



Update

FOURTEENTH ISSUE

SEPTEMBER/OCTOBER 2015

Claims Metrics Back Again! Recipe for disaster?



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SDDC: MCO's and TSP's can decide the ingredients

At the September 14 Personal Property Forum in Arlington, VA, SDDC again discussed adding claim metrics to the calculation of the BVS. SDDC gave examples of possible metrics, but stressed that they were only examples and that the MCO and TSP community would have every opportunity to find something that worked. The addition of the Claim Score will continue to be a topic discussed with no implementation date currently on the horizon. SDDC also views this as an opportunity to add objectivity to the BVS, if fact based metrics are utilized.

Why this is greatly concerning to industry

The intentions are good, but you know what they say about those. We are not at all opposed to the idea of weeding out TSP's that treat service members badly in the claims process; in fact, we encourage that idea. The problem comes when you start trying out different metrics. They all seem to have negative consequences, that could easily turn out to be much worse than the problems they purport to solve. For example, penalizing TSP for high numbers of claims would encourage settlement outside of DPS, and penalize TSP's that have higher numbers of claims simply by virtue of the ease of contact/accessibility that this TSP has given to their DOD customers. Each metric that you can think of has a potentially major pitfall. Finally, the ability of TSP's to predict future business and to plan accordingly could go from bad to impossible. A bad idea in these days of limited capacity.

MCO Concerns from the September PPF

Military Claims Offices were very concerned about TSP's who were blatantly unfair or non-responsive in their settlement to customers. While believed to be a very small number when compared to how many claims are being settled, we certainly agree that bad apples spoil the bunch for everyone. National Claims Services has always enjoyed the reputation as a fair dealer. We advocate for our clients, but within an overall context of doing things right, and being responsive to our customer's customers. MCO's also urged TSP's to remember that they, not the claims service, will be held accountable if the member is not treated properly in the claims process. **(HINT: use NCS - we do it right)**

Specific concerns voiced by the MCO's were:

- On shipments with more than one TSP, blaming the previous TSP with little or no proof
- Telling the member that they have 90 days to give notice instead of 75
- Telling the member that they have 75 days to note damage to the residence, and then denying the claim because it wasn't noted at delivery



SDDC - "More missed RDD's across the board"

SDDC reported an across the board increase in missed RDD's this year, which obviously will be translated into more inconvenience claims. (see DTR, Appendix B (Tender of Service) for information on how to handle inconvenience claims.



Food for Thought

- Mold - we're still seeing a lot of mold problems. Remember to advise drivers and crew never to accept moldy items from a previous handler. Taking a rider won't help you get it off your trailer.
- High Value/High Risk Forms - these are still being under-utilized, or just not used at all. A formal High Value/High Risk Policy is a must for any TSP.

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