



## **CLM EXTRA-CONTRACTUAL COMMITTEE**

CONFERENCE CALL AGENDA  
JULY 12, 2017

1. Introduction and Welcome
2. Review upcoming EC School at CLM Claims College
3. Review upcoming CLM New York Conference
4. CLM "Save the Dates"
5. Special Guest, STEVEN HENNING (see attached biography and article)
6. Questions, comments, and open floor discussion
7. Other business

**NEW** Call-in details:

**NEW** Phone: 267.930.4000

**NEW** Access Code: 169-326-428



# DEFINING QUALITY AND LEADERSHIP

How Reflection Can Be the Key to Unlocking Your Team

By *Steve Henning*

In my last article in February's issue of *CLM Magazine*, "Avoiding 'Who's to Blame?': Moving From a Fault-Finding Mission to a Quality and Leadership Review," we discussed quality and leadership without a firm definition. In my travels, when the phrase "quality product" and "leadership" were discussed, it was done so without any background. So, before we go further, let's look into acceptable definitions.

The Business Dictionary describes quality as, "In manufacturing, a measure of excellence or a state of being free from defects, deficiencies, and significant variations. It is brought about by strict and consistent commitment to certain standards that achieve uniformity of a product in order to satisfy specific customer or user requirements." The ISO 8402-1986 standard defines quality as "the totality of features and characteristics of a product or service

that bears its ability to satisfy stated or implied needs." If an automobile company finds a defect in one of its cars and makes a product recall, then customer reliability (and production) will decrease because trust will be lost in the car's quality.

Those of us in insurance are in the business of "manufacturing" a legal document. Because of this, I believe the key for claims quality is the characteristic of a product or service



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that bears its ability to satisfy stated or implied needs. This leads us to two types of reviews. If you have the luxury of using quantitative analysis, then the use of an in-depth checklist is invaluable. You can see claims managers' actions, such as the span between reserving and paying, represented in the data. This is useful in identifying training issues as well as determining who should get what kind of file. This approach was described in our article, "Implementing Predictive Analytics for Claims Management," in the April 2014 issue of *Claims Management* magazine.

The second type of review is qualitative. Instead of an in-depth checklist, the management team determines what constitutes quality. Examples would include questions like:

- What constitutes a quality coverage determination? Is the policy in the file? Did the claims handler describe the applicable coverage? Is the insured the named insured? Does the rest of the review follow the same reasoning?
- Is there a good investigation in the file? Can you tell who was responsible for the accident? What started the fire?
- How about the evaluation? Can you determine why the reserve is set where it is? Is it reasonable? Is it reasonable that the claim will settle for a similar amount?

The advantage to this approach is flexibility. If you have an experienced claims handler and need to cross-train, then this approach is very effective. The claims handler understands the basics but needs a technical understanding. His technical aspects can be created as a quality module and the work can be evaluated in terms of the final product and the questions asked.

Previously, we also discussed quality leadership, but we did not define leadership in a claims environment. If you ask someone in a leadership position what leadership is, then you will get as many answers as the number

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of people asked. My favorite leadership description was given by Alexis Davis, founder and designer of Hoo-Kong by Alexis Davis, in a *Business News Daily* article: "My perspective of a leader is an individual who knows the ins and outs about the business so they can empathize with followers. In addition to being a positive influence on the people they are leading, leadership is about setting the tone, motivating, inspiring, thinking big, and never [giving] up when others feel like quitting."

However, there is another aspect to leadership in our industry. In many cases, claims handling, leadership, and

stress go hand in hand in hand. There are thousands of books and articles on how to handle stress, so let's not add another here. However, there are a few useful tips. It helps to control your breathing, maintain a positive attitude, and look for solutions instead of placing blame. It is useful to go back to some of the attributes of your quality training. Look for a win/win scenario.

If you are in a supervisory position, then look for the good before pointing out the bad. Choose your words carefully, and when you feel you cannot maintain this approach, seek guidance. It is amazing how situations can look different from another person's perspective. If you are serious about improving your leadership style, then conduct a self-audit. A good leadership audit is imperative to good claims handling. Our days seem to be composed of putting one fire out after another, but if you stop and reflect on how you handled the last fire, then the next may be easier to put out. If you develop a habit of self-reflection, then you will be more approachable when claims handlers who report to you have a stressful situation of their own. ■



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## Steven Henning



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Steven brings to CLM Advisors' clients more than 30 years in the insurance and reinsurance industries. His practice with CLM Advisors focuses primarily on elevating the claim audit to predictive analytics, helping claim organizations to predictively identify the 20 percent of claims that drive 80 percent of loss.

Steven's background encompasses the management of primary and excess claims with an emphasis on primary, excess and reinsurance asbestos and pollution claims, excess liability claims and professional liability claims. He also has

extensive structured settlement and loss structuring experience.

Prior to joining CLM Advisors, Steven was Vice President, Senior Risk Specialist, for Swiss Re America, responsible for internal worldwide claim quality review. In prior roles he assisted Swiss Re clients to assess and improve their claim department performance. He has extensive experience in claim audit design and implementation, process analysis, redesign and change management.

### Areas of Expertise and Career Highlights:

- Catastrophic bodily injury investigation, evaluation and negotiation
- Property total loss investigation, evaluation and negotiation
- Complex coverage and catastrophic BI litigation (company reprehensive at trial)
- Professional liability adjudication with underlying GL, Property, Medical Malpractice (Nursing Home) legal liability losses
- Excess Liability - Motor home modification
- Excess Workers Compensation
- Excess Liability - Asbestos & Environmental (company rep in litigation for coverage issues)
- Reinsurance claim adjudication - all lines
- Structured Settlement broker
- Portfolio Transfer experience
- Stockbroker
- Expert Witness - coverage

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- Claim trainer
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- Audit program creation – quality and reserve adequacy
- 
- Client Claim department evaluation (quality and predictive analytics)
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- Internal operational risk auditor
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- Arbitrator
- 
- Mediator
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## News and Events

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Thomas G. Dunlop Joins CLM Advisors

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Lawrence Beemer Joins CLM Advisors

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CLM Advisors Launches New Business Transformation  
Practice for Technology and Services Companies  
Serving the P & C Insurance Industry

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## Connect With Us

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