

## EVALUATING YOUR INSURANCE TEAM

When your company purchases business insurance, there's an implicit promise that the insurer will perform in the event of a claim. One of the chief determinants of a good outcome is the experience and knowledge of the team managing and defending your claim. That's particularly true for the recycling industry, which has exposures other business sectors rarely see, such as employees operating heavy equipment, customers and vendors visiting the work site, and a heavy volume of trucks transporting scrap on and off site. These and other inherent risks mean scrapyards losses can be complex and often serious enough to result in significant damage to the insured's reputation, customer relationships, and bottom line. That's why it's crucial to work with claims professionals who have firsthand experience with recycling operations, years of interaction with the industry, and the specialized knowledge to defend recyclers' interests. Ask yourself the following questions about your insurer's claims team:

**How well does the team know the recycling industry?** The kind of personal knowledge that comes from visiting facilities and learning how the day-to-day trade works is the key to understanding the scrap recycling industry's specialized types of losses. The RecycleGuard® claims team at York Risk Services Group, for example, has more than a dozen adjusters, managers, and client services professionals with experience serving the recycling industry. The average tenure in the program is 10 years, with several team members on board since RecycleGuard's inception in 2001. Adjusters with that type of experience know where to look—and how to dig—for the facts, and they know which questions to ask. That's how the adjusters can best determine what happened, what makes sense, when something in a claimant's story isn't right, and ultimately whether the insured is liable.

**How quickly will it respond to a claim?** Beyond having industry-specific experience, your insurance team must recognize the importance of acting promptly and keeping all claims moving forward toward resolution. For many industries, it isn't a problem to wait 48 to 72 hours for someone to investigate a claim. Not so at a recycling facility, where the operating landscape changes constantly, with materials entering and leaving the yard in a steady flow, suppliers and visitors coming and going, and equipment in constant motion during operating

hours. Your insurance team should get on site immediately after an incident to inspect the scene, take pictures, and preserve evidence that could be crucial to defending against a claim. An insurance team that is less familiar with the changing nature of recycling operations might not recognize the importance of promptly gathering and documenting the facts—and it might not understand why any amount of downtime is detrimental to a throughput-based business like scrap processing.

**What expertise does it use to evaluate claims?** Your insurer's claims team also must know how to thoroughly analyze the facts behind claims, especially those involving physical injuries. The RecycleGuard claims team, for instance, evaluates injury claims using nurse case managers, who conduct a complete review of medical records to identify pre-existing conditions and other documented medical facts that could affect the cost, duration, and outcome of a claim. In addition to other expert consultants and vendors, the team hires engineering companies with recycling industry expertise to examine the biomechanical aspects of injury claims. Their knowledge can help answer technical questions such as whether the claimant or claimants could have sustained the stated injuries based on the force, speed, or impact of a machine or piece of scrap. Such engineering tests might disprove certain claims, ruling out excessive and costly soft-tissue rehab or herniated-disc treatment. You thus would pay to treat only the injuries sustained at your place of business or in your operations.

An insurance team's job is to assess claims, apply the coverage properly to ensure that the program pays only to the extent of the client's liability, and defend against costs outside the client's responsibility. Adjusters with industry-specific experience can provide the evidence and documentation the insured's attorney needs to mount a successful defense. And if a claim proceeds to litigation, they're not afraid to hold their ground. ■

---

*Dan Curran is senior vice president and underwriting officer for AmWINS Program Underwriters (Portsmouth, N.H.), which underwrites RecycleGuard®, the ISRI-sponsored insurance program. Reach him at 603/334-3027 or daniel.curran@amwins.com. RecycleGuard has prepared this article for informational purposes only. It is not intended to provide legal advice. Readers should not rely on this document or act upon any of the information it contains without first consulting competent legal counsel.*



It's crucial to work with claims professionals who have firsthand experience with recyclers and knowledge to defend their interests.

