

Claims Handling

Date: March 2023
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NOT IF, BUT HOW



01

Notification of
Reinsurance Claims

02

Claims Reporting
Requirements

03

The Co-operation in
respect of Reserving

04

Presentation of
Settlements to
Reinsurers

Notification of Reinsurance Claims

01



Why notify claims to reinsurers?

- The reinsurer must set a reserve.
- The reinsurer may be able to assist in claims handling as the “partner in the background”.



What is a claim for reinsurance purposes?

What may be a claim to the insurance company may not be a claim to the reinsurer

- Reinsurer concerned with claims likely to affect its reinsurance.
- Claims within the scope of the reinsurance contract.

Claims Reporting Requirements

02



When Should a Claim be Notified?

Treaty and Facultative Notification

- Cedant to notify R/I in writing within 30 days of gaining knowledge of any Loss that may impact the R/I.



Munich Re's Claim Notification Clause

The Company undertakes to notify the Reinsurer in writing, of any claims for which loss advices have been agreed in the Annexes to this Agreement (item; cash loss), without delay and not later than within 30 days....., gaining knowledge of the loss occurrence and to forward to the Reinsurer all essential information about the loss of which it has knowledge, in particular:

- Name of policyholder / claimant / party causing the loss.
- Date of loss.
- Location of loss.
- Estimated amount of the original loss and amount of the claim made / cause of loss / circumstance of loss, current reserve and basis of reserve calculation.

Details Of Claims Reporting Requirements

Most insurers and reinsurance brokers send covering letters with comprehensive information; others are less forthcoming. We suggest you include:

- Identification of treaty or facultative agreement.
- Include date of loss, name of Insured, current gross reserve.
- Include a brief summary of claim; this can save time.
- Legal advices, medical reports, experts' reports and, dependant upon type of case, copies of pleadings and statements.
- Any other information required per Claims Notification Clause.

The Co-operation in respect Reserving

03



The Co-operation in respect of Reserving

- Reserving closely linked to reporting.
- Timely and adequate reserving essential for R/I.
- Necessity for timely updates.
- Cedant to liaise with R/I in difficult reserving situations.



Benefits of Claims Co-operation between Cedant and R/I

- Potential for enhanced claims service by cedant to policyholders.
- Potential for better settlements by Cedants.
- Fewer disputes with R/I.
- Quicker R/I settlements.
- Mutual benefits of claims dialogue and good claims management.

Presentation of Settlements to Reinsurers

04



- Good claims co-operation paves the way for smooth settlements by R/I.
- Sufficient documentation = Early payment.

Efficient Claims co-operation – a benefit for both Cedants and R/I

Cedent

- Efficient claims handling.
- Reduction of legal costs and loss payments.

Reinsurer

- Improved results of reinsured business.
- Scope for better reinsurance terms and conditions.

Alleged obstacles to early claims settlement

- “We don’t know what it is worth yet”.
- “We need to explore all avenues for defending the case”.
- “The plaintiff’s lawyers will not come to the party”.

Thank you for your attention!

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