



INTERNATIONAL MARINE CLAIMS CONFERENCE DUBLIN, IRELAND – SEPTEMBER 30, 2004

THE AMERICAN HULL INSURANCE MARKET
CLAIMS SETTLEMENTS AND MARKET PRACTICE

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Each Claim Stands On Its Own Merits.

While many claims may be similar,
no two are exactly alike;
each one has its own uniqueness.





The Claims Settlement Process Begins with Notice to Insurers.

0 1 2 3 4 5 6 7 8 9





Setting up the Claim File



Appointing the Surveyor



Communicate with the Surveyor



Appointment of Attorneys



The Top Ten Reasons You Know You Have Appointed The Wrong Attorney

10. You have to constantly remind them to include you in the report distribution.
9. Experts are hired without your knowledge or approval.
8. Their 20 page report, tells you about all the facts of the case that you provided to them, without giving you any recommendations.
7. They have no supporting documentation for their settlement number – Probably, a number pulled out of the sky.
6. Their 50 page report tells you everything about the recent deposition; however, you have no idea if that's good news or bad news.

5. You don't receive a report from them until the case has been settled – Of course, their bill is included with the report.
4. You're billed for a 26 hour day – and then billed more to correct the problem.
3. They are unable to tell you anything about the merits of your case, however, as the consummate optimist that they are, no matter how bad things look, you still should continue.
2. At times, it appears as though they are working for the other side.

**And the number one reason
you know you've hired the wrong attorney.**

1. **They just can't seem to remember who you are.**



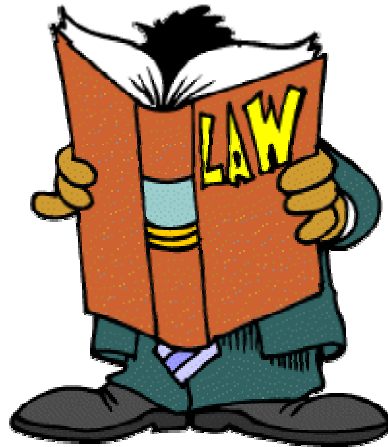
Expectations and Guidelines

- Acknowledgement of the assignment and contact with the insured within 24 – 48 hours.
- The individual attorney appointed will be the one responsible for the case.
- Initial analysis with a proposed litigation plan within the first 30 – 45 days of receipt of the file. Upon receipt of the analysis and plan for defense, the claims examiner and attorney should discuss the terms proposed and reach a mutual agreement on how to proceed with the handling of the case.
- Ongoing regular communication is essential for all parties to fulfill their obligations to the insured.
- Any activity which falls outside the agreed upon plan must be discussed and agreed to by the claims examiner.
- Regardless of how the case is ultimately concluded, counsel will provide a closing report, which analyzes the outcome.
- Counsel will provide fair and accurate bills with sufficient description, so that the claims examiner will understand the charges.
- Statements for legal services must be itemized.
- Timing and frequency of the submission of bills should be agreed upon.
- If a conflict of interest is identified, counsel must notify the claims examiner.

The most important element for successful litigation management and successful client/counsel relationships which will result in a successful outcome is

Communication

Clear, Concise and Frequent





West of England 



P & I Clubs



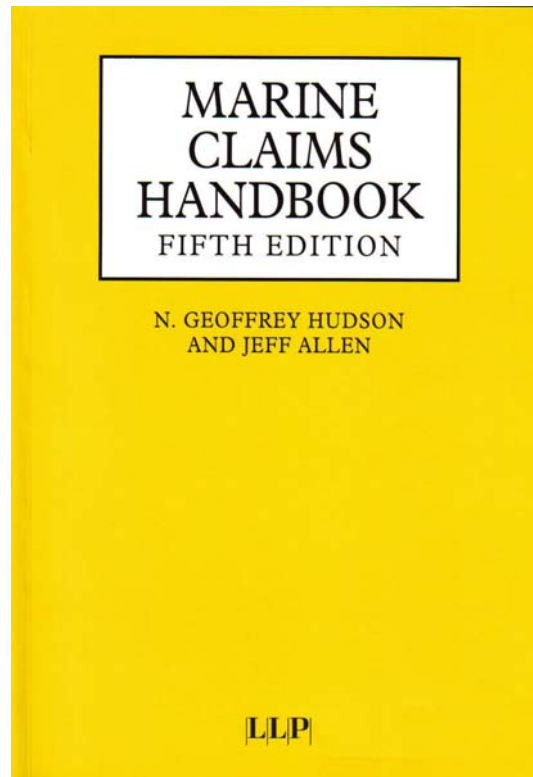


The Average Adjuster



Marine Claims Handbook

by N. Geoffrey Hudson and Jeff Allen, Fifth Edition



Examining the Adjustment



ADJUSTMENT

OF

GENERAL AVERAGE

AND

PARTICULAR AVERAGE ON SHIP

- per -

"AURORA AMETHYST"

(Bulk carrier. Built 1999. 48,893 dwt)

INSURED : 12 months at 1500 hrs 30th April 2003 subject to ITC (Hulls) 1.10.83

VOYAGE : Various S.E. Asian ports to East Coast U.S.A. ports loaded with timber products and steel pipes.

OCCURRENCE :

6th July 2003 : Vessel grounded shortly after departure from Camden, (Philadelphia)

Consistency



“Without Prejudice”

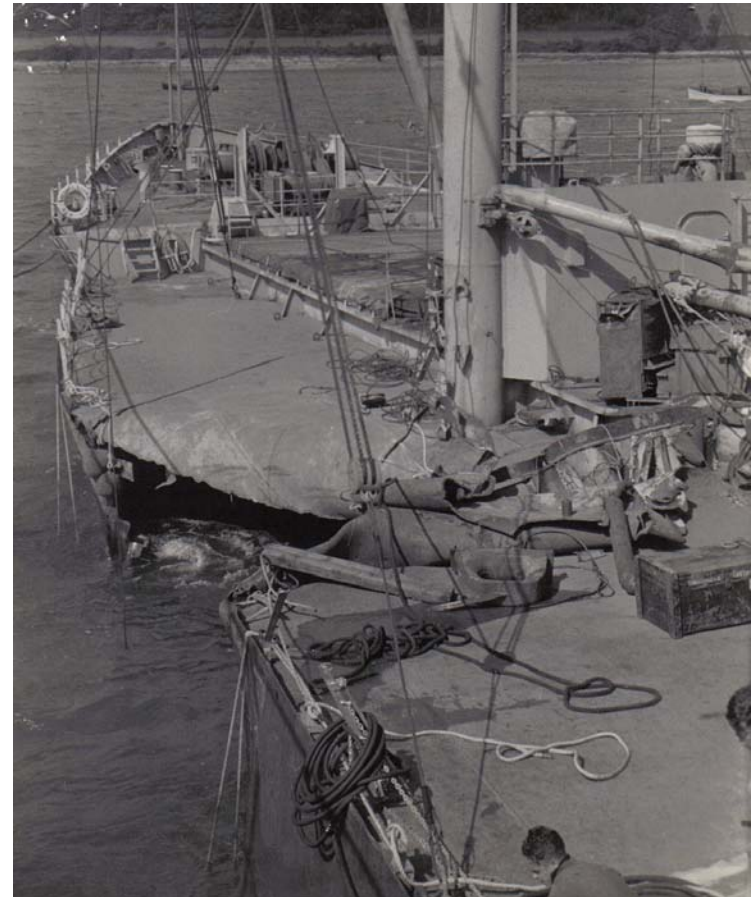


Payments

Loss Payee's & Pay Orders

- Paid to the broker, then the broker pays the assured.
- Paid to the adjuster, then the adjuster pays the assured.
- Sent to the broker payable to the assured, then the broker forwards it to the assured.
- Sent to the adjuster payable to the assured, then the adjuster forwards it to the assured.
- Paid directly to the assured with a cc to the broker or adjuster.
- Paid to an attorney for settlement of a salvage award or collision liability with a cc to the broker or adjuster.

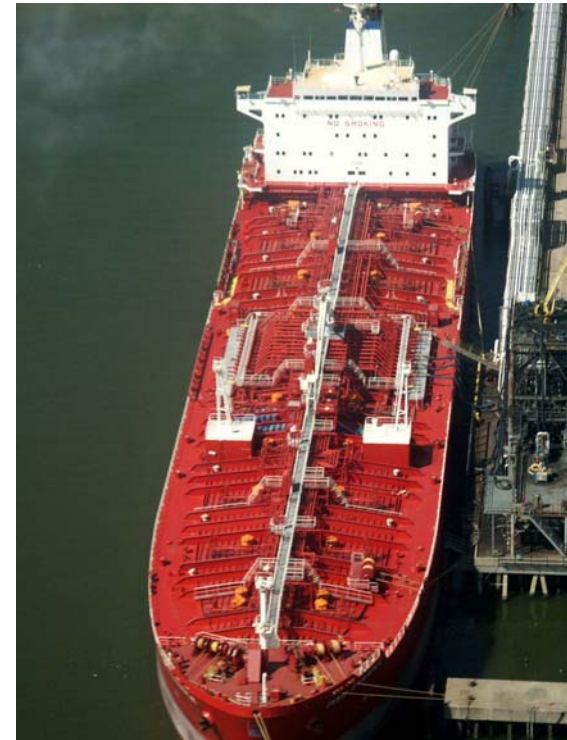
Payment on Account



The Elements of Good Claims Service

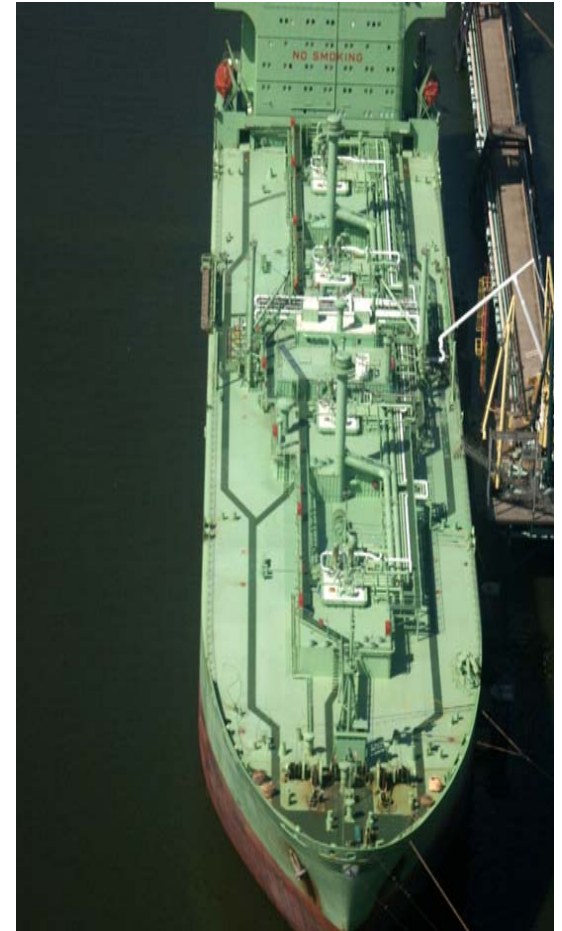
1. Prompt Service

- Setting up of Claims
- Handling of Mail/Correspondence
- Availability of Files
- Acknowledgement of Claims
- Timely Questions
- Prompt Responses
- Prompt Payments



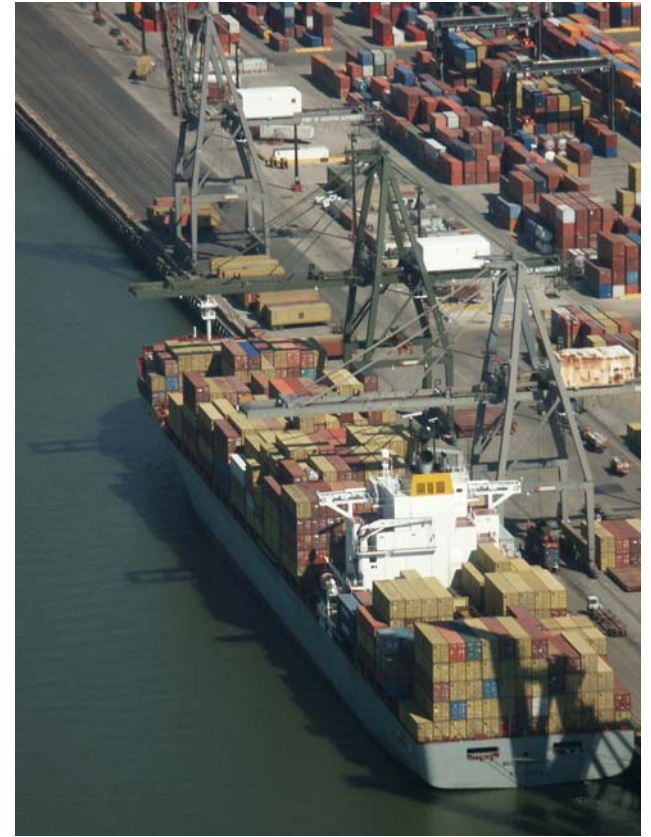
2. Staff Responsibilities

- Honesty
- Fairness
- Negotiable, Open to Discussion
- Cooperation
- Ability to Make Decisions
- Good Negotiator
- Consistency
- Accuracy
- Leadership
- Attitude



3. Knowledge of Claims

- Good Claims Handling Skills
- Knowledge of the Business
- Knowledge of the Policy
- Knowledge of the Assured
- Knowledge of Adjusting Principles and Practices



4. Communication

- Availability
- Courteous Service
- Rapport with Underwriters
- Ask Good Questions
- Clear Instructions
- Good Outside Relationships (Brokers, Adjusters, Assureds, Surveyors, Attorneys, Etc.)



5. Financial Strength/ Leadership



Respecting the Lead





Communication is the Key!!

