

# THE COST OF WAITING:



## THE ADVANTAGE OF EARLY INVESTIGATIONS

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Claims have a lifespan. They begin with the claim for a loss. They resolve with denial/acceptance, judgement, or settlement in some form or fashion.

Liability claims generally have a longer lifespan as the parties involved have little con-

trol over one another's actions. The statute of limitations is the only clock ticking and if you are lucky enough to have received a lawsuit before the statute runs out, then claim life really grinds to a halt in terms of getting to a resolution.

Occupational injury claims generally have more urgency as injured employees and their employers hopefully have a common goal: to get the employee healthy and back to work. However, some workers' compensation claims seem to find ways to linger.

## PERFECT WORLD CLAIMS

Typically, best practices include a section on investigation of a claim. Yes, the *best* practices are pretty *typical*. Obtain a recorded statement, photos/video of the scene, and medical records. This is straight forward stuff and no problem, because every incident/loss comes together smoothly; especially when:

- Reported within minutes of occurring.
- The right person is available when it occurs to make sure it is reported properly.
- You obtain all recorded statements within 24 hours of the incident.
- Photos/videos are properly secured and sent immediately (never looped over or deleted).
- You have a full witness list of people who might have photos and they are easy to contact.

## REAL WORLD CLAIMS

You have 50 other files needing your attention, so you set your diary and revisit the claim when that diary comes up: 5-10-15-30 days. What has happened with that claim during that time? This is the time where the claim sits and waits. Does the following sound familiar?

- The claimant's recorded statement was pretty bland, and they haven't returned all the forms.
- Still waiting on witnesses to call back, or worse yet, phone numbers were wrong, and you have no idea where witnesses are.
- You have not heard back for sure if that video was secured.
- Co-workers thought the claimant got hurt while on vacation, but no one has followed up.
- The responding police have not provided an accident report. Or all you have on the claim is an accident report and nothing else.
- Social media of the claimant suggested they were fine, but 30 days later the profile is gone.
- No injuries were reported, but now you have a letter of representation on your desk.

What is all too familiar early in a claim lifespan could cost significant dollars and effort to resolve, but you can avoid this through early involvement of an investigator.

## INVESTIGATION EXPECTATIONS

What can/should you expect from an investigator?

At the earliest involvement, within hours of an accident occurring, an investigator can:

- confirm injured parties' condition
- identify crucial witnesses
- secure video
- identify valuable social media, blogs and news articles with the associated metadata and MD5# algorithm to properly identify chain of evidence.

As the situation becomes more clear, good investigative practices can give you a better understanding of your claimant's condition, such as if they have recovered from their injuries and to what capacity. An investigator can develop current activity levels of your claimant with the proper use of old school methods and today's advanced technologies.

Additionally, developing a claimant's background can assist in identifying variables beyond the loss likely to impact the claimant and how they will or won't pursue the claim.

Let's examine how investigators should give you an advantage and have your claim working for you during that waiting game between your diary reminders.

## KNOWING YOUR CLAIMANT

You receive a liability claim and the injured party is a 70-year-old individual who was transported to the hospital from the scene of a motor vehicle accident. You have the claimant's name, date of birth, and address. This was provided by the crash report completed by law enforcement on the scene. Nothing more is known about your claimant.

Early investigation learned the claimant was hospitalized immediately following the loss, but also two other times over the next two months following the loss.

This claimant was believed to be retired, mostly based on age, but it was not known their level of activity, background, or employment status. An investigation was completed and confirmed the claimant was retired from operating a pain medication clinic that was busted up by law enforcement. The claimant was convicted of a felony and incarcerated for five years, then released and remains on probation.

The claimant's relatives posted on social media content of the accident to include scene photos taken by one relative who was nearby when the crash occurred. Other postings detailed the claimant's injuries and recovery. It was also learned relatives work in the medical field.

## KNOWING THE RESPONSIBLE PARTY-TO PROTECT YOUR CLIENT

An occupational injury is claimed with one of your insureds. The employee was injured while at a location in the field, not your

insured property. Your investigation learned the injury was due to an issue at the property of the other entity and you believe there is subrogation to pursue, but the entity is no longer in business.

An investigation revealed the entity was merged and became a wholly owned subsidiary of a large national corporation. The merger took place prior to the date of loss, but following the date of loss, the location was closed for other business reasons. Subrogation can still be pursued with the parent company.

## KNOW THE WITNESSES

You receive a list of key witnesses, and the plaintiff attorney is pushing that these witnesses are supporting the claim. No recorded statements were taken at the outset of the claim, and now, witnesses have become unresponsive.

An investigator developed good contact information and obtained statements from two of three witnesses. The third witness is discovered to have a criminal past, and since the date of loss has become a fugitive after cutting off a probation monitoring bracelet. The witness has two warrants, so they are unlikely to cooperate with the investigation and show up to provide a statement. Thus, you feel confident in your defenses and know there is not a group of witnesses that the plaintiff attorney is threatening you with to provide adverse testimony.

## CONCLUSION

Remember, the information is out there to answer the questions that jump out at you when a claim originates, as well as when flags come up during the lifespan of the claim. Investigators should be considered a crucial piece to your efforts to get those questions answered. Their involvement early and proactively will bring clarity to claim exposure, help develop defenses, provide information helpful to set reserves, and ultimately resolve the claim in a more favorable manner for you.



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