

# Adjusters can steer clear of headaches by avoiding The Hammer



BY CARL VAN

A simple change in process can make the claims adjuster's job easier, and increase the chances that a customer will remain a client.

Of all of the time an adjuster spends negotiating, only 10 percent is spent negotiating the dollar amount of something—either the actual cash value of some object, or the daily rate of pay of some coverage, etc. The other 90 percent is exhausted negotiating for something else.

Yet most adjusters receive no formal training whatsoever on how to effectively negotiate for what they will spend 90 percent of their time trying to obtain. What can this be, you ask?

Of all the time adjusters spend negotiating, 90 percent of that time will be spent negotiating for cooperation—either getting an insured to give a recorded statement, convincing a claimant to send in some estimates, having someone complete a medical authorization or even getting someone to agree to call back.

Gaining cooperation is a very time-intensive activity for most claims adjusters, yet the approach taken to gain that cooperation can significantly affect the final resolution of the claim, the amount needed to settle it and specifically whether the company keeps a customer.

As an example: An adjuster asks a customer to complete a medical authorization, and return it to him. The customer replies, "No, I'm not going to do that." What usually follows is what we sarcastically call "The Hammer" and sounds strangely like an old episode of the Batman television series.

The adjuster pulls out the Claims Hammer, and gives the customer a good whack. "Well, if you don't sign the form, we can't pay you." (WHACK!)

And keep in mind, if the first whack doesn't work, there is more.

"Well, you're obligated under the policy to cooperate. (BAM!) And besides, it's the state law. (POW!)"

The adjuster will keep whacking away until the customer can no longer take the pain and finally agrees, "Okay, okay, I'll sign your stupid form."

What is going to be the attitude of that customer for the rest of the claim? Not good.

Most people don't like being pushed into something they don't want to do. Now that the customer has been pushed into something they didn't want to do, he or she will have a negative attitude regarding the rest of the claim (and the insurance company).

This pessimistic attitude will be behind every encounter the customer has with the adjuster. It will be behind why the customer does not believe the adjuster's figures. It will be behind almost every point of conflict throughout the claim.

One simple rule applies in a case like this: "It is much easier to convince someone you're right, than it is to convince someone to give in if they think you're wrong." The information the adjuster gave in the example did not convince the customer he was right, he only persuaded the customer to give in under the threat of pain (or lack of payment).

Instead of pulling out "The Hammer," the adjuster could have asked the

question, "Why don't you want to sign the form?" The customer may have responded by saying: "I was told that I wouldn't have to sign anything."

Instead of responding with the no-win question, "Who told you that?" The skilled, well-trained adjuster could respond with, "If someone told you that you wouldn't have to sign anything, I apologize. Perhaps they were just trying to reassure you nothing would happen without your permission. I really can't be sure. This form simply allows me access to your medical bills so I can pay you. If you will sign the form, I can get your bills and get busy processing your claim. Again, I am sorry someone gave you the wrong information. Will you sign it so I can get going on helping you with this claim?"

Explaining to a policyholder how you can help if they cooperate is totally different than telling someone what will happen if they don't. These are two different approaches with two predictably different outcomes.

Sometimes "The Hammer" is a necessary evil. But most of the time it just leaves everyone, including the adjuster and the company, with a big headache.

*Reprinted with permission from National Underwriter magazine.*

## seminar solutions

*Shoulder the Hammer* is just part of the III course *Conflict Resolution for the Claims Adjuster*. The class focuses on how to deal with unpleasant situations which is the hallmark for successful adjusters. The main objectives of this course are to explain the psychology that governs upset customer behavior, and suggest steps to take and strategies for successful customer encounters. Visit [www.InsuranceInstitute.com](http://www.InsuranceInstitute.com) for more information on this and other available courses.