5 – Communicating Effectively

**1 – Using the Communication Process in Claims Handling**

**Objective**: Examine the role of claims representative in using the communication process model to improve the quality of interactions with insureds, claimants, and other stakeholders in claims handling activities.

Accurate and clear communication is fundamental to all aspects of the claims process. During claims investigation and resolution, claims representatives communicate with various parties, including insureds, claimants, witnesses, attorneys, experts, and other insurance professionals.

Some official written claims communications, such as acknowledgement letters and status letters, may be legally prescribed. Claims representatives write reports and summaries to document claims investigation and settlement activities, and those documents become part of the permanent claim file. Claim files may be reviewed by insurance managers, regulators, and attorneys, and they may be used as evidence in legal proceedings. Claims representatives also communicate verbally with others -at meetings, in casual conversations, and over the telephone.

An understanding of the communication process can help claims representatives plan and develop effective communications that contribute to effective claim resolution. The communication process has two phases: the transmission phase, during which the sender shares information, and the feedback phase, during which the receiver responds. Each phase has various components that lay the foundation for effective claims communication.

**The communication process also has four main components:**

* **The sender**
* **The message**
* **The medium**
* **The receiver**

Each of these components is present in both the transmission phase, during which information is shared, and in the feedback phase, during which the information is interpreted and acted on. An understanding of these components can help claims representatives communicate effectively.

**Transmission phase**:

|  |  |  |  |
| --- | --- | --- | --- |
| Message -> | Encoding ->  What to include in msg. | Medium ->  Email, Fax, Letter | Decoding by receiver  | |
| Sender  | | Noise | Noise | **Receiver (now sender**)  | |
| Decoding by sender (now receiver) | <- Medium | <- Encoding  What to include in resp. | <- Message |

**Feedback phase**:

**Sender**

The sender and the receiver are the primary components in the communication process. When a claims representative requests information from an insured or claimant regarding a claim, the claims representative is the sender and the insured or claimant is the receiver. This initial communication takes place in the transmission phase of the communication process, in which the sender (the claims representative) shares information (a description of the needed information) intended for the receiver (the insured). The claims representative must create a cooperative environment in which effective communication can occur in order to obtain the specific information needed to investigate the claim.

**The credibility of the sender is an important consideration. Three types of credibility can affect the claims communication:**

* **Initial credibility – initial credibility depends partly on the individual claims representative’s reputation and experience and partly on the perceived status of the profession of claims handling.**
* **Derived credibility – claims representatives can improve their derived credibility based on the type of communication and by projecting a confident and concise approach to communication.**
* **Terminal credibility – terminal credibility is the sum of the sender’s initial credibility and derived credibility**

For example, in investigating a claim for damages against and insured, a claims representative contacts the claimant, who alleges that her injuries were caused by the insured. **The claim representative’s initial credibility may be based on the claimant’s distrust of insurance companies in general as well as her distrust of the claims representative, who represents the party who caused her injuries. By clearly explaining the claims investigation and resolution process and communicating professionally, objectively, and empathetically, the claims representative can begin to establish a foundation of trust, which leads to derived credibility**. Claims representatives should evaluate the effect of credibility when communicating with insureds, claimants, attorneys, and persons within their own organization.

**Message**

The message is the second component of the communication process**. In encoding a message, the sender must make a number of decisions that determine the message’s effectiveness. For example, the sender must choose words that express the intended meaning most clearly and arrange them to conform reasonably to grammatical rules. When communicating in writing or speech (interviewing - it is encoding not decoding), claims representatives should orient the level of communication to the intended audience (who decodes).** **Technical terms and phrases that are clearly understood by insurance professionals and producers may be incomprehensible to insureds and others outside the industry, resulting in miscommunication.**

Miscommunication may also result from ambiguity in the message. For example, a claims representative may request an inventory of items lost or damaged in a fire. The inventory will ask for the value of each item. Depending on the type of coverage available, the claim representative may need the original cost, the replacement cost, or both. To avoid any ambiguity, the claims representative must be specific about what costs is needed in the inventory.

**Medium**

**The medium is the message’s shuttle** from sender to receiver. Speech and writing are both vital means of communication for claims representatives, who **may use letters; telephone conversations; emails; and face-to-face communication,** such as meeting with the parties to a claim. Organizations are increasingly using technological communication such as teleconferencing, video or Web conferencing, Webcams, and Instant messaging.

Each communication medium has advantages. Telephone contact can be advantageous when a quick response is needed, or the receiver is too far away for a face-to-face meeting. Webcams and conferencing technologies may be expensive but can also facilitate bringing distant parties together for communication purposes. Use of these technologies and email has decreased the use of written letters in claims handling and in business in general. However, letters and memos are still appropriate for many purposes, such as to relay detailed or complex information and to establish a permanent record of the communication.

All message types fall into two categories: verbal and nonverbal. Verbal messages include both oral and written communication. However, individuals communicate not by words alone; many sensory mechanisms play a vital role in interpersonal communication. Nonverbal communication can include eye movement, kinesics, appearance, and time and space.

**Receiver**

The receiver is the fourth component on the communication process. **The receiver chooses from the verbal and nonverbal symbols in the sender’s messages, selects the symbols that seem to convey the sender’s intended meaning, and interprets the message’s meaning through decoding**. These activities occur in **the feedback phase of the communication process, during which the receiver responds to the sender’s message**. Claim representatives can use the feedback phase both to assess the adequacy of their message and to determine the receiver’s understanding of the message.

**One of the most critical skills for effective communication is the receiver’s ability to listen and understand what is being communicated. Good listening skills can help the claims representative clearly interpret information required to evaluate, investigate, and settle a claim.** Claimants and insureds who have recently experienced loss may not communicate as clearly as they would under normal circumstances when describing how the loss occurred. Investigation involves interviewing witnesses and experts and accurately interpreting their answers. Negotiating settlements requires a clear understanding of the positions of insureds, claimants, and attorneys.

**Claims representatives who engage in active listening may establish better rapport with insureds, claimants, and witnesses and, in turn, receive better cooperation during investigative interviews and claim negotiations. By carefully listening and responding, the claims representative may think of additional questions to expand the information provided, resulting in a more complete investigation.**

**A successful listener must have a mental attitude open to listening and free of distractions so that full attention can be given to the speaker. The listener must avoid the temptation to interrupt**. A listener who is waiting to speak or thinking about what to say next is not actively listening.

**Allocating adequate time for communication is also essential to maintaining a good mental attitude.**  Feeling rushed can jeopardize active listening because it fosters impatience, and the listener may tend to interrupt to hasten the conversations. Interruptions can cause the speaker to lose his or her train of though and omit important information.

**Effective Claims Communication**

Claims communication involves gathering information and disseminating information. For example, claims representatives gather information during the claims investigation and disseminate information regarding claim settlement or denial.

When a claim is filed, it may provide general information about the loss. Acquiring additional information from the parties to the claim, witnesses, and experts is often necessary to complete an investigation. When interviewing parties and witnesses, claims representative should make certain that their questions will be understood by the person to whom they are directed. When obtaining the information by phone, email, or another medium, claims representatives should prepare an outline of needed information before initiating the call or completing the email message. This outline can assist claims representative in focusing their thoughts, reducing the need for additional follow-ups.

After a decision is reached regarding claims settlement or denial, the claims representative must inform the parties to the claim. If the decision is negative, good-faith claims handling requires the claims representative to explain the rationale behind it. Careful drafting of a denial message is an important component of good-faith claims handling.

Another aspect of claims communication relates to persuading or influencing others. The persuasion function is intended to move the receiver to some specific action or behavior. For example, a claims representative might persuade a supervisor that additional settlement authority is needed on a specific claim. The influence function, which pervades all communication, is intended to effect a general change. The impression that claims representatives make on insureds, claimants, and others reflects either favorably or unfavorably on the insurer. A conscious attempt to create the most favorable impression possible, within the constraints imposed by sound claims handling, enhances the influence function of communication.

**2 – Employing Active Listening Skills in Claims Handling**

**Objective**: Explain how claims representative employ active listening skills

Given that a claim settlement can hinge on the smallest of details, effective claims representatives will rely on specific listening techniques to ensure successful communication throughout the claims handling process.

Claims representatives receive much of the information regarding a claim via a spoken word. Although all messages must be interpreted by the receivers, interpreting spoken messages poses particular challenges. Developing sills in active listening can help a claims representative interpret spoken messages accurately, build a rapport with claimants and insureds, and ensure the overall accuracy of claims information.

**Use of Active Listening**

To effectively investigate and resolve a claim, a claims representative must establish a foundation of trust with an insured or claimant, beginning with the first encounter. This encounter often occurs soon after a loss, when emotions such as shock, grief, anger, or uncertainty may hamper the insured’s or claimants ability to communicate clearly and may foster a general distrust of others. Strong listening skills can contribute a claims representative’s successful first encounter with an insured or a claimant.

Claims representatives may find the active listening technique particularly useful, not just at the beginning of the claims process but throughout it, as they gather information, speak with experts about losses an damages, possible deal with a claimant’s attorney or a defense attorney, and negotiate a claim settlement. **An active listener provides feedback to the speaker to verify that the listener is interpreting the message correctly. Active listening requires he listener to set aside his or her own emotions or preconceptions, suspend judgement, overcome environmental distractions, and focus attention on the speaker. The listener should try to understand the speaker’s point of view in order to empathize**.

Use of active listening during the investigative interviews can help claims representatives accurately record statements of parties and witnesses. By indicating a willingness to listen and understand, a claims representative may encourage cooperation from witnesses. Careful listening can reveal additional lines of questioning or investigating that, in turn, can result in more thorough investigations.

The empathy, concern, and desire to understand called for by the active listening technique are appropriate only if they are sincere. An insured or a claimant who has been traumatized by a loss may already be distrustful and is likely to detect any sign of insincerity, feigned concern, or false empathy. If the insured or claimant does detect such a sign, the claims representative will find it difficult to establish the rapport necessary to efficiently handle the claim.

**Active Listening Techniques**

An active listener sets aside his or her own judgements and opinions and attempts to understand the speaker’s frame of reference and to empathize with the speaker’s situation and concerns.

A cornerstone of active listening involves **“reflective listening”, a technique that helps listeners correctly interpret messages. Using this technique, the listener periodically paraphrases, or restates, what the sender has said to verify that the listener’s understanding matches the sender’s intended message. Use of the technique also indicates the listener’s desire and willingness to understand and reassures the speaker that the listener is fully engaged in the conversation. If the listener has misinterpreted the message, the speaker has the opportunity to clarify, correct, and possible expand on the original message**.

**Reflective listening responses should be accepting rather than challenging**. For example, responding with “Why?”, may put the speaker on the defensive by appearing to seek justification for a statement. A more appropriate active listening response might be, “that is interesting; can you tell my more about it?” While offering respect and acceptance, the listener’s replies should indicate neither agreement nor disagreement.

Nonverbal cues are also important in active listening. Direct eye contact and an open relaxed posture can encourage open communication. The claims representative can also observe the speaker’s nonverbal cues.

**Common Responses and Active Listening Responses**

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| --- | --- | --- |
| **Insured’s Statement** | **Claim Reps possible response** | **Better, Active Listening response** |
| Then I got to the top of the hill, and it was so bright. I didn’t expect that, and I didn’t even have time to put down my visor. They couldn’t see a thing. Then, bam! And that was it. | What was it? | **I’m not sure I understand. Are you saying that the collision occurred just after your car cleared the hilltop and you were blinded by the sun?** |
| You big insurance companies are all alike. I lost my home, but I’m sure you’ll find some reason not to pay me any money. | You can trust us. We’re professionals. | **You’re concerned that you won’t be treated fairly.** |
| I just don’t know how I’m going to survive this. I’ve lost everything. | Your house isn’t a total loss. And you’re fortunate no one was hurt. | **You’ve just had a traumatic experience, and you’re worried about where you go from here to get back on your feet.** |
| Part of my house just burned down and now you’re asking me to list everything that was destroyed and how old it was. How am I supposed to remember that? | If you don’t tell us what you lost, we can’t pay for it. | **It sounds as though you’re feeling overwhelmed with the loss and with the paperwork required to document the loss.** |

People being questioned about an accident often give noncommittal replies that may be overlooked in the course of an interview. Use of active listening can help a claims representative detect such vague or indefinite replies and seek immediate clarification. For example, in response to questions such as “Did you hear the ambulance’s siren before you pulled out from the stop sign?” and insured might answer, “Not really.” The claims representative can ask additional questions (such as “when did you first become aware of the siren?) to determine whether the insured did not hear the siren, cannot remember hearing, heard it but didn’t think it was so close, or ignored it.

**Barriers to Effective Active Listening**

Like the communication process itself, active listening is subject to barriers that can reduce its effectiveness. The setting in which the conversation takes place can produce environmental barriers. Barriers can come in the forms of noise, distracting activities, interruptions from others, and even uncomfortable temperatures or chairs. For example, a claims representative who repeatedly checks his muted cell phone for incoming calls during a meeting with an insured indicates giving less-than-complete attention to the insured’s concerns.

**These actions or attitudes can raise barrier to effective active listening**:

* Using the same wording for each response – “I hear you saying…” or “you feel that…”. Can become repetitive
* Pretending to understand – rather than seeking clarification. Listener can say “I’m sorry, I didn’t get” that, or “what are you saying?”
* Overreaching – a listener who ascribes meaning far beyond what the speaker has expressed can frustrate the speaker. Such as the speaker saying “as I passed by co-worker’s cubicle, I said hello. Suddenly there was a cart being pushed in from of me from behind the cubicle, and I crashed into it”. A claims representative’s response “You weren’t paying attention to where you were going and ran into the cart”, might be considered overreaching.
* **Underreaching –** **a listener who repeatedly understates the significance of a speaker’s intended message can cause the speaker to withhold information.** For example, an insured might say “I was paralyzed in terror that the care was going to hit my child.” A claims representative’s reply that begins, “So you were worried about your child” minimizes the speaker’s feelings.
* Engaging in long windedness – long or complex responses from a listener can interrupt the flow of information and overwhelm or confuse the claimant or insured.
* **Ignoring nonverbal cues – by ignoring cues such as the speaker’s gestures, posture, and facial expressions, the listener may miss important information, and as a result, misinterpret a message.** If a speaker’s nonverbal cues appear to be incongruent with the spoken message, the listener can request clarification.
* Violating the speaker’s expectations – Giving reflective responses that are clearly not appropriate to the situation is a violation of the speaker’s expectations. Example, and insured might say “we really need money right now to cover us until the house if repaired”. The claims representative’s reply, “I can recommend a good motel” does not address the speaker’s concern.
* **Exhibiting boredom or loss of focus – Active listening implies attention on the speaker and the speaker’s intended message. A listener whose mind wanders is no longer actively listening**.
* Conveying insincerity – A claims representative who feigns concern or empathy for an insured or a claimant may be going through the motions of active listening but is not using the technique effectively.

**Appropriate Active Listening Responses:**

**“I understand why someone would take money and electronics, but I don’t get why people would just destroy my furniture and possessions.”**

***Response*: “Your trying to make sense of the loss. It is easier to understand why people would steal something useful than why they would engage in senseless destruction.”**

**“I had door locks, secure windows, and a security system, and this still happened. I don’t think I’ll ever feel safe again.”**

***Response:* “An event like this can make you feel personally invaded and heighten your sense of insecurity.”**

**“The police get reports like this every day, and they don’t usually catch the burglars.”**

***Response*: “You would like to see the people responsible brought to justice and prevented from ever causing you or anyone else this kind of distress.”**

**3 – Effective Written Claims Communication**

**Objective**: Given a claims situation that requires a written communication, plan a document that addresses the following: Intended audience; Purpose; Content, including accuracy, tone, and organization; Specific requirements based on the type of document

The emails, text messages, letters, and reports that claim representatives write while handling a claim are not only crucial to clear communication with other parties, but also become a claims investigation’s primary record. That’s why documentation must be clear, concise, accurate, objective, and professionally written.

**What are the keys to effectively written communications? Thinking about these aspects of a document while writing can ensure a clear, accurate result:**

* **Intended Audience**
* **Purpose**
* **Content, including accuracy, tone, and organization**
* **Specific requirements**

**Intended Audience**

Written communication may be direct toward those associated with the insurer (such as claims supervisors or underwriters) or outside parties (such as insureds, claimants, or attorneys). Defining and understanding a message’s intended audience helps ensure effective wording.

For example, a message to an external reader who has little insurance knowledge should avoid using technical terms. So while an internal memo to a claims supervisor might state, “The payments can be recovered through subrogation,” a letter to an insured could instead note that “The insurer will recover the funds from the person who caused the loss”.

**Defining the intended audience for message may also indicate a need to learn more about that audience before the message is composed. For example, taking the time to learn about a claimant’s culture, job or profession, and community can help the writer achieve the overreaching goal and build trust through the communication. Such information may also help the writer anticipate and answer the claimant’s objections or questions and influence the tone of the message**.

Additionally, written communication may have more than one audience. Fore example, the primary audience for a claim status report might be a claims supervisor or claims examiner. Secondary audiences can include anyone else who may read the claims file, including underwriters, the insurer’s defense attorney, insureds or claimants’ attorneys, regulators, and courts of law.

A claims representative may direct an email to an insurer’s defense attorney (primary audience) and copy on it the insured and the claims supervisor (secondary audience). Because multiple audiences may view a particular piece of writing, those who compose communications should be aware of and consider all potential audiences when writing messages.

**Purpose**

A written message’s purpose should be clearly defined. This can be as simple as asking questions such as, “Why am I writing this message?” and “What should this message accomplish?”

In general terms, most written business communications is developed to either inform or persuade. An informative written claims communication may include an email or a letter to an insured reporting on the status of an investigation or claim. A persuasive written claims communication may include a letter asking an insured to provide additional information regarding a loss by a specified date or an internal memo to a claims supervisor recommending a reserve amount for a claim.

**Content**

Writing an effective message is a process. Defining the message’s intended audience and purpose is part of the planning stage, which also includes generating ideas or topics for the content part of the communication and outlining or organizing topics and subtopics. For short messages, a topic sentence and a list of supporting ideas may be sufficient for planning purposes.

A rough draft is the first attempt to put ideas into sentences and arrange them in logical order. The focus is on organization and flow, not on correct grammar, spelling, and phrasing. The writer should keep in mind the purpose, audience, appropriate length and tone, and organization and flow of ideas.

The revision stage involves adding, deleting, and correcting. The writer reviews the message to ensure that it contains all the information needed to accomplish its purpose. **Unnecessary verbiage should be deleted and word choice refined. Tone should be adjusted with the intended audience in mind, and jargon and technical terms the receiver may not understand should be eliminated or, if necessary, define**d. Grammar and spelling should be checked and corrected. Sentences should be honed for clarity and coherence and rearranged for logical flow and organization. In the final edit, the spelling of all names should be thoroughly checked, and numbers should be verified.

The tone that business writers adopt reflect their attitudes about the subject and toward the audience. Readers may react personally to tone and may also build an image of the sender and the sender’s organization based on the tone of a written communication.

The appropriate tone for most business letters is businesslike; friendly; courteous; police, sincere; and, if need be, firm but tactful. Emotional extremes; flippancy; sarcasm; and demanding, demeaning, or argumentative language should be avoided. Light humor may be appropriate in some circumstances.

During revision, it may be helpful to ask, “How would I react if I received this message?” Reading the message aloud can reveal awkward or ambiguous wording. Asking a co-worker to read the message can also provide useful feedback.

**Specific Requirements: Claims Communications with Legal Ramifications**

The importance of clarity and accuracy of written communication is particularly important for documents required by law or that may be material to legal proceedings.

**Reservation of Rights Letters and Nonwaiver Agreements**

Reservation of rights letters and nonwaiver agreements, if improperly worded, can be costly to an insurer. Consequently, the language of such agreements is often mandated by case law or individual insurers. Before writing either type of document, a claims representative should consult with counsel to obtain the language for a specific state.

Reservation of rights letters and nonwaiver agreements should be clear and unambiguous. While striving to meet legal requirements for such documents, **claims representatives should avoid using jargon in order to communicate with insureds** in a nonthreatening, understandable manner. The documents should set forth the specific coverage part, provision, or exclusion that applies to the situation in question.

**A reservation of rights letter should do more than identify the named insured and the policy, describe the claim, and discuss the relevant policy provisions. It should also convey that the letter is not a denial of coverage, state that any actions taken by the insurer do not constitute a waiver of rights or admission of coverage, and reserve the right to add or modify the insurer’s coverage position based on additional coverage issues that may be discovered.**

**Further, reservation of rights letters include wording allowing the insurer to reserve the right to raise other coverage issues later if they become known. Claims representatives should make sure that these letters include any language recommended or required by the insurer**.

Nonwaiver agreements can present special communication challenges because the claims representative must obtain the insured’s signature. A claims representative who become aware of a coverage problem or defense will fill out a specific nonwaiver agreement form, entering the reasons for the coverage question and referencing the specific policy provisions or exclusions that raise the coverage questions.

In most cases, claims representatives meet personally with insureds to acquire their signatures on nonwaiver agreements, but in some cases, signatures are acquired by mail. In such cases, a letter accompanying the agreement should explain the reasons for requesting it and ask the insured to sign and return it. A carefully worded cover letter can make the difference in whether the insured signs or rejects a nonwaiver agreement.

**Denial Letter**

Claims denials may be based on lack of liability, lack of coverage, or breach of a policy condition. Because they can trigger bad-faith lawsuits, claims denials must be presented with great care. Many insurers have strict guidelines regarding claims denials, often requiring approval from underwriters and claims managers before issuing denial letters.

Many denial letters are drafted by attorneys to ensure compliance with the relevant jurisdiction’s legal requirements; however, this responsibility is often assigned to claims representatives.

Denial letters differ from most other letter in that the purpose is not stated in the first sentence. Generally, a denial letter should start with a positive or neutral statement related to the fact that the claim has been reported and then build toward the denial. **The denial should be clearly stated,** and an explanation should follow. Specific policy language should be quoted, and its location in the policy should be designated.

The letter’s closing should invite the claimant or insured who disagrees with the denial to submit additional information that might cause the claim to be reevaluated. A general reservation of rights paragraph is also included in the letter.

**File Status Notes**

File Status notes (also called log notes or file notes) provide a chronological account of the claims representative’s activities as well as those of claims supervisors and managers relating to the claim. These notes can include information about the progress of the claim, recommendations to change reserves, and requests for assistance and settlement authority. Status reports are one way to confirm that a claims investigation is progressing in a timely manner.

File status notes may contain short summaries of reports and information received from outside sources. Because lawyers and state regulators can obtain copies of claims files, **file status notes and other file documentation must contain clear, concise, and accurate information that reflects these qualities of the investigation and its subsequent resolution:**

* **The claim was handled in a timely manner**
* **The investigation was fair and balanced and took both the insured’s and the insurer’s interests into consideration**
* **The investigation was conducted thoroughly and in good faith**

**The tone of the file status notes should be straightforward, factual, and objective.** The notes should not leave the reader with the impression that the claims representative is taking sides, such as this statement: “the claimant obviously wasn’t paying attention”.

File notes should not express prejudice of any sort, avoiding remarks about race, religion, weight, or sex. Humor is also out of place in file notes. A note that seems innocuous when written can be devastating when read to a jury.

**Claims representatives should avoid using personal shorthand in file status notes because they may not be available to interpret them later**. Some insurers have guidelines that include acceptable abbreviations for frequently used terms, such as “PR” for police report or “s/s” for stop sign.

**Emails**

Because emails live forever, claims representatives should take special care when writing them. An email related to a claim could end up in court. Carefully written messages also contribute to efficient and effective claims handling.

Emails should be brief. As with all written communications, and email’s author should define the purpose and audience before composing the message, clearly stating the purpose in the first sentence.

The writer should consider both the primary and secondary audiences when choosing the language and tone. Jargon and technical terms should be used judiciously and explained when necessary. An email writer should always carefully read a message before sending it, checking it for correct grammar, missing words, and misspelled words that can be overlooked by spell checkers.

Although many email messages are internal and may, in some cases, have a more relaxed tone than formal business letters, symbols, emojis, email abbreviations, excessive punctuation (multiple exclamation points), and under punctuation should be avoided.

**4 – Verbal Claims Communication**

**Objective:** Apply effective verbal communication techniques to claim-related verbal exchanges.

The ability to communicate effectively is essential to a claims representative’s success.

Most of a claims representative’s work involves communicating with different types of people for various purposes. Effective claims communication involves understanding several key components of those communications:

* The types of people engaged in claims communication
* The purpose of claims communications
* Methods for effective claims communications
* Barriers to effective claims communications

**Claims representatives who practice purpose-oriented communications, using language and methods appropriate for each person, will produce positive business outcomes for their insurers.**

**Types of People Engaged in Claims Communications**

**Different types of people routinely participate in verbal exchanges with claims representatives.**

* **Insureds**
* **Agents and brokers**
* **Claimants**
* **Attorneys**
* **Service providers**
* **Internal management**

Claims representatives must be able to communicate effectively with different types of people. Effective communication tools and techniques most likely to be understood by that person.

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| **Types of People** | **Perspectives** |
| **Insured** | First-Party Claims   * May be injured and/or under emotional stress * May be unfamiliar with the claim process or the language of insurance   Third-Party Claims   * May be concerned about liability and costs aw well as the condition of the person(s) alleging injury or damage * May e unfamiliar with the claim process or the language of insurance |
| **Agents and Brokers** | * Understand the language of insurance and the claim process * Usually communicating on behalf of the insured |
| **Claimants** | * Typically do not understand the claim process or insurance terminology * May be injured and/or under emotional stress * May be wary or frightened |
| **Attorneys** | Plaintiff Attorneys   * Usually negotiating benefits or settlement * Usually familiar with the claim process and insurance terminology * May be verbally provocative   Defense Attorneys   * Represent insurer and/or insured * Understand the claim process and insurance terminology * Usually bill for telephone conversations |
| **Service Providers** | Medical Providers   * Important to understand different perspectives of treating physicians, physicians conducting independent medical examinations (IME), and expert witnesses * Nurse case manager have different focus than claim representatives, even if employed by the same insurer   Investigators   * Need to clearly communicate purpose and parameters of investigation   Others   * Have varying levels of understanding of claim process and insurance terminology |
| **Internal Management** | * Type, method, and style of communication varies with level of management * **Have varying levels of understanding of the claim function – for example, a claim manager versus an underwriting manager** |

**While maintaining a consistently professional approach to communications, claims representatives should adjuster their style and terminology according to they type of person involved in the verbal exchange**. For example, it is important to be able to communicate differently with a claimant that with an attorney. **Effective communication requires understanding the perspective of the other person**.

How could a claims representative approach a telephone conversation with an insured who has been injured in a sever auto accident.

The claims representative could begin by asking the insured how he or she feels and allow the insured to express those feelings. The claims representative can maintain a sympathetic yet professional tone throughout the conversation by using phrases such as “I understand”.

**Purpose of Claims Communications**

**There are four major purposes of claims communications:**

* **Investigation**
* **Evaluation**
* **Negotiation**
* **Resolution**

Just as it is important for claims representatives to understand the perspective of the other person in a verbal exchange, it is also important to understand the purpose of each communication. How might the method of communication change depending on the purpose of the communication?

A claims representative, for example, may choose to conduct a telephone interview or take a recorded statement when speaking with an insured during a claim investigation because the purpose is to obtain information. In other situations, when possible and permissible, the claims representative may choose to meet with the insured or claimant in person.

The style of the claims representative’s communication may change according to the purpose. During an investigation, the claims representative may be more casual in tone and in style than during a negotiation, where the language and tone may be more formal.

How could a claims representative approach an insured when investigating an auto accident?

The claims representative could begin with a conversation that puts the insured at ease. The claims representative could make statements and ask questions that express concern such as, “This seems to be a difficult experience for you,”, or “How are you doing”. If a statement is to be taken, the claims representative can explain its necessity using simple language that reassures the insured that it is routine and express a sincere apology for any inconvenience this may cause.

**Methods for Effective Claims Communications**

**Because claims representatives conduct may of their activities by telephone, it is important that they employ effective spoken communication techniques for the person and purpose involved in each verbal exchange**. Effective communication in phone conversations, as well as in meetings, begins with understanding the perspective of the other person and the purpose of the communication. If the claims representative initiates the conversation, a plan for the phone call or interview will focus the conversation.

The claims representative should maintain a courteous and professional telephone manner even when dealing with angry or upset people. **Expressions of consideration and understanding may help the insured remain calm and be cooperative.** For example, statements such as, “I understand your upset, however, if you can help me with some information, I will be better able to help you” can convey sincere concern. Communication should always be sincere and display a positive attitude.

Whenever possible, communication should be a collaborative process that involves working with others to attain mutual goals. For example, a claims representative should work together with an insured or claimant to reach a mutually agreeable outcome on claims decisions. When attorneys are involved, the same process can be used to expedite mutually acceptable settlements.

**Claims representatives should avoid jargon, unless they are certain that the other person is completely familiar with that language**. The purpose of the discussion should be a focal point throughout any conversation or meeting to avoid rambling that does not produce results. At the end of each conversation or meeting, it is helpful to summarize the results and any necessary follow up. For example, a claims representative might tell an insured, “we agree that your property damage for the fire is covered under your homeowner’s policy. I am going to send you a proof of loss form. When you receive it, you should itemize the damaged property, have it notarized, and send it back to me.”

**Barriers to Effective Claims Communications**

It is important for claims representatives to recognize potential barriers to effective claims communications. These are four major barriers that are often encountered:

* The telephone
* Hostility
* Language
* Culture

**Although, the telephone is used for many different types of claims communications, it can present a barrier to effective communication. The recipient of the phone call may be involved in another activity and perceive the call as an intrusion. There can be interruptions, distractions, and noisy surroundings during the phone conversation that affect the nature or flow of communication. Additionally, there is a disadvantage of not being able to see the other person during a phone call. Nonverbal expressions, such as a smile or nod, which could provide understanding context for the dialogue, are not available**. Practicing techniques such as smiling while talking on the phone (which has an affect on voice tone), patient listening, and the use of affirming phrases such as, “I see” or “Please go on”, can help overcome barriers presented by the telephone.

A hostile insured, claimant, witness, or plaintiff attorney can be a barrier to a claims representative’s attempt to effectively communicate. While it is important for claims representatives to be calm and professional and try to elicit cooperation when the other person is hostile, it is also important to determine when hostility escalates or threatens the claims representative or others. Claims representatives should be aware of their insurer’s procedures for handling threats. Claims representatives should also guard against becoming angry with or hostile to people who are rude or hostile to them. An essential skill for a claims representative is to be able to respond professionally in those situations.

**Claims representatives will often encounter people who do not have the same native language. It is important in these situations to determine whether a meaningful conversation can take place without an interpreter**. If an interpreter is used, another decision must be made as to who should provide the interpretation. Family members can often assist an insured or claimant; however, this assistance could create a relationship that may present problems. For example, the spouse of a claimant may take on the dominant role in the claim. Professional interpreters are available, but this service can be costly and may need to be scheduled in advance.

**Cultural barriers can be subtle but significant in claims communications. These can vary from slang that is used in verbal communication to how roles are perceived. Some cultures may foster distrust or resentment of those outside the community**. Claims representatives may be able to consult colleagues who come from similar cultural backgrounds to develop techniques for resolving these barriers. If the cultural barrier occurs with an insured, the account representative, underwriter, or los control representative may be able to assist with the communication.

**5 – Nonverbal Cues In Claim Communication**

**Objective**: Interpret the nonverbal cues, given a claim-related discussion

**Face-to-face meetings, whenever possible and practical, can provide excellent claim information because these interactions include nonverbal, as well as verbal, communication**. In order for claims representatives to achieve good results from in-person claim conversations, it is important for them to understand these aspects of nonverbal communication:

**What is Nonverbal Communication**

During in-person meetings, information is conveyed by nonverbal communication in addition to verbal communication. Nonverbal communication can enhance, illustrate, confirm, or contradict verbal communication. Nonverbal communication can also facilitate communicate or create a barrier to communication.

**Eye contact and facial expressions are common methods of nonverbal communication.** In the United States, eye contact is usually considered an important aspect of communication. Failing to make eye contact can convey an impression of avoidance, disinterest, or even dishonesty. “**Shifty eyes” is an expression that describes someone whose eye movements convey a lack of sincerity**. Smiling typically conveys warmth and friendliness. Frowning may convey displeasure or lack of understanding. Sadness or grief can often be observed in a person’s eyes or overall expression.

**Posture and gestures are used either intentionally or unconsciously when people communicate.** A hand extended for a handshake is an intentional gesture of a friendly greeting. Waving one’s arms while speaking may express enthusiasm. Fiddling with fingers or other objects can convey nervousness. Finger tapping can be either a conscious or unconscious expression of impatience.

A person’s appearance involves his or her clothing, grooming, and overall demeanor, including posture and facial expression. A clean, neat, and conservatively attired appearance typically expresses professionalism. Erect posture may convey self-esteem and confidence, while a slouched posture may convey a careless attitude or lack of confidence.

**An important aspect of communication is personal space.** People will often instinctively back up from another person if that person gets too close to them during communications. **The time or arrival and time spent with another person** are also type of nonverbal communication. Late arrival for a scheduled meeting **can convey an impression that the person does not view the meeting as important or is avoiding the meeting (even if the person arriving late was unavoidably detained). Taking more than the time allotted to complete a meeting ay convey that the organizer thinks the meeting is more important than the attendees’ prior commitments or that the organizer is disorganized.**

**All Aspects of nonverbal communication combine with verbal communications to create an overall impression. For example, someone who is late for a scheduled appointment cannot make eye contact, fiddles with his fingers, turns his head to look away, and is hesitant when speaking may convey that he is not being honest and straightforward (this conflict between the spoken statements and the nonverbal communication would indicate a need for additional lines of questioning or investigation). A person whose office is cluttered, who shuffles through papers to locate a form, and whose speak is rambling may convey disorganization.**

**It is important to recognize that different cultures may have different types of nonverbal communication. For example, the common greeting in some European countries is a kiss rather than a handshake, while in Japan it may be appropriate to bow. It can be important to provide interpretation for the nonverbal language of other cultures as it is for the verbal language.**

**The Importance of Nonverbal Communication**

**Face-to-face communication provides more information that any other medium because of the nonverbal communication that occurs. Therefore, it is important in any in-person claim communication for the claim representative to be attentive to other person’s nonverbal communication.**

**One of the disadvantages of most telephone communications is the inability to see the other person Does a person indicate that the other person is uncomfortable with the conversation or is distracted by something else? This type of information can be immediately conveyed during an in-person conversation through nonverbal communication.**

**The adage that “one picture is worth a thousand words” summarizes the benefit of face-to-face communication compared with telephone communication. A wince of pain can express how an injured person is feeling more eloquently than a five-minute verbal description of symptoms. Another adage is that “actions speak louder than words”. A persons body language may contradict his or her spoken language. Conflicts between these two different type of messages can indicate to a claim representative a need for additional lines of questioning or investigation.**

**Messages Communicate with Nonverbal Language**

**Claim representatives need to understand their own nonverbal communication and the information it conveys to others. They also need to understand other people’s nonverbal communications and how these may be significant in claim communication.**

Claim representatives should be just as alert for nonverbal messages as they are for verbal messages. It is important to respond to others’ nonverbal messages with appropriate physical, as well as verbal, responses. For example, if another person looks away and is hesitant in the verbal description of how an accident occurred, the claim representative may want to ask more detailed questions and to lean forward to encourage the person.

**Nonverbal Cues**

A cue is “a signal… to begin a specific speech or action?. Each person involved in a conversation or discussion typically responds to the other person’s verbal cues. Most people are familiar with the contagious yawn. If one person in a group yawns, another person often follows, then another. This is an unconscious physical response to another person’s nonverbal message.

It is important for claim representatives to understand what other people’s nonverbal cues indicate and to respond to those cues consciously and deliberately rather than unconsciously. For example, if another person displays aggressive gestures, such as staring and clenching fits, it is natural to respond defensively or aggressively, by folding arms across one’s chest or drawing back. However, claim representative can be most effective by responding with purposeful and thoughtful nonverbal, as well as verbal, messages. Leaning slightly toward a person who has adopted an aggressive posture and saying in a soft tone of voice, “You seem to be upset about the accident”, for example, may allow the other person to relax and share additional information.

**Best practices for the claim representative should include maintaining an attitude of relaxed and attentive listening while observing the other person’s overall communication, including how the nonverbal cues relate to the verbal messages**.

Nonverbal claim communications provide cues that lead a claim representative to the next steps in a claim such as the direction of questioning or further investigation.