

## Opinion piece: Handling the challenges of insurance replacements

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Insurers have long realised that replacing lost stolen or damaged goods for the insured holds certain benefits over simply paying out a claim, not least of which is the ability for the insurer to save substantial amounts of money.

Unfortunately this process can significantly stretch the claims turnaround time unless an efficient system can be put into place to manage this. There are several challenges that come into play when adopting this model, especially when it comes to maintaining short turnaround times, since if the process is not managed effectively the system can be immensely slow and frustrating for clients and insurers alike. By the time an assessor has visited the site, made an assessment, requested and received a quotation, gained approval and finally purchased the replacement products for delivery to the client - days, if not weeks, have often passed.

The biggest challenge experienced is communication, as there are so many parties in the chain it becomes difficult to maintain. Between the insurance company, the assessor and the client there are many opportunities for communication problems to crop up.

Communication is key and the client needs to be kept in the loop throughout the process, something which is made far easier by appropriating the services of a replacement company and allowing them to communicate with the client directly. This keeps customers happy and ensures that information is passed throughout the chain, as the replacement company will keep all parties up to date.

The next challenge for insurers is to get the right stock for the client at the right price and the right time. Sourcing quotes from various different places is a time consuming process and along with this comes the issue of stock availability. If a quote is received from a supplier early in the process, and the authorisation takes a while due to the need to obtain various quotes or for other reasons, by the time the purchase order comes through the product may no longer be in stock, requiring the entire process to be started again.

Replacing something with a product of the same specifications is paramount, but can be a complicated one for insurers as product sourcing is not their core competency. Outsourcing this process to a replacement agency can greatly speed up matters, since the agency will have the necessary contacts and information to get the best quotes quickly, source stock efficiently and ensure the stock is available.

The final challenge is actually getting the equipment delivered to the client in the shortest possible time after authorisation is received, keeping all of the paperwork and warranties in order should the client claim again on the product in the future. This again requires communication, as the delivery needs to be co-ordinated with the client to ensure that the goods are received at a convenient time and place. In terms of warranties, a system needs to be put into place to keep the paperwork in order, in case the client claims again while the product is under warranty. This information should be readily available to the insurer.

Once again, employing a replacements company can ease this process, since all communication and organisation of paperwork falls to them to organise and maintain. Using a replacement agency saves insurers vast amounts of time and ensures the best quotes are received, saving money too. At the end of the day it is about providing better customer service and keeping the client happy, which has a knock on effect throughout the chain to brokers, insurers and so on.

The nature of the insurance market necessitates a quick turnaround time when it comes to replacing goods in order to keep clients happy. Insurance companies are beginning to understand the frustration of their clients in such a scenario, and are increasingly looking to improve turnaround times to ensure customer satisfaction. By employing the services of an efficient, honest replacements company with a good reputation, insurers can speed up the process by leaving the replacement

sourcing and communication to the experts, and guarantee a turnaround time of between 24 and 48 hours, depending on the availability of the products in question.

A replacement company can provide insurance companies with competitive quotes for replacement products, and once authorised, can purchase the products and deliver them directly to the client. This ensures that quotations are sent out timeously and that insurance companies get the best price for the products they are replacing, while clients receive their replacement goods quickly, a win-win situation for all parties.

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