Today’s adverse economic climate is generating more insurance claims than ever. At the same time, insurers’ investment returns remain depressed, and they are increasingly taking technical points on coverage issues.

Brokers can build client loyalty by finding ways to ensure a client’s cover responds when it is needed. As effective insurance begins with a solid notification process, here are some practical steps which brokers can use when helping insureds to extract maximum value from their insurance when notifying:

Make sure at inception clients know exactly what needs notifying
This is not always as simple as it sounds. Both travel and personal accident cover respond to illness, for example, but at different times: either the date on which illness makes travel cancellation necessary, or the date on which illness results in total disablement.

Basic notification provisions should also be highlighted at the outset. For instance, should the client make notifications to you, or to his insurers directly? Is there a specific notification form or can it just be made in writing? Such requirements usually take effect as conditions precedent, so it’s important to tell clients that failing to adhere will likely result in restricted (or no) cover.

Know what to notify
Wordings normally define claims, but are less clear on possible claims/circumstances, which can be described in any number of ways in claims-made policies:

<table>
<thead>
<tr>
<th>REQUIREMENT</th>
<th>MEANING</th>
</tr>
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<tbody>
<tr>
<td>Circumstance which may give rise to a claim</td>
<td>A realistic chance of becoming a claim</td>
</tr>
<tr>
<td>Possible claim</td>
<td>As above</td>
</tr>
<tr>
<td>Circumstance likely to give rise to a claim</td>
<td>A 50%+ chance of becoming a claim</td>
</tr>
</tbody>
</table>

Know what to notify
Wordings normally define claims, but are less clear on possible claims/circumstances, which can be described in any number of ways in claims-made policies:

If the client is in any doubt he should notify, maximising his chances of securing the benefit of the policy’s deeming provision; it is best to let insurers make the call in uncertain circumstances.

Format is also key to successful notification of a circumstance
A good notification should:
- Clearly be intended to notify a circumstance
- Be a comprehensive representation of what the insured knows; this is not the time for clients to cherry-pick their version of the truth
- Not constitute an almanac of vague, tangentially-related matters. The law on block notifications is well-defined; insurance policies will respond to bulk notifications only if it can be shown objectively that all matters notified arise out of a single circumstance.

By finding ways to help clients get their cover to respond in the way it should by giving them practical support throughout the notification process, brokers can encourage them to return with repeat business and recommend them to other people. In addition, they can help protect their own position in what remains a challenging market. Satisfied clients do not sue or refer broker complaints to the FOS, with all the loss of cash and management time that such complaints can entail.

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