result of the loss assessor's input some are made aware of policy cover they didn't know they had (typically business interruption), or make an enhanced claim with their loss assessor's support.

In a small number of cases, claimants have encountered a flexible loss adjuster, resulting in the settlement exceeding expectations through allowed improvements..

*"I was given money to refit as I wanted. I was able to then take the shop forward with [an enhanced refit]. It was certainly more than I expected to get at the outset."
Small business, £5k-20k claim*

However there are still some claims where settlements fall some way short of claimants' expectations; inadequate cover is a common reason for this. This can either be a conscious choice, error of omission, carelessness, or may be attributed to poor broker advice.

*"We inherited the policy from the previous shop owner – there was no real reason to check coverage details. But only the stock not the shelving was covered, and so we were undervalued by almost £20k. Admittedly I didn't look carefully at details because there was no obvious material change to the shop since we took over."
Micro business, £5-20k claim*

Others may have adequate cover but feel their claim has been ruthlessly 'adjusted', with loss adjusters apparently working hard to reduce the payout. In some cases claimants have been found to have made improvements during repairs, resulting in a reduced settlement due to 'betterment'.

"Rather than paying us [£x] he reckons, because we got betterment, we'll only give you [£x] for the gates. He knocked us £1,000 there. My argument with the insurance company was, if your driver hadn't driven into the gates, our old gates would be fine, they'd still be here working... That's not something we were looking to do. I got nowhere." Small business, £5k-20k claim

Some settlements are inadvertently raised by loss adjusters or contractor actions, which lead to insurers paying out more than they need to. In some cases, extended delays, typically caused by loss adjusters, have extended business interruption claims considerably.



In other cases bad workmanship or poor decisions early on in the claim journey have meant that remedial action needs to be taken, resulting in increased costs for insurers.

“The insurers were very good. What annoyed me [about the loss adjuster] was how much he stalled the process; he must have cost them a fortune.” Small business, £100k+ claim

“I told them I didn't want them to force dry the property and that it could damage the window frames – and it did. They tried to deny it was down to their actions, but they eventually conceded. So it cost the claim more to repair that damage.” Micro business, £100k+ claim

The length of time to reach settlement varies considerably, with examples of ‘fast track’ scenarios through to those experiencing extended delays. In some cases claims are dealt with quickly to best meet the needs of all involved parties; these are typically claims involving business interruption.

“We were just looking at sites and what it would cost us to keep the business running and finding new premises... So I said to our loss assessor, ‘Right, we’ve got the opportunity to go into a new site. This is probably going to cost ‘£x’. What do you think?’ He said [they’d] worked out that we could be due this amount of money. I said, ‘Well, the thing is, they would have to make a decision on whether they were going to pay this, or we lose this site, and they could be looking at paying, you know, a full year business interruption, which is what we’re insured for.’ So we negotiated somewhere in the middle [which allowed us to take on the site we wanted].” Small business, £100k+ claim

The majority of claims take a little longer, although these are typically in line with claimants’ expectations – particularly where extensive damage to a property has occurred.

There are many examples where negotiation between parties and speed of payment has been an issue. In some cases, loss adjusters have not clearly communicated settlements to claimants. In a small number of cases, claimants have had to escalate matters considerably to receive any payment; for others, payments are made intermittently which can increase the time and effort taken to get the business back on track.

“The first 2 months, nothing happened after the initial flurry of activity... they were just waiting for a reason to pay out as little as possible.” Small business, £100k+ claim



9.1 Settlement: two very different outcomes

Fast and flexible settlement

Flash flooding following a storm in 2012 washed away a major part of a large tourist attraction and cafe.

The business used a loss assessor as a single point of contact for the claim as this had been suggested by their broker during their previous insurance renewal. The insurer had no experience of the attraction type and it often felt like they were learning as they went through the claim. Despite this the claimant felt they were able to move the claim along promptly, with the insurer agreeing to repair the attraction using [specialised labour] supervised by technicians.

As the business is largely driven by tourism, all of the parties involved in the claim were willing to adapt their practices to a very tight deadline, to ensure that repairs were completed ahead of the summer tourist season and to avoid a far larger business interruption claim.

“The loss adjuster recognised the difficulties we were facing and they adapted their practice accordingly.” Medium business, £100k+ claim

Left severely out of pocket

A small building firm experienced theft of machinery from a secured building site.

When looking to replace the machinery they found that there was nothing identical for sale, with the nearest alternative being a newer model priced at £5k more than the original cost.

After several weeks searching and having to pay to hire a machine, the company eventually had to accept a much lower settlement (around £20k lower than the original machine cost) plus extended hire costs. The insurer was not prepared to pay for betterment, even though this was out of the claimant's hands (in that they had no choice but to purchase a new one).

“The bottom line is we have to refinance.. We had to use the money that we'd got and then refinance the old one.” Micro business, £20-100k claim



10 Repudiations and withdrawals

Of the small number we spoke to whose claims were repudiated, repudiations generally came as a shock, as claimants are often unaware of policy conditions that partly or completely invalidate their claim. In some cases, claims refer to incidents which are not covered by a policy, but most repudiations are based on violations of policy (e.g. keys being kept on premises, lack of bars on windows).

“I would like cover for the locker that was accessed through excessive force without using the keys but I’ll accept that the second container that was accessed with keys is void.” Micro business, £5-20k claim

Those in the research whose claims had been repudiated generally accepted this, though some felt short changed if there was a degree of interpretation involved, e.g. not having particular security features where they were unlikely to have made a material difference.

“I thought that they would now be able to pay out...I subsequently read [the policy], but I still think it’s quite rich... [they could have paid] part of the claim rather than throwing it out totally.” Micro business, £5-20k claim

Some SMEs have appealed against repudiations; these are typically made through either loss adjusters, brokers or directly with the insurance provider. Of those that have appealed to loss adjusters, some report receiving limited acknowledgement or response to this.

“We decided to just accept the decision - saw it as a potentially protracted and drawn out process. We’re a small business and they have the resources to fight them better. My job is to keep the business afloat and wanted to concentrate on that.” Micro business, £20-100k claim

In some instances, the claimant can find themselves quite heavily out of pocket as a result of repudiation, which can have a detrimental effect on the business.

“[I told my broker to go back and] say that we’re not happy. They came back, and said they were still going to go with [that decision] and still turned it down.” Micro business, £5 -20k claim

Where withdrawals have been made in this sample, this is generally to avoid an increase in policy premiums, typically when the value of the claim is low. When the policy excess will cover the majority of the claim, or once initial damage has been assessed it becomes clear that it’s possible to fix with minimal cost, businesses often decide a claim is not worth pursuing.

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“They [insurer] said you need to pay the excess and VAT on the product being replaced as per your policy, it didn’t feel reasonable. From a value point of view it was better to just add £100 on the cost and go and replace the product myself.”

Micro business, withdrawn

“It flooded the floor boxes which are for IT and electrical purposes and I thought they were all going to have to be renewed, but we dried it out very quickly and it all passed its electrical tests. Then it was just the cost of an industrial heater, so I didn't think it was worthwhile upsetting the premium calculation.” Micro business, £5-20k claim



11 Eventual impacts and outcomes for claimants

Overall, the impacts and outcomes on businesses making commercial insurance claims vary hugely. Clearly, this is often down to the extent of the loss or the damage. Minor incidents, such as the loss of the use of a single room through water ingress or some lead stolen from a property roof, tend not to have any long lasting impact. For some, these incidents are just part of running a business, and they take them in their stride.

“[On the subject of a residential property on farmland that had burnt down] Largely it was very good - one of the smoothest claims I’ve been involved in. Everybody was very reasonable and reacted well. There was very little impact on the business, only 2-3 hours a week for me and then [a couple of] meetings with the loss adjuster and the contractors. The loss of rent wasn’t fully resolved, but it wasn’t a huge amount so I wasn’t worried. I couldn’t go back to the tenant and claim for five months rent.” Micro business, £20-100k claim

Some, even though they have suffered considerable loss and major disruption, are philosophical about it.

“[On the subject of a flooded home/guest house that took six months to become habitable again] Putting emotion aside, it went as quick as expected, and we got back what we lost... A tough time, but it was a relief to be back in the house. All the bad stuff went away once back in our home. Business has not suffered - but the time spent could have been less.” Micro business, £100k+ claim

At the same time, there are a number of claims evident throughout the research that have demanded huge amounts of a claimant’s time:

“I found the whole process very difficult and time consuming – I was trying hard to keep an already struggling business afloat and I felt like I was project managing an insurance claim that revolved around 3 parties [himself, landlord, flat owners]. It took a lot of time to keep on pushing for information and to know what was happening with the claim.” Micro business, £20-100k claim

“Our Commercial Director spent a lot of time preparing files [for the business interruption claim]. When I got involved later in the process it was taking up around 50% of my working week at some points.” Micro business, £100k+ claim

Some businesses have found themselves under severe financial pressure as a result of delays in claims. While some have been able to absorb costs or borrow money in order to continue trading, some have been left perilously close to failing, and one of the businesses



in the sample felt that the way the claim was handled was the main reason that the business went under.

“The first payment of £15,000 wasn’t received until May. By which time I had begun to pay creditors. The second payment of £45,000 was received in June for stock and shelving, but the loss of earnings meant we had to eat into this amount to pay other bills.” Micro business, £20-100k claim

“It caused financial problems immediately as there were no funds to continue with the loan taken out to buy back the building, plus all the utilities... [they were] demanding receipts for everything including furniture that had been in the cafe for three years... [the delays were down to insurer’s] demands or all the detailed evidence... ultimately I lost the business.” Micro business, £20-100k claim

In some of these cases, the process has resulted in severe emotional strain for claimants:

[Being told you’re not covered then told that you are] was just like a doctor saying you’ve got cancer before the results are in. You’re relieved if the results come back negative but it does cause unnecessary stress. I may have packed the job in.” Small business, £5-20k claim

“They were trying to save money at every stage. If costs went up, everything needed to start again... They were slow with the first payment so the builders [who were owed £24,000] downed tools... They didn’t sanction the roof being put on until 6 months in, when damage from rain water caused even more damage... I was ready to top myself.” Micro business, £100k+ claim

The claims experience has also prompted a small number of claimants to lodge complaints. In general, these complaints have been made directly to the loss adjuster, insurer or broker. On a small number of occasions, threats to complain to the Financial Ombudsman Service have been required to progress towards settlements.

“I think our loss adjuster called us the next day, he was quite concerned we’d gone to the FCA. The insurance company sent us a letter within a week and the FOS ruled that we should receive a week’s rental costs and £200 compensation.” Micro business, £5-20k claim

Others note complaints to insurers that have been ‘lost’, or that have not received a satisfactory response. There also an example of a claimant who felt like they should have complained, but could not face the potential effort involved after what they had been through.



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On a more positive note, there are some businesses that, post-claim, report themselves to be in a better position as a result of their experiences. They have been prompted into improving systems and processes and to become more resilient, or have a better 'state of mind' in terms of:

- Being better insured e.g. accurate stock taking to ensure adequate cover;
- Having a better infrastructure e.g. CCTV and data security systems implemented;
- Having better business continuity processes.

"The team who I work with, most of which are sat in the office probably listening to me, were magnificent. If it hadn't been for their efforts we'd have been buried. We've got a great new building, better warehouse, better infrastructure, newer IT, we've made investment. We got out of a shocking building that I didn't like, never liked. I just looked at it as a positive. I was lucky I was in a business that was profitable." Micro business, £20-100k claim

"We're much more switched on now, and I'll be reviewing policies in even more detail when we renew from now on. And I'll also very happily make use of a loss assessor again; it cost us £12,000 but was money very well spent." Micro business, £100k+ claim

One post claim frustration that is evident for a number of claimants is the impact on premiums and choice of insurer at renewal time. Many see policy premiums and excesses rise considerably as a result of claims.

"I do understand it from the insurer's point of view if you fork out £150,000 on a claim. But the excess is now £30,000. My premium has gone up substantially on top of that." Small business, £100k+ claim

"Only thoughts on policy is cost - used to be £900 a year, now £3,000. I'll be definitely going to a broker next time when I can." Micro business, £100k+ claim

Many also find that they are tied to the same insurer for up to three years following certain types of claim.

"Come May, touch wood, nothing's happened to any of our plant or anything, and there's no claims, it would probably be maybe another year, I'm going to give everything to other insurance brokers." Micro business, £20-100k+ claim

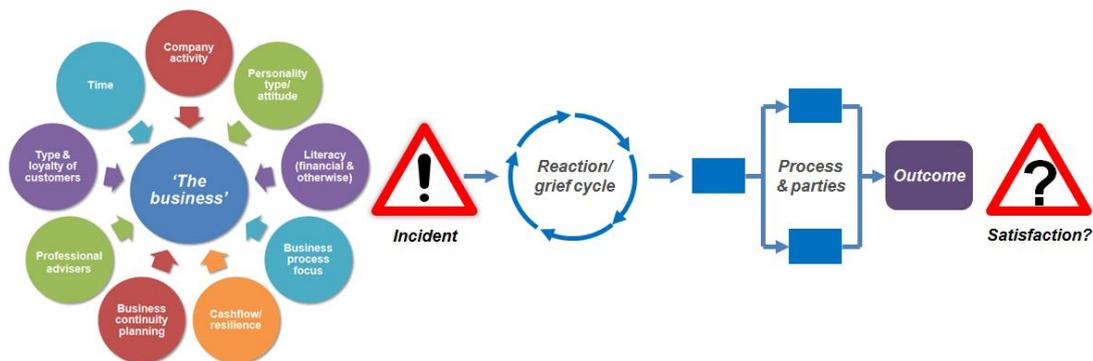


12 Overall claim satisfaction; a complex set of influences

Over the course of the research, there have been various degrees of satisfaction recorded by claimants³. Taking into account the multitude of variables that we have seen at play, overall satisfaction with claims is variably impacted by both process and outcome – examples of this include:

- A business that received a higher settlement than expected, but was very dissatisfied overall due to the response times, lack of information and delays to payment
- A business that was very satisfied overall, citing the actual dealings with the insurer as very positive, but that had to withdraw their claim as the excess and required additional VAT made it uneconomic to pursue (and therefore disappointed in the outcome)

The type of incident experienced and subsequent process and potential involvement of a variety of parties means that overall satisfaction with claims does not play out predictably or consistently, and the factors involved in this can be seen in the diagram below.



While many of the factors that impact upon ultimate outcomes and satisfaction cannot be influenced (e.g. a claimant's individual response to an incident, cashflow health), there are clearly areas in which SMEs feel could be improved, both at the point of policy purchase and through overall claims management.

³ Satisfaction scores across the range of SME interviewees can be seen in the Technical Appendix.



13 Appendix: Technical Report

13.1 Qualitative research method

In view of the need to gain an in-depth understanding of individual SME experiences and behaviours, an individual qualitative depth interview methodology was chosen.

Conversations with SMEs were structured around the claims process, though interviewees were allowed some freedom in ‘telling their story’ and to ensure that the discussion flowed freely. The full discussion guide can be seen in section 13.3 of this report.

The interviews consisted of a mix of face to face and telephone interviews, each lasting approximately one hour. The face to face/telephone mix was in order to balance the benefits of the rapport that can be built face to face with interviewees, with the cost and time involved. It is worth noting however that the telephone interviews also resulted in a strong rapport with interviewees and very detailed accounts of their experiences.

100 interviews were conducted in total, with 32 of these conducted face to face and 68 conducted over the telephone.

A team of five researchers undertook the interviews between 31st October 2014 and the 4th February 2015. Weekly meetings were held to share experiences and the themes emerging from the research, and to discuss potential case studies.

13.2 Sample and recruitment criteria

SME contact details were provided by a range of insurers, brokers, loss assessors and Managing General Agents (MGAs) taking part in the FCA’s thematic review, each providing an unbroken run of up to 500 claims. All were SMEs who had made a claim over £5000 within the last 24 months.

Respondents were recruited on the basis that they were either the main point of contact or the decision maker for commercial insurance.

Quotas or minimum limits were set for sample source and company size, as well as complexity of claim, size of claim and whether the claim was settled, repudiated or withdrawn. It is worth noting that because of the quotas set, high value and complex claims are over-represented overall, as no interviews were conducted with those that had claims of under £5,000.

In addition, the research aimed to recruit a broad spread across peril type (e.g. escape of water, theft, fire etc.), perceived impact of claim on business and overall satisfaction.



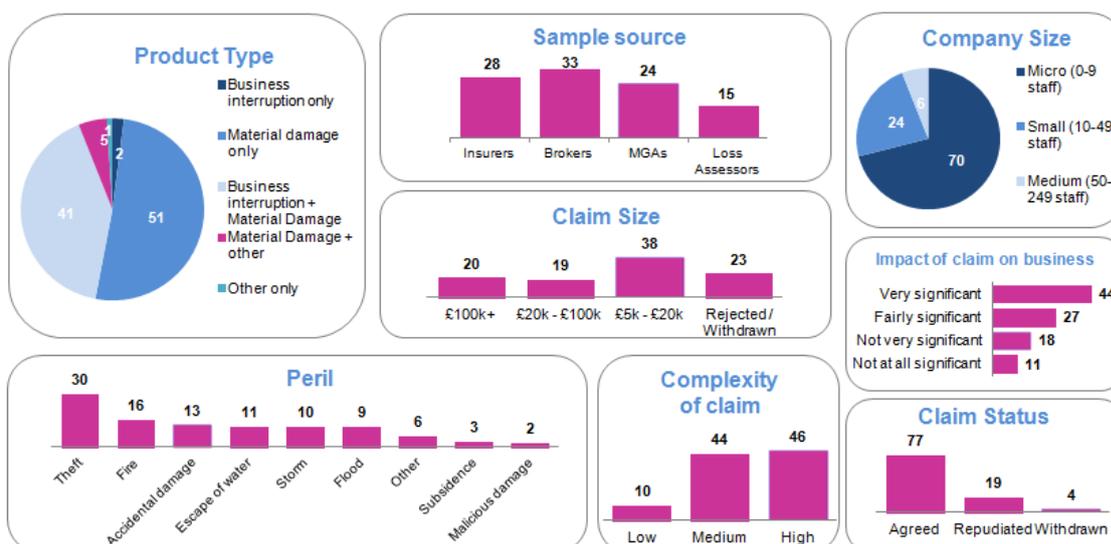
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Claim complexity was classified according to how long the claim lasted from FNOL to settlement/ resolution:

- Up to a month Low complexity
- 1-6 months Medium complexity
- 6 months + High complexity

It is worth bearing in mind that the perception of complexity may well vary according to process rather than actual time to settlement or otherwise. For instance, there were a number of interviews in which it was inferred by the claimant that the time from FNOL to resolution was overlong for such a 'straightforward' claim.

Overall, the following sample was achieved:



Overall satisfaction⁴ with the claim, which was recorded at the point of recruitment, was not a specific quota. The spread of satisfaction scores across the 100 interviews are as follows:

- Very satisfied → 16 interviewees
- Fairly satisfied → 30 interviewees
- Neither/nor → 8 interviewees
- Fairly dissatisfied → 14 interviewees
- Very dissatisfied → 32 interviewees

⁴ "Taking into account your claim from start to finish (or any dealings you had with your insurer or other parties if your claim was not settled/withdrawn), how satisfied were you with the way your claim/claim submission was handled?" NB: these results should not be taken as an indication of satisfaction across the market as a whole due to base size and the potential for selection bias (i.e. quotas being placed on certain claim types and the possibility that more dissatisfied claimants may be more likely to agree to being interviewed).



13.3 Interview discussion guide

The following discussion guide outlines the line of questioning employed in the depth interviews.

FCA SME Insurance Claims Thematic Review

Discussion Guide (finalised 29/10/14)

NOTE: this document is a guide to discussions only, and interviewers will adjust the line of questioning according to the background of the claim and other relevant factors that become evident during the interview.

Background to the business

- Respondent introduction and role within the business
- Overview of the business
 - Business activity, years trading
 - Turnover, number of employees, who are the main decision makers
 - Current business priorities and challenges

Purchase of insurance

- *Note: in the following conversation, we are talking only about 1st party insurance only – i.e. insurance against fire, other standard perils, commercial risks and damages (i.e. not public/employer liability nor professional indemnity)*
- Who within the business is responsible for reviewing and purchasing insurance products?
 - Are there different roles e.g. research and final signoff?
- Thinking back to the last time the business looked at its insurance policy (1st party insurance only), when was this?
- From whom does the business typically buy insurance? Direct from the insurer or through a broker or other 3rd party?
 - Why is this? What are the benefits/drawbacks of each option?
 - Probe on price, convenience, provision of advice, brand, types of cover
 - Which are the most important factors?
 - Are there any trade-offs or compromises made with any of these factors?
 - Has the provider changed in recent times? If yes, what has driven this?



- Does the business tend to stay with the same provider each year or does it look to switch periodically?
 - How frequently is this reviewed? Why/why not?
 - What is it specifically that tends to be the primary focus of any review? Price, type of cover etc?
- Does the business have a clear view on what it is insured against? Is there any rigour or process around:
 - Reviewing the existing insurance policy against identified risks to the business?
 - Reviewing new policies and quotes against identified risks to the business?
- What are the one or two most important things that drive the decision to take out a particular policy?
 - Probe if necessary on price, brand, comprehensiveness of cover, specific elements of cover, excess etc
 - Which is the most important? What are the trade offs?
- Thinking about the last time specifically that the company renewed or bought a new insurance policy
 - Through which channel did you purchase this policy?
 - Telephone, online, face to face?
 - What level of advice did you receive about the risks in their business and their insurance needs?
 - Who provided this advice about (a) business risks and (b) insurance needs?
 - How in-depth would you say this advice was? How clear would you say this advice was? Did you feel it was adequate in terms of what you needed to know?
 - How much time was spent (a) reviewing policies and (b) renewing the policy
- Overall, the last time you renewed, how confident were you that you were clear on the level and type of cover that you had?
 - How confident were you that the level and type of cover was suitable for the risks within your business?

Circumstances surrounding the claim and pre FNOL activity

- Can you tell me about the incident or incidents that caused the initial damage or loss to the business?
 - What happened? What was the root cause of the incident?
- What kind of immediate impact did this have on the business?
 - What were your immediate concerns?
 - What were your thoughts and feelings at this time?



- What action did you and the business take as an immediate result of this incident (i.e. prior to any contact with your insurer/broker/loss assessor)?
- Was there any potential longer term impact on the business identified at this stage? What were they?
- Prior to contacting your insurer/broker/loss assessor, how clear were you about whether the claim would be covered within your policy?
 - If you consulted them, did you have your policy documents to hand?
 - Was it clear from your policy documents whether you would be covered?
 - Were there any surprises in terms of coverage if/when you reviewed your policy documents? What were they?

First Notification Of Loss

- Thinking back to when the incident happened, I'd like to take you through the process from the start through to when the claim was settled (withdrawn/turned down). I'd like to know how long each stage took and who was involved both from the side of the business and the insurance provider and any third parties that were involved at that point. I'm also interested in how you were feeling at each stage of the process.
- To start, at what point after the incident occurred did you actually contact your insurance provider/broker/loss assessor?
 - If it was some time afterwards, what was happening in between the incident itself and your first contact?
- Whom did you contact – insurer/broker/loss assessor?
 - Was it clear whom to contact? Where did you get their contact details (if not from the policy documents)?
- How did you contact your insurer/broker/loss assessor?
 - Telephone/email/face to face?
- What was the main purpose of your contact?
 - To enquire about coverage?
 - To instigate emergency repair and recovery?
 - To set the claim in motion?
- What was the first response that you got from your insurer/broker/loss assessor? *Probe on:*
 - *If a repudiation or withdrawal, see section below:*
 - Information on coverage?
 - Instigation of emergency repair and recovery?
 - Referral to another party? Who?
 - Details about next steps and the claims process
 - What were these? Were timings given? Was it clear whom would be involved in the process if more than one party?



- What level of support do you feel you received when you made this first contact?
 - Did you receive any specific practical or emotional support? In what way?
- Overall, what was the main outcome of your first contact to your insurer/broker/loss assessor?
 - Was it clear what the next steps and accompanying timescales would be?
 - How reassured were you overall with this initial response?
- What happened next in the process?

Ongoing progress of the claim

Walk through the process in stages with the participant. Use the following prompts to cover each of the stages as appropriate.

*If at any stage the claim is either **repudiated** or **withdrawn**, please follow the line of questioning under the section 'Repudiations and withdrawals' on page 6.*

- How well would you say your insurer/broker/loss assessor (or main point of contact), and any other parties involved in your claim, meet the expectations and timings set out when you first made contact?
- *Ask participant to walk through each point of contact/party that was involved. For each stage/party:*
 - What were the main aims at each stage?
 - How well were the main aims at each stage communicated to you?
 - How long did you have to wait between each stage?
 - Were the waiting times acceptable?
 - Were there any delays? Why and for how long? Were the reasons for this communicated to you in advance?
 - Which parties were involved at each stage?
 - [If not mentioned] Did a loss adjuster visit you or get in contact at any stage of your claim? [If required] *A loss adjuster is the representative of the insurance company, whose role is to evaluate the specifics of your claim and project manage the progress of the claim*
 - *Ensure the following questions are covered in the event that a loss adjuster was involved.*
 - [If yes] In what way did their involvement impact upon the progress of your claim?
 - Did they provide advice on your claim? Did you feel the advice was helpful and sound?
 - Did you feel they provide a fair and balanced view of your claim? Why/why not?
 - Did they co-ordinate the various parties involved? How well did they perform this task?
 - Were they present and attentive when you felt they needed to be? Why/why not?



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- What information did you have to provide at each stage? How easy or difficult was it for you to provide this information?
- What decisions did you have to take at each stage?
- Did you receive any advice/guidance at each stage? How good did you feel the advice/guidance you received was? Do you feel it was given in your best interests?
- Overall, how well do you feel that the various parties handling your claim performed in getting your business up and running again?
 - What was particularly good or bad about the process?
 - Are there any actions you feel that could have been taken that weren't?
 - How fairly do you feel you were treated overall by all parties involved?
- Whom would you say provided you with the most help and support over the course of the claim?

Things that went well with the claim (CLAIMS ONLY)

If not mentioned during the discussion above, use the following prompts for any specific difficulties or issues identified over the course of the claim.

- What, if anything, went particularly well over the course of your claim?
- Were there any individuals or parties that you were particularly impressed with? In what way?
- Was there anything specific that happened that helped to reduce the impact of the claim on you and your business overall?

Specific difficulties or things that went less well with the claim

If not mentioned during the discussion above, use the following prompts for any specific difficulties or issues identified over the course of the claim.

- Were there any specific difficulties experienced over coverage or any conditions (warranties and exclusions) listed in your policy
- Were you aware of these issues over coverage or specific conditions (warranties and exclusions) prior to beginning the claim?
- Do you feel they were reasonable given the policy that you purchased (i.e. were they explicit in the policy or was there any doubt about whether they applied to your claim?)
- How were these difficulties resolved, if at all?

Use of loss assessors

The use of loss assessors may arise in the section above (some of the interviews will be sourced from loss assessors, others may have used them that we are not aware of at the start of the interview)

- *[If necessary] The loss assessor's job is to manage the process of presenting your claim with a view to achieving the best possible outcome for your business. The loss assessor works exclusively for the business making the claim.*
- [If not already clear] Did you make use of a loss assessor over the course of your claim?



- How did you come to use a loss assessor? Were they provided as part of your policy or did you make a conscious choice to employ one?
- What were your expectations of the role that the loss assessor would play in your claim?
- What role did the loss assessor actually play over the course of your claim?
- How well were your initial expectations met?
- What value did you feel the loss assessor played added to the progress of your claim?
- How was the lost assessor paid for their services...?
 - [If known] Through the claims process or directly by you?
 - Was it a fixed fee agreed in advance? A percentage of the claim? Or some other arrangement (probe for details)
 - Did you feel that the role they played represented value for money?
 - Why? Why not?
- Would you be likely to employ a loss assessor again in similar circumstances?
 - Why/why not?

Repudiations and withdrawals

Follow this line of questioning for repudiations and withdrawals at the appropriate stage in the journey (e.g. following loss adjuster visit)

Repudiation

- What were the main reasons for your claim being rejected?
 - A dispute over coverage?
 - The application of conditions (warranties and exclusions) to your claim?
 - What else?
- How clearly were the reasons for your claim being rejected communicated to you?
 - What parties were involved up to that point (e.g. loss adjuster/loss assessor)?
 - Were the reasons for your claim being rejected set out in writing?
 - How clear was this written communication? Did you feel it was adequate?
 - Did you feel it was handled well?
- How did you feel about your claim being rejected? E.g.
 - You felt that the repudiation was unfair/fair? In what way?
 - You felt that the repudiation was reasonable given the content of your policy?
- What impact did the fact that your claim was rejected have on your business?

*Go to final section ***



Withdrawal

- At what stage in the claims journey did you withdraw your claim?
- What were the main reasons for the business withdrawing its claim? Probe on:
 - Cost based decision/excess based
 - Expectations over coverage not met
 - What else?
- Whom was involved in the decision to withdraw?
- Was there any external party that influenced your decision to do so? In what way?
- How did you feel about the fact that you had to withdraw your claim? E.g.
 - A conscious decision that you were happy to make?
 - Forced to withdraw due to the policy not living up to expectations?

Go to final section **

Resolution and overall satisfaction

- Overall, how long did it take from the point at which you contacted the insurer/broker/loss assessor to your claim being settled?
 - Taking everything into consideration, did you feel this timescale was reasonable or not? Why/why not?
- What exactly made up the overall resolution to your claim? Probe on:
 - Emergency repair and restoration
 - Advice and guidance
 - Any other further repairs and restoration
 - Cash/cheque payments
- Was the claim overall resolved according to your initial expectations...
 - In terms of how each stage of the claim progressed? Why/why not?
 - In terms of the overall outcome of the claim? Why/why not?
- How satisfied were you overall with the way your claim was handled and resolved?
- What went well and what went less well?
- In what ways, if any, could the process have been improved? Probe on:
 - Advice and guidance given, timing, communication with you, communication between the parties involved?
- *[If the claim went less well overall]* Have you or did you consider making a complaint?
 - If yes, was the process for making a complaint made clear to you, or easily accessible from any documentation that your insurer/broker/loss assessor had provided?
 - What response did you receive? How well did the response address your complaint?



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- If no, why not?
- Now that the claim is over, what overall impact has the incident and claims process had on your business?
- What impact, if any, would you say that the time spent *dealing* with the claims process has had on your business?

- ***Withdrawals and repudiations also to answer the following:*
- After the experience with your insurance company and the various parties involved, has the experience changed the way you think about the insurance that you have for your business at all?
 - In what way?
 - Have you since taken any actions to review your insurance policy in any way?
What?

- *THANK AND CLOSE*