Lloyd's India – Claims Management

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Introduction

- Agenda - queries for your broker / Lloyd's terminology

- Direct Insurance Claims in the Lloyd's market – stakeholders / capture of claims data

- Reinsurance Claims - capacity / expertise / regulatory issues / policy issues

- Claims workflow issues / pitfalls

- Specialty class claim issues and trends

- Conclusions / takeaways

- Questions

Terminology

- Who are Lloyd's claims managers - legal / commercial

- Role and priorities – internal / market – claims as a product

- Subscription markets?

- Direct Insurance / Reinsurance

- Facultative Reinsurance / Treaty Reinsurance

- Placing broker / Producing broker – professional expectations regarding claims broking

- Lead underwriter / Agreement party / Following market

- Interaction with company markets

- Claims' role in placement/ renewal / risk management

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Direct Insurance Claims with Lloyd's Asia or Lloyds of London

- Notification chain / Electronic claims files

- Reservations of Rights – specific issues only

- Panel vendors – international/ rates and service leverage

- Disputes between insurers

- Market meetings

- Central Settlement of Claims

- Broker advocates for assured

- Renewal discussions / claims experiences

- Market standards / guidelines / conduct requirements / predictive risk management information from market

Reinsurance Claims with Lloyd's

- Cat / large losses overview by Lloyd's – intensive reporting, solvency and aggregation assessments

- Notification chain + cedant involvement

- Reputation / loss of face / cedant distribution relationships

- Pre-agreed claims workflow / technical support

- Claims Control / Claims Cooperation

- Follow the Settlements

- Specialty lines – Reinsurance underwriting / claims expertise

- Global/ local service providers – leverage & jurisdictions

- Burden of proof in disputes

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Regulatory, legal and local considerations

- Growth of local industry

- Local capacity/ expertise

- Local re/insurance brokers

- Different facultative arrangements

- Order of Preference

- Outsourcing

- Local insurance codes – deadlines

- Law and jurisdiction

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Insurance Act (2016)(UK) – 12 August

- **Current Position**

- Reassured to disclose material facts it knows - no material misrepresentations

- Remedy available if reinsurer induced

- Sole remedy is avoidance

- Knowledge of reassured unclear – of whom?; broker's knowledge imputed

- **New Position**

- Fair presentation must be made / no data dump

- Knowledge of insured = senior managers (after reasonable search)

- Proportional remedies – prejudice threshold

- R/I Broker knowledge not imputed to reassured

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Claims workflow issues / pitfalls

- Direct Insurance – who has right and duty to defend? Appointment of vendors?

- R/I Claims - lead to also bind following reinsurers?

- Defences / mitigation / limitation periods / recovery

- Without prejudice payments / offers

- Ex Gratia payments / admissions / assured's expenses

- Act as a prudent uninsured

- Use of local service providers

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Business considerations in Claims

- Turnaround times

- Public Relations / Customer management

- Funding for deductibles / payments on account

- Cat loss preparation / Claims simulations

- Negotiations /authority levels

- Confidentiality – NDA

- Insured's time invested in claims – commercial realities / staff welfare & turnover

- Cyber issues / breach response

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Financial Lines

- Professional Indemnity
- Directors and Officers
- Cyber Liability
- Financial Institutions
- Claim Issues
- Claim Trends

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Trade Credit and Political Risk

- Credit default / Contract Frustration
- Claims Issues / Claims Trends

Conclusion

- Choose a good broker who addresses Claims

- 'Go to market' not just for cover and cost, but Claims delivery

- Capacity / expertise especially complex/large/specialty risks

- No assumptions / good communication

- Drafting – explicit clear terms

- Regulatory/jurisdictional awareness

- Burden of proof

- Consistent relationship = consistency of service & product

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Questions?

Thank you for your time.

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