



Society of
Claims
Professionals
Standards, Professionalism, Trust.

Good Practice Guide

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Surge events for Claims Professionals

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This paper is in response to members' requests to provide a summary of good practice within one source document and is based upon the Society of Claims Professionals' understanding of the regulator's rules and current stance. Whilst a summary, it is not intended to be exhaustive and should not be relied upon at the exclusion of other sources of information.

What is a surge event?

A surge event is when a sudden incident occurs, such as a catastrophe or natural disaster, resulting in a dramatic rise in insurance claim enquiries. Recent notable surge events in the UK include:

- **2011:** summer riots
- **2015:** flooding in Cumbria, Yorkshire, southern Scotland and parts of Ireland
- **2018:** heatwave
- **2019:** severe flooding in South Yorkshire
- **2020:** Storm Ciara and Storm Dennis

Surge events can also refer to an increase in domestic claims made during a specific time period, for example theft claims during the Christmas period or property damage-related claims during winter months.

The surge refers to the sudden increase in demand due to unexpected or seasonal activity. Some surge events are the result of a one-time event while others fit a predictive model due to seasonal patterns.

What impact does a surge event have?

A catastrophic event can have a devastating effect on a customer. However, if claims handlers are also overwhelmed by the number of queries they need to process, this can cause a delay in responding, causing the customer further stress.

Circumstances can vary, but the volume of growing calls coming through could range from damaged vehicles to the evacuation of a destroyed property and surrounding area. This is why it is important for there to be a resilient team on the other end of the telephone who can think quickly as well as provide reassurance during a stressful time.

A surge event can also impact the claims team themselves. Therefore, it is important to already have a contingency plan in place in case there are employee absences, or other factors preventing staff from handling claims, during an emergency.

How should a surge event be prepared for?

While a surge event could happen overnight, identifying seasonal patterns and monitoring weather events should mean that insurers are not totally unprepared. For example, escape of water from burst pipes are more likely to occur during cold weather and subsidence is more likely to occur after long hot dry spells. It should be considered good practice to anticipate reoccurring surges. The increase of flooding and storms in the UK also means that catastrophes like these aren't unprecedented, with more to be expected.

To prepare for a major event, a designated 'surge group' should be created. This surge group should include several different teams:

- **IT** - to be able to respond to added pressure on network systems and amend access rights to affected staff
- **Geospatial** - to monitor activity in real-time
- **Communications** - to post and update consistent information, and respond to customer queries
- **Claims** - to handle higher volume of claims
- **Suppliers** - to respond quickly during increased demand

By creating such a group that incorporates relevant teams, a thorough contingency plan can be implemented that takes into account the impact a surge event will have across the whole firm and not just those concerned with front-line handling. Quarterly meetings during 'peacetime' can allow teams to update each other with concerns and preparations. These will become more frequent in the likelihood of, or during, an actual event taking place.

The benefit of creating a surge group means that teams can adapt quickly if they need to focus their attention elsewhere. The cross-training of certain employees will mean that extra support can be provided if more people are needed to speak to customers. Telephone systems and access rights can also be updated so that more claims handlers can take extra calls to support the division affected. This is particularly important when needed to separate non-urgent claims from those connected to the surge event.

An effective surge plan could look like the following model:



An 'event epicentre' during a surge will also allow all employees to access and view the same information and data. This will help to create a central point of truth for all staff involved in responding and reduces the number of individual emails. Training materials for handlers can also be made available here if they are assisting in an area that is not their regular field of expertise.

However, insurers shouldn't wait for a surge event to happen before taking action. Working on preventative measures, such as alerting customers on oncoming storms and educating them to move vehicles either out of harm's ways or in a convenient salvage location. By maintaining good pre-surge communication, insurers will help limit potential damage.

Contacting customers in affected areas should also be considered. When someone is evacuating their home, or their vehicle is written off, it is unlikely they will have their insurance documents on them. By being proactive and checking on the status of the customer, insurers would be providing a helpful service by trying to resolve stressful situations. Handlers could also be sent out to the location of the event to meet their customers to monitor progress and identify if enough resources are available.

What should be done after a surge event?

Once things resume to business as usual, a post-surge briefing should take place. This will allow the surge team to review how the event was handled and what lessons can be learned. This could be anything from having communication readily available, if the technology support was adequate or if there are any processes that could be improved.

It is also important to follow-up with the customer after the initial event. Restoring a customer back to the position they were in before the event can be a long process, which is why they should not feel abandoned by their insurer.

Rapid claims settlement may also be possible for certain customers, which means that technology used should be able to support this. Online services, such as SiteView, can be used as a facilities management information system, meaning that insurers can see the affected area and be able to make faster decisions. By being able to visualise the extent of any damage caused, this will help speed up the claims resolution process by paying claims quicker and freeing up telephone lines.

What other concerns are there?

Fraudsters may use the opportunity during a surge event to take advantage of claims handlers who may be slightly inexperienced or busy during an active period. This is why it is important to still follow claims processes thoroughly, even when needed to process multiple claims as quickly as possible. The time and resources spent of investigating fraudulent claims during busy periods also takes support away from the customers in genuine need.

Good practice

1. Use predictive data wisely.

It is important to recognise the warning signs of an oncoming storm. However, it is also important not to cause panic. Weather alerts should be helpful as well as the provision of helpful advice. In the likelihood of a storm, recommend basic precautionary measures such as limiting travel, placing vehicles in safe locations or securing property. Recognising an oncoming threat, together with advice from the government and/or local councils, will help to provide a more accurate picture of what to expect rather than automatically fearing the worst. The recurrence of seasonal activity will also help you provide data-proven advice on preventative measures, such as preventing pipes from freezing in winter or being extra vigilant of theft.

2. Manage staff levels appropriately.

When a surge event happens, the proportion of calls coming in will be significantly higher than usual, and therefore a more proportional representation of staff handling those calls is needed. Any planned absences should be reviewed as well as clarifying if any staff are also affected by the same surge event. In anticipation, relevant staff should also be cross-trained to be able to handle queries not in their usual field. By utilising the effectiveness from across the firm, a robust surge plan should already be in place so that when demand is high, there is enough resilience to respond to queries as quickly as possible.

3. Get in the mindset of the customer.

Handling a claim during a surge event can be a very stressful experience for the customer. While it is important to deal with the high volume of calls, it is equally important to make sure you are providing the best service possible to the claimant. During the call you should be able to obtain the necessary amount of information while displaying appropriate levels of empathy. It will be very difficult to articulate the impact of losing everything in a catastrophe over a telephone call. Therefore, adequate levels of support need to be given, both professional and emotional. By placing yourself in the position of the customer, it's important to be able to identify what has happened as well as how to get them back on track. At the same time, it is also important to be able to communicate realistic deadlines without making empty promises.

Recognising vulnerable customers is also very important during this stage as it could add additional strain on an already intense situation. Some customers may require extra support, or the involvement of family or carers.

4. Identify at-risk customers.

To help potential claimants limit any damage, provide helpful advice in the likelihood of an event, offering good practice tips on how to avoid or reduce the chances of being affected. Posting alerts, blog posts or handy resource guides will help encourage good resilience.

In the event of a surge, don't always wait for the customer to come to you. It may be that customers aren't able to access their insurance documents or are so overwhelmed by the ongoing event that they aren't able to contact their insurer. By checking on customers in affected areas to see how they are, this will help to build trust and value with an insurer.

5. Provide accessible and consistent information.

As the impact of a storm can still be felt months later, it's important to keep alerts, information and resources up to date. It's equally important to make these resources widely available so that there is more than one method of communication. Whether you have an 'event epicentre' for internal use, or reaching out to customers using text or email alerts, social media or via company website, it is important that information here is consistent across all channels and properly maintained. This should aim to make all relevant information available to everyone at the same time, which should reduce the number of individual emails and telephone calls, where information can become quickly outdated.

6. Follow up with a post-surge service.

Handling a claim does not end with the telephone call. A good claims handler is able to co-ordinate assessing a claim, reassuring the customer and managing external suppliers – keeping the customer informed throughout. Once steps have taken place to restore the customer back to normal, check-in with the customer to see how they are progressing. Sometimes people feel abandoned by their insurer which is why it's important to maintain trust by staying with them during the claims process. The impact of a claim will also have a lasting effect so providing access to counselling may also help customers cope with the aftermath.

Conclusion

Surge events can be sudden and complex. However, that does not mean the approach to them has to be. With the effects of climate change seeing the intensity and frequency of severe weather increasing, as well as predictable seasonal behaviours, there's plenty that insurers can do to prepare themselves.

A surge event can be the real test of how a customer will value their insurer. Therefore it's important to get it right. Just because a customer has been taken by surprise doesn't mean their insurer should be too. By anticipating all eventualities and providing an effective support system, insurers should be making steps to help their customers even before they call with a claim.

Educating customers on good resilience and precautionary measures should help towards reducing any potential damage. If a claim is made, good customer service skills are essential as the claims handler will need to obtain important information as well as providing emotional support.

While technology, such as Siteview, can help decide the outcome of claims quicker, it will be the longer restoration process that the customer may struggle with. Therefore, providing continuing support, and co-ordinating an effective rebuilding process, will provide an all-round service that customers will value.

