

# Risk Control Bulletin

## The Importance of Promptly Reporting Claims or Potential Claims

RISK CONTROL



Insurance costs have been increasing at alarming rates in recent years. These costs have not only impacted the insurance industry, but have also resulted in higher insurance premiums for you - the customer. In an effort to address this trend, CNA has conducted a complete review of all the "cost drivers" that contribute to these increased costs. Although this review identified several key issues, the one that was found to be the most critical in all lines of insurance is "Timely Notification of Loss."

What is "Timely Notification of Loss?" Timely Notification of Loss simply means that whenever a loss occurs or has been reported to someone in a supervisory or management role in your organization, this loss must immediately be reported to CNA. This can be done by telephone or fax. The losses that require reporting are not limited to those sustained by you or your employees, but also to customers or other third parties.

### Timely Notification Helps CNA *and* You

Timely Notification of Loss allows CNA to contact all interested parties promptly and to take photographs of accident scenes as necessary to complete our analysis of liability.

This allows us to provide quality service. Anyone who has experienced property damage, bodily injury or a work-related injury needs to be assured that their claim will be handled fairly and as quickly as possible. If CNA is notified in a timely manner, we can act immediately in determining liability and assessing damages, thus, possibly avoiding litigation which results in lower claim costs.

To assist you in these efforts, the following recommendations are suggested:

Develop reporting guidelines to ensure quick action is taken when an accident is sustained by employees or third parties.

- Keep a general liability incident log to provide a careful account of every actual or reported incident.
- Establish investigative guidelines to determine contributing factors of the accident and identify management controls to reduce the possibility of recurrence.

- Learn how to recognize suspicious slip and fall claims so you can alert your insurance carrier to suspected fraud when you report the incident.
- Develop complaint and claim handling guidelines to give your employees and customers that explain the importance of notifying you of accidents and potential accidents when they occur.