

CLAIMS MANAGEMENT COMPANIES - WHAT YOU NEED TO KNOW



In the current economic situation, it's quite possible that you'll be approached directly by a claims management company - such as a loss assessor - that will want to make a claim on your behalf.

Claims management companies pursue claims of various kinds on behalf of the policyholder. They often advertise on the television or radio, wanting to help people who have been injured in an accident that wasn't their fault. These companies generate an income by charging a fee that's either a percentage of the final claims settlement or a flat lump sum, or sometimes both.

Some claims management companies and loss assessors aren't registered with the insurance industry's regulatory authorities, primarily the Financial Conduct Authority (FCA), which means they can operate unchecked. For your own protection, before you appoint such a company, we urge you to check that they are regulated by the FCA, and before entering into a contract be aware of the potential consequences and associated costs.

We've pulled together some key considerations to help you make the right decision for you and your business.

LOSS ADJUSTER? LOSS ASSESSOR?

The terms 'loss adjuster' and 'loss assessor' can easily be interpreted as meaning the same thing but it's important to know the difference between these types of companies.

LOSS ADJUSTER: If you're making a claim as a result of damage to your property, we'll instruct one of our trusted loss adjusters to carry out an inspection on our behalf. This is so we understand the full extent of the damage and the potential cost of the claim. Loss adjusters operate in the interest of the policyholder, helping to ensure they receive their full entitlement as detailed in their policy.

We work in partnership with a small number of trusted loss adjusters, who are experts in their field and are registered with the Chartered Institute of Loss Adjusters. When appointed, we cover the costs and your settlement figure isn't impacted by their fees. Also, in the unlikely event that something goes wrong, we will cover any additional costs and arrange for any repair work to be carried out.

LOSS ASSESSORS: You can employ and pay for a loss assessor yourself. Once contracted, they would represent you throughout your claim, from assessing the damage to your property to liaising directly with us and your broker. Some brokers are affiliated with loss assessors and some insurance policies may cover claims preparation costs. It's really important you check your policy so you know what's applicable to you.

KEY CONSIDERATIONS



01 SPEAK TO YOUR BROKER IF YOU'RE NOT SURE ABOUT THE CLAIMS PROCESS

If you haven't made a claim before or aren't sure how the process works, get in touch with your broker and they'll happily talk you through it.



02 CHECK TO SEE IF THE LOSS ASSESSOR IS REGISTERED

We won't work with any loss assessors that aren't registered with the necessary authorities. You or your broker can check whether a loss assessor is registered by visiting the **Financial Conduct Authority's (FCA)** website.



03 MAKE SURE YOU UNDERSTAND THE FEES AND CHARGES

If you choose to appoint a loss assessor, it's important that you understand how and what they'll charge you for. Loss assessors can earn their fees by taking payment from the settlement you receive from your claim, or they may charge you a flat fee which might involve agreeing to use their preferred contractor. If a loss assessor describes their service as 'free', make sure you understand what's included in the agreement and whether you'll be penalised for opting out of the contract.



04 TAKE THE TIME TO FIND THE RIGHT OPTION FOR YOU

If you're making a claim, you would have suffered a loss and no doubt experiencing some degree of stress. Naturally, you will want to resolve the situation as quickly as possible. However, please don't feel pressured into using a loss assessor. If you're unsure, ask your broker to shop around and supply you with a couple of options. If you do decide to go ahead and use a loss assessor, make sure you and the loss assessor both sign the contract.



05 UNDERSTAND THE FINANCIAL IMPACT OF WORKING WITH A LOSS ASSESSOR

Make sure you and your broker are aware of any financial

settlement implications when working with a loss assessor. For example, if your settlement is in the form of a lump sum rather than repairs, your loss assessor may take a cut of this to cover their fee (as they would usually have made their fee through use of their nominated contractor).



06 YOU CAN CHANGE YOUR MIND

Most contracts involve a 'cooling off' period by law, which usually means you're entitled to break the contract up to 14 days after signing it. It's a good idea to ensure that a cooling off period applies when you first sign an agreement with a loss assessor.



07 MAKE SURE ANY CONTRACTORS ARE RELIABLE

We only work with reputable suppliers to complete repairs on your property. We guarantee that if a repair doesn't meet our high standards we'll take full responsibility and correct any sub-standard work that's carried out by one of our repairers.

If you've appointed a loss assessor, you'll need to check via your broker that they hold their contractors accountable and that they'll take responsibility if something goes wrong. Some loss assessors will charge you an additional fee if you choose not to use their preferred suppliers - it's important to understand this before signing a contract.

Before commissioning any work, please check who will cover the cost of the repairs. Sometimes we'll only cover the cost of the repair if they have been carried out by our own trusted preferred repairers.



08 YOU HAVE THE RIGHT TO COMPLAIN

If you're not happy with the way your claim has been handled, the first thing you need to do is to speak to your broker and ask them to try and rectify the situation. If you're still not happy, you can file an official complaint with the Financial Ombudsman, free of charge.

If you're unhappy with the service provided by your loss assessor, you can find more information on how to complain at <https://www.gov.uk/complain-about-claims-company>.