

Leadership in Claims

Sole, Joint or Committee?

Introduction

- Historical Development
- Current Drivers
- Definitions of a Steering Committee
- Expectations of the Steering Committee
- Positives and Negatives
- Requisites of Leadership
- Challenges

Historical Development

- Specialist Leading Syndicates or Companies.
- Higher Values, Technical Risks and Complex Programmes
- Major Events
 - Flixborough
 - Piper Alpha
 - Katrina / Rita

Current Drivers

- Complex Programmes
- Fewer Carriers / Larger Shares
- Several Liability
- Responsibility to Shareholders (and Reinsurers)
- Diverse or Conflicting Interests
- Loss Frequency, Severity and Inventory

Definition of a Steering Committee

“A Steering Committee is a group of high level stakeholders who are responsible for providing guidance on overall strategic direction of an operation or process. They are usually composed of the decision makers in a company, organisation or community”

Role of a Steering Committee

- Deliver the Insurance Product by engaging Collective Opinion and Collegiate Approach
- Interact with both Insured Client and Market whilst keeping the Intermediary informed of all material developments
- Responsibility to Deliver Fair and Equitable Resolutions ... Where Possible

“Too Many Cooks Spoil the Broth”

- Self Appointed / Self Anointed / Unelected
- Over-Populated
- Variable Contributions and Unclear Individual Authority Levels
- Poor Communication to Stakeholders (Clients and Intermediaries)
- Debating forums for Appointment of Experts
- LCD - Slow and Deliberate

“Many Hands Make Light Work”

- Representative Share of the Market
- Collective Decision and Responsibility
- Broad Skill and Experience Base
- Specific Focus, Direction and Strategy
- Consistency approach to Common Issues
- HCF - Expeditious and Efficient

Requisites of Leadership

- Integrity and Impartiality
- Experience and Expertise
- Industry and Application
- Communication and Community
- Leadership is evidenced by Effective Attempts to Influence Others

*A Leader without Followers is an Individual
Immersed in his Own Importance*

Lillehammer Conference February 2008

Conclusions and Challenges

- Does the Market require a combination of Leadership mechanisms (Sole, Joint and Committee) according to conditions?
- Will Reducing Claims Frequency/Severity result in the demise of the Steering Committee concept?
- Do Steering Committees substitute for lack of individual skill?

*No man is an island, entire of itself; every
man is a piece of the continent, a part of
the main*

John Donne

Meditation XVII