

COURSE : DISASTER MANAGEMENT (MA/ MSc PART I)

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Topic : Insurance Claim Process

Insurance Claim Process

Having insurance can be a little like owning a weapon - you paid for it, you're probably glad you have it, but you hope you never need to use it. The headaches of dealing with a car accident, damage to your home, health care bills, or a personal injury lawsuit (to name a few) can be overwhelming. So, when one of these unfortunate events does occur, you'll need to be familiar with the insurance claim process in order to mitigate those headaches as much as possible. The following article discusses some key points to keep in mind as you embark on the insurance claim process.

Preliminary Steps in the Insurance Claim Process

The insurance claim process varies somewhat depending on the type of insurance you're dealing with, but there are some common tips to keep in mind regardless of the exact details of your situation. For starters, you should examine your insurance policy so that you understand your rights and responsibilities, including:

- Whether or not your policy covers the situation you're dealing with

- Applicable timelines for filing a claim (some instruct you to file a claim within 24 hours of the relevant incident)

- Whether you have multiple types of policies that could cover the same thing (for example, an umbrella policy provides coverage in addition to certain existing policies)

- If you have any deductibles that could apply to your situation (if the amount of your claim is less than your deductible, it may not be worth pursuing a claim which could raise your insurance rates)

Contacting Your Insurance Company

After these preliminary steps, it's important to contact your insurance agent within the required timeframe. The insurance company will let you know what forms and information you need to submit. Take detailed notes of all correspondence you have

with the insurance company, including the names of people with whom you speak, and keep track of the expenses you incur as a result of pursuing your insurance claim and those stemming from your accident or other insurance-related event (such as medical expenses, lost income, lost profits, etc.).

Additionally, remember to be honest about your injuries, property damage, and other circumstances. Committing insurance fraud is a serious offense and can invalidate your policy and lead to both civil and criminal consequences. On the other hand, if you're at all concerned that your insurance company is not fulfilling its obligations under your policy or could be acting in bad faith, consult an independent attorney to help protect your rights during the insurance claim process.

The Insurance Claim Process for Particular Types of Insurance

Accidents and Injuries

The insurance claim process for accident-related policies like auto, home, and liability insurance usually involves a short window of time for filing a claim. Take pictures of the accident and retain contact information for any individuals who witnessed the accident. In addition to filing a claim with your own insurance company, you'll also need to determine whether you should file a third party claim with someone else's insurance if they're at fault for the accident.

For property damage claims, consider hiring a public insurance adjuster if you're unsure about the assessment and damages estimate provided by the insurance company's own adjuster. If you suffered injuries, you may have to submit to an independent medical examination as part of the claims investigation. Lastly, don't feel pressured to automatically accept a settlement offer made by the insurance company.

If the offer doesn't seem adequate, consult an independent adjuster or insurance attorney for a second, independent opinion.

Health Insurance Claim Process

Usually, your health care provider can submit a claim directly to your health insurance company if they provide that service and have your insurance information. If you have to submit a claim yourself, contact the insurance

company for the appropriate forms and submit those along with an itemized bill from your health care provider.

Life Insurance Claim Process

To file a life insurance claim, you'll need to submit certified copies of the insured's death certificate along with any forms required by the insurance company. Most states require life insurance companies to pay insurance proceeds within a certain period of time, such as 30 to 60 days.

Insurance Company Obligations During the Insurance Claim Process

Each state has its own laws regulating the insurance claim process and the conduct of insurance companies in general. But across the board, insurance companies are expected to act in good faith and fair dealing. This usually includes the following:

- Providing prompt, ongoing communication with the insured about their claim

- Defending the insured in liability action where the underlying claim is potentially covered by the policy
- Acknowledging, investigating, and either approving or denying an insurance claim within a reasonable (and often specified) amount of time

- Effectuating prompt, fair, and equitable settlements of claims

- Proving detailed reasons for denying an insurance claim

Failure to abide by these standards and other requirements set forth in your state's insurance laws could give you grounds to sue your insurance company for bad faith or breach of contract. You can also file a complaint with your state's insurance commissioner if you suspect misconduct.