AIC 30: Chapter Seven – Negotiating Claims

1. All of the following are phases of negotiation, EXCEPT:

A. Crisis phase

B. Motivation phase

C. Conciliation phase

D. Bargaining phase

2. Trading dollars is an inappropriate technique because:

A. It does not focus on the issues of the claim.

B. Demands and offers are exchanged and not based on objective logical facts of the claim.

C. This technique will tend to benefit a claimant’s attorney.

D. All of the above

3. Which of the following statements best describes the relationship between claimant behavior and the initial contact by a claim representative?

A. The level of adversarial behavior displayed by the claimant increases with delays in the initial contact.

B. The level of adversarial behavior displayed by the claimant decreases with delays in the initial contact.

C. The level of adversarial behavior displayed by the claimant increases with increases in the initial contact.

D. There is no relationship between adversarial behavior and the initial contact.

4. In Maslow’s Hierarchy of Needs, the highest level of motivation that someone can have is called:

A. Physiological

B. Esteem

C. Self-actualization

D. Belongingness and love

5. The best time in the life of a claim for settling a claim where the claimant is represented by an attorney is:

A. Right before trial

B. Right after the claim becomes a suit

C. Right before the claim becomes a suit

D. At a settlement conference

6. When the claimant is in the crisis phase of negotiation, his/her main concern is:

A. Getting the maximum settlement possible out of the insurer

B. Getting back to work as soon as possible

C. If an auto loss, finding another way to get around if the car is unusable

D. Doing what it takes to return to normal

7. When people communicate in person, there are three channels of communication: words, tone, and body language. The channel that is the major component of communication is:

A. Words

B. Tone

C. Body language

D. All of the above

8. A negotiation technique where a party to the negotiation increases an offer without first getting a concession from the other party to the negotiation is called:

A. Counter bidding

B. Bidding against oneself

C. Cooperative bidding

D. Bidding against the opponent

9. Jose is in the midst of negotiating a theft claim with Rodrigo. Jose has advised Rodrigo that he is prepared to offer a settlement of $10,000. Rodrigo responds that he believes the settlement should be $15,000. Jose advises that he needs to discuss this amount with his manager. What negotiation technique is Jose using?

A. Timing in negotiations

B. Using sales techniques

C. Establishing strengths and weaknesses

D. Limited negotiation authority

10. Juan is trying to settle a claim where the claimant, Sara, disagrees with the amount of the settlement. Sara has filed a lawsuit against Juan and the insurer. The trial date has been set and is approaching fast. Which negotiation style should Juan use to try to settle the claim before trial?

A. Win-lose

B. Win-win

C. Lose-win

D. Lose-lose