

The ICHEIC Decision Verification System

Following a review in January of 2,200 decisions, ICHEIC established an internal system by which decisions are verified. The ICHEIC Claims Team in London has been charged with automatically reviewing all decisions on named company claims made by the five ICHEIC MOU companies, the Generali Trust Fund (GTF), and all companies covered by the trilateral agreement with the German Foundation and German Insurance Association (GDV). When questions on decisions are identified, a process has been established by which issues will be raised directly by ICHEIC staff with the relevant company or claims processing entity. We have established follow-up procedures to ensure that issues are addressed in a timely manner. This oversight of insurance companies and the way they process claims is now part of ICHEIC's infrastructure.

As a result of the January 2003 review, companies have made 208 top-up offers to bring the original offer amounts in line with the final ICHEIC Valuation Guidelines that were issued in November 2002. Since the January review, ICHEIC's London office has checked 500 declines and 1,125 offers that have been made by the companies. A more complete description of the verification process and what it entails follows.

When companies and the GTF send out decisions to claimants, they also send copies of the decision letters and supporting documentation to the ICHEIC Claims Team in London. The Claims Team has been trained to evaluate company decisions – using the letters and valuation sheets provided – in accordance with the relaxed standards of proof and the ICHEIC Valuation Guidelines and/or Annex D of the trilateral agreement with the German Foundation and the GDV. By applying this knowledge, the Claims Team can verify that companies are making decisions in keeping with the relevant guidelines, that pertinent evidence is not ignored, and that responses to claimants are comprehensive and clear. While the ultimate responsibility for making a decision on an individual claim lies with the relevant company or claims processing entity, the role of the Claims Team is to ensure that appropriate questions are raised for the company to consider in reviewing its decision.

As part of the verification process, each decision, whether offer or denial, must be justified by the company in question. If there is no justification or reason given for a company denying or making an offer on a claim the claims team will query such a decision with the company and ask that they supply a reason for their decision or otherwise re-evaluate the claim. For example, the Claims Team flags decisions for querying and further review when they

- have a question related to the company's decision;
- require additional information to fully evaluate the company's decision;
- believe a claim to have been denied not in accordance with ICHEIC standards;
- find that supporting documents related to a decision are missing; or
- find what they believe is a mistake in a company's calculation of an offer, which thus requires further consultation.

A tracking system has been established to follow up on these queries at regular intervals. Once the reason for a decision is received, this will be checked against the relaxed standards of proof and Valuation Guidelines by the claims team in the usual manner. If there are any further queries with such a decision, they will also be raised with the company in question.

The process described above has been designed to ensure that insurance companies fully take into account ICHEIC guidelines for every decision that they make. Previous difficulties with companies not responding to queries in a timely manner will be addressed through follow-up at regular intervals. If a query to a company is not resolved within the established two-week timeframe, it again will be raised with the company. Should a query still remain unanswered, we will take steps to apply pressure to the companies where necessary, thus ensuring the continued effectiveness of the claims team as a means of receiving prompt responses on the issues about which they inquire.

Decisions will continue to be verified on a rolling basis, and a system has been instituted to ensure that all decisions made since the beginning of the ICHEIC claims process are verified to be in accordance with ICHEIC procedures. The Claims Team also will conduct a separate and ongoing verification exercise that focuses specifically on well-documented denials.