



# Liability Claim Closure Solutions

Integrated Casualty Consulting

**Traditionally, claim closure projects have focused on workers compensation losses almost exclusively – WTW Liability Claim Closure Solutions specializes in liability matters, and we have specific experience and analytics to make these projects successful.**

Social inflation factors have dramatically increased the severity risks latent within many open liability claims. Focused and appropriate management of the claim process can facilitate quicker resolution and lower future payments. Our Liability Claim Closure Solutions are an effective, practical and proactive way to reduce these risks.

## **What is Liability Claim Closure?**

It's a focused approach to accelerated claim closure that's designed to reduce your open inventory of general liability, auto liability and/or product liability claims. The goal of the process is to improve claim performance and reduce expected development, as well as collateral, while having a direct and positive impact on your balance sheet. Typical engagements include an independent review of each open claim, with a customized resolution plan for closure developed to bring the loss to conclusion. The resolution plan also includes accountability as to who needs to do what with appropriate timelines.

## **Are you experiencing the following?**

While any organization with a growing number of open liability claims which are escalating in value would benefit from a Liability Claim Closure Initiative, there are several additional indicators one should consider:

- Insurance claim costs negatively affecting the balance sheet (e.g., increased collateral requirements)
- Upward trend in incurred losses (e.g., deteriorating portfolio of open claims due to social inflation and other factors)
- An overall increase in claim volume
- Large number of claims spanning multiple policy years
- Multiple run-off programs from acquisitions or divestitures
- Concerns about TPA/carrier performance
- Legacy claims due to acquisition or switch in TPA/carrier
- Limited internal resources to manage claims
- Potential for a loss portfolio buy out



## How are projects implemented?

Rather than focusing on the current condition of the file, we focus on future activities and the objective of bringing each matter to conclusion as cost effectively as possible. Our process involves four stages:

- 1. Analysis** – In this pre-project phase, we analyze your data to determine if you are a good candidate for accelerated claim closure, and we use the information provided as a starting point for project inception.
- 2. Audit and ongoing management** – Here we review each claim independently to get a fresh perspective on the status, what needs to be done to bring it to conclusion, and when the file should close. We then develop a resolution plan, discuss it with the carrier and TPA for agreement, and begin following up on our strategies. Additionally, during this phase, we do our initial reserve analysis and make suggestions regarding any potential changes.
- 3. Implementation** – After the initial review, during this phase we are following up on our recommendations to ensure that activities are moving at an accelerated pace and communications to you are being provided on a regular basis. Modifications to initial strategies are also implemented at this time to be sure we are doing everything possible to conclude the claim. Categorization of claim potential closure dates are reviewed and adjusted as necessary.
- 4. Reporting** – We regularly report the results to you as frequently as you desire (can be weekly, monthly or quarterly).

## The benefits

### Financial

- Direct measurable impact on your balance sheet
- Reduction of development on open claims
- Reduction of collateral requirements
- Reserve validation
- Reduced liabilities from divested or newly acquired operations
- Financial stabilization of claims that remain open at project conclusion

### Administrative

- Improved carrier/TPA performance
- Reduction of open inventory-less claims to oversee or manage
- Avoidance of deterioration of open inventory
- Reduced internal/external administrative costs and distraction

## About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organizational resilience, motivate your workforce and maximize performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success – and provide perspective that moves you. Learn more at [wtwco.com](http://wtwco.com).



[wtwco.com/social-media](http://wtwco.com/social-media)

Copyright © 2022 Willis Towers Watson. All rights reserved.  
WTW46365/05/2022

[wtwco.com](http://wtwco.com)

## Why WTW?

1. Our closure rate – and thus direct financial impact – are industry-leading.
2. While many of our competitors review the file as a round table discussion with the adjuster, we independently review the complete claim file to ensure we get an unbiased opinion on which to develop our resolution plan and outcome strategy.
3. We have partnered with Riskconnect to develop the platform for our projects and reports to you.
4. Our ability to customize each project to meet your needs affords us the opportunity to provide you the best financial outcome, as well as the ability to accurately measure the results.
5. While the goal of a carrier or TPA is to close claims, certain barriers prevent them from being effective (e.g., larger-than-desired caseloads, internal turnover, administrative requirements that don't allow for consistent claim handling and a focused approach to closure).

For additional information on this solution or other claim closure offerings contact:

### Jim Dorion

Casualty Claim Leader, Head of Liability  
Claim Consulting & Carrier Relations  
D: +1 212 915 8917 M: +1 203 908 1236  
[james.dorion@willistowerswatson.com](mailto:james.dorion@willistowerswatson.com)

### Joe Picone

Claim Consulting Services Practice Leader  
Integrated Casualty Consulting  
+1 804 503 1823  
[joe.picone@willistowerswatson.com](mailto:joe.picone@willistowerswatson.com)