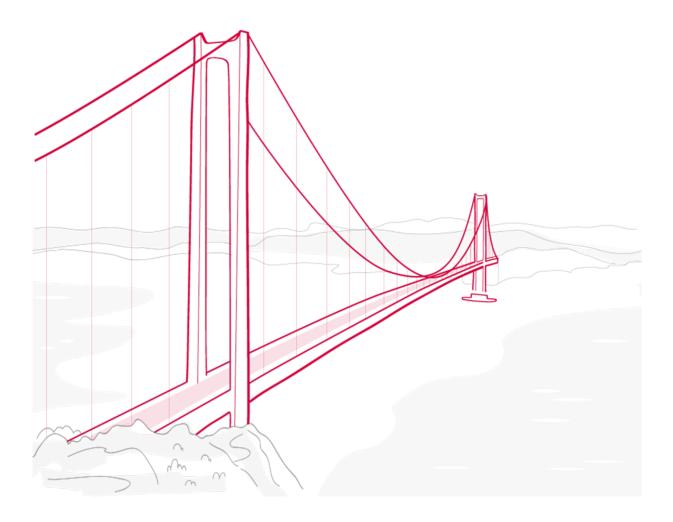# MAPFRE

SPECIFIC RECOVERY MODEL

RECOVERY CASE FILE MANAGEMENT MONITORING

CORPORATE OPERATIONS AREA (ACSN)

RECOVERY CASE FILE MANAGEMENT MONITORING

Background and definition

First, it is important to note that this document is only intended to **supplement**, by **focusing on recovery case files**, the information given in the Claims Operating Model in its section "Handling departments management monitoring." For this reason, we recommend reading it.

Therefore, this document is a faithful copy of that document, but including those aspects that are specific to recovery management and that will help us to be able to assess how appropriate this management is, regardless of whether it is carried out by specialized handlers or specific recovery handling centers.

The purpose of this monitoring is to **gain detailed knowledge of the results of the different recovery management processes** and to verify the effectiveness of the processing, **ensuring that the procedures** and activities carried out **are adequate and are complied with** in accordance with what has been established.

Performance of recovery management monitoring

As part of the **Management Monitoring** to be carried out throughout the year, monitoring must **always be carried out on the management of recoveries**. For this purpose, the subject/figures (specialized recovery handlers or handling centers), the scope (conventional, agreement or recourse recovery), the content (all aspects to be reviewed) and the dates on which they will be carried out will be established.

The selection of the subject/figures and the scope that, each year, will be subject to Management Monitoring that will be carried out taking into account, among other aspects, the recovery results obtained with respect to the monitoring indicators or the objectives set; or if in previous years' controls, the results of a Deficient or Improvable assessment have been obtained as defined below in this document.

The following aspects can be analyzed as part of the Technical Recovery Monitoring:

- **Technical indicators:** analysis of the variables and indicators defined by the Claims Area for recovery management and which will contain those indicated in the Indicators section of this Specific Recovery Model.

- **Technical management of processes:** review of the management processes subject to monitoring, ensuring that they are performed in accordance with the defined procedures and guidelines.

- **Management of training and resources:** verifying other aspects related to training or resources in respect of those processes subject to monitoring.

- **Management of agreements in accordance with the commitments undertaken therein**: Review compliance with the obligations established by the agreement, and evaluate the result of our participation in it, taking into account considerations such as amount recovered vs. amount paid, management productivity (workloads), reduction of litigation, reduction of deadlines, penalties for non-compliance, etc. It is important to carry out a complete analysis of the agreement, beyond the amount recovered, as there are other factors, such as those listed above for illustrative purposes, that can change the results both for and against, and that can be decisive in deciding whether to remain in the agreement or to modify some of the terms of the agreement.

- **Quality management:** Although it is not usual to come into contact with clients in this type of case file (with the exception of recourse recovery and the recovery of deductibles), whenever we do so, we must maintain the standards of quality and professionalism defined in the Claims Operating Model.

Once all the relevant information has been collected, we will draw up a "Management Monitoring Report," which will explain the methodology employed, the aspects analyzed, and the observations and recommendations considered necessary in each case. This will be done by designing a template that covers these aspects.

For management monitoring, the same model will be followed for all centers or types of management, regardless of whether only one aspect of the center is analyzed, such as recovery management in this case. The report will contain one of the following final scores:

- **Good:** generally sound compliance with rules, including not only internal monitoring systems, administrative procedures and management techniques but also the associated management variables. The center also shows solid performance when compared with previous assessments.

- **Good, but with exceptions:** while the center meets the basic requirements for a score of "Good," there are one or more aspects that could be improved upon, or their performance over time has not been entirely satisfactory.

- **Improvable:** while the center meets some requirements for a score of "Good, but with exceptions," its performance has declined; or, despite there being aspects that could be rated as "Deficient," its performance has improved.

- **Deficient:** general deficiency in management or significant incidents have been observed in some aspect of particular importance.

The Management Monitoring Report **will include all pertinent observations and recommendations**, explicitly stating for each one the score awarded for the aspect in question and stating whether or not it requires an action plan. These plans must be executed in accordance with the criteria defined in the MOS (claims operating model).

When an **aspect is rated as "Improvable" or "Deficient," it will be considered a deviation** and will always require an action plan to be carried out by the claims handling center undergoing the technical monitoring.

If the aspect under consideration is rated "**Good" or "Good, but with exceptions,"** the evaluator will decide on whether any action plan is needed, depending on the circumstances and the relative importance of the incident detected.

Once the Management Monitoring Report has been closed and published, the person in charge of recovery management (when there is no specific department) will be responsible for making the required comments or action plans with regard to the aspects commented on. They must do so within 20 days of receiving the Report.

The action plan must contain the following information:

✓ **Description of the deviation**

✓ **Analysis of the root cause** of the deviation: in-depth investigation of the root cause of the problem, gathering all necessary information for that purpose.

✓ **Corrective/preventive action proposed:** the action or actions to be taken to resolve the root causes of deviation, and thus to prevent similar future situations, must be briefly described

✓ **Start and end dates for implementing the action**

✓ **Person responsible for the action(s).** They will be responsible for ensuring that the action is implemented within the agreed timeframe, either by carrying it out themselves or by ensuring that others carry it out.

After implementing all corrective or preventive actions needed to resolve an incident, we will need to review all such actions in order to measure their efficiency and assess the results obtained. It is not recommended that the Action Plans last longer than 3–6 months, to ensure that the deviation will already be corrected at the next check.

After analyzing the actions and the resulting change in the aspect under analysis, we must confirm whether the corrective or preventive actions implemented have been effective in eliminating the root cause of the problem, or whether further action is needed to correct the matter.
Once this analysis of the efficiency of the Action Plan has been completed, the person in charge of recovery management must draw up and send the corresponding **Management Monitoring Follow-up Report** to the management division of the Area responsible for the action, which will conclude the entire process.

The Area Management and/or those in charge of performing management monitoring shall, in the course of subsequent monitoring, review the results of the previous monitoring performed as well as the action plans that may have been drawn up, to confirm that the errors detected have been resolved.