

CLAIMS

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We are told that a number of years ago the French explorer, DeMorgan, made extensive excavations at Susa, the capital of ancient Persia. He removed layers of earth containing ruins of Persian palaces, and also discovered a stone monument inscribed with the code of Hammurabi. This king ruled Babylonia about 2000 B. C. He united all of the little city-states into one kingdom with its capital at Babylon. He proved himself a statesman and devoted himself to the welfare of his subjects. He repaired old canals and constructed new ones, restored the old temples, and above all gave the country a uniform system of laws. Probably some of these laws had been long established by custom and he merely codified such customs and earlier decisions into a system, so that justice might be administered alike throughout the realm. The laws were then inscribed upon stone slabs and erected at certain places where the people could read them, and those who felt themselves injured might know what redress lay open to them.

Their discovery is most important for the history of ancient Babylonia, as it has enabled scholars to reconstruct the standards of justice current when the country came into its first strength and power. They without doubt furnished the basis for the legal code throughout the history of Babylonia, and without some knowledge of them we could never have been able to understand the civilization of the country as it is known today.

The chief set up of Hammurabi's code is almost entirely civil and criminal. There was still the old tribal "group responsibility", that is, the children often had to suffer for the sins of the father. Distinction, however, was made between intentional and unintentional injury. An eye for an eye and a tooth for a tooth was demanded by the code of Hammurabi. Some of the laws ran about as follows:

If a man has knocked out the eye of a patrician, his eye shall be

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knocked out. If he has broken the limb of a patrician, his limb shall be broken. If he has knocked out the eye of a plebian or has broken the limb of a plebian, he shall pay one mana of silver.

If a patrician has knocked out the tooth of a man that is his equal, his tooth shall be knocked out. If he has knocked out the tooth of a plebian, he shall pay one third of a mana of silver.

If a man has struck another in a quarrel and caused him permanent injury, that man shall swear, "I struck him without malice" and shall pay the doctor.

Theft at a fire was made a capital offense.

Fees of surgeons were graded by law. Injury which today would necessitate the payment of damages, in ancient Babylonia might even be punished with death.

That justice might be administered uniformly throughout the realm, courts were established in different cities with a court of appeals held in Babylon. Perjury and bribery were severely punished and in all there were some 280 laws.

We may conclude that the Babylonians had reached a high stage of morality when authentic history of their kingdom begins. Honesty, truth, fair dealing—these were demanded by the laws of the realm and penalties attached to crimes violating them.

Here then we have the first indication of a rule governing claims in that early period. As the countries progressed the laws were changed from time to time and so on through the old common law of England which prevailed in the United States down to our own time, which as you know has been the subject of decided changes in respect to claims for personal injuries and which changes were made necessary to more equitably meet present-day requirements. So we find today the rule of compensation as between employer and employee and the present rule for damages in respect to tort cases in general.

Insurance for personal liability was unknown in the very early days. Each wrongdoer who found it necessary to respond in money damages had to meet the result from his own resources, although the principles upon which insurance is founded may be traced back several centuries. Perhaps the earliest insurance known was of the marine character on ships and cargoes. This in all probability was followed by the fire form, then by the life

form, then accident and health, and as industrial and commercial activities increased, the liability form became prominent, in connection with which, you gentlemen in your chosen profession as actuaries develop a fair basis for a premium rate in a scientific manner.

In conjunction with this branch of underwriting, which is a highly specialized service, the companies provide another service of distinction based on humanitarian motives, which is accident prevention. Millions of dollars are spent yearly in this commendable engineering undertaking, yet accidents will occur, and when they do occur, the resulting claims must be adjudicated in accordance with the law applying to the particular case.

Here then follows another important and very exacting service through the medium of claim administration. Now, how are the cases adjudicated? For illustration, let us review a workmen's compensation claim. The law provides a set schedule of money payments for accidents arising out of and in the course of the employment. It becomes the duty of the adjuster to very promptly gather certain information regarding the accident, such as the cause, the injury, the disability and the wage rate upon which the monetary allowance is based. All these items are necessary not only for company purposes, but for state requirements as well. Immediately upon the expiration of the waiting period, the adjuster should begin making the payments to which the beneficiary may be entitled and these payments should be made promptly and continuously during disability until the law has been fulfilled. The great importance of making payments promptly when due cannot be emphasized too strongly as it must be remembered that in all probability the only source of income available to the average beneficiary and his family is that provided by the compensation law.

These payments must be made properly regardless of where the beneficiary may be located. Beneficiaries will move from state to state and into foreign countries, but the adjuster must follow them until the case is completed. If neglected he, his company and the policyholder will be subject to the severest criticism.

Aside from the monetary obligation, it is necessary that an unfortunate injured worker having suffered injury should be afforded competent and efficient medical and surgical care in accordance with the requirements of the law, as it is highly

important that such worker be returned to the industrial field in as good working condition as surgical skill will permit.

In certain cases questions arise which necessarily must be submitted to the state authorities entrusted with the administration of the law. The mere fact that a case is controverted should give the adjuster no justification for permitting it to remain inactive, and he should do all in his power to bring that case to an early determination. Delays are vexatious and if it should develop that the beneficiary is entitled to consideration any unnecessary delay will have deprived him of the benefits of the law for the time being.

These are a few of the important items entering into the service which the adjuster owes to the beneficiary and the community and by undertaking his work in a sympathetic, courteous, sincere and fair minded manner, he will be contributing his share toward making the law of his state a complete success.

You may say that the procedure just outlined is fundamental. True. But nevertheless it is so important that it will bear repetition. An adjuster should have it constantly in mind. He should review it in the light of his own experience and exchange views upon it with his associates and others, always striving to develop improved and simplified methods of procedure. That makes for efficiency.

In liability cases as distinguished from compensation claims, the adjuster must be equally prompt, always bearing in mind that the important feature of the work of an adjusting staff is the fair and conscientious administration of claims on their individual merits. It is the responsibility and duty of the adjuster to legally and equitably fulfill each contract obligation; in fact, a review of a policy indicates that he is guided by the obligation of his company whereby it agrees in accordance with the terms of the policy—

To SERVE the policyholder by investigation, negotiation or settlement of claims.

To DEFEND for the assured suits seeking damages for injuries even though such suits are groundless, false or fraudulent, and

To PAY in any such defended suits all expenses incurred by his company, all cost taxed against the assured and such judgment as does not exceed the limit of his company's liability thereon.

The first step, therefore, is to render prompt service by a careful inquiry into the facts. There should be no delay in this respect

as the actual facts become the determining factor of the equities, and obviously both the policyholder and the claimant are interested in having the facts determined at the earliest possible moment.

If the facts indicate that there was fault on the part of the policyholder, it becomes the duty of the adjuster to undertake disposition of the claim in paying what is reasonable and just in accordance with the merits. If on the other hand, the facts indicate that the policyholder was free from fault, or the claim is not founded on merit, the adjuster necessarily proceeds with his preparation to defend the policyholder. Obviously, the element of judgment and a spirit toward fair consideration of the facts, pro and con, enter into the problem, and whatever difficulties he may have in reaching an amicable understanding can be diminished only in degree by his efforts and sincerity of purpose in gathering accurate information in respect to the claim at the earliest possible moment and in the shortest possible time.

While the duty of the adjuster to refuse payment in an improper claim is as absolute as is the duty to pay a proper claim, he is nevertheless expected to be fair, open-minded and courteous at all times. He should hold himself in readiness to patiently review controverted issues with claimants or their representatives and whatever his conclusion may be, it should be founded on the merit of the case under consideration.

A friendly attitude should prevail at all times. An adjuster cannot hope to gain respect through cleverness or the circumvention of known facts by quibbling. He must deal fairly in accordance with merit based on actual facts and even though the claim under consideration may be non-meritorious, he should nevertheless extend to the claimant or his representative the utmost consideration and courtesy in his explanation of the circumstances.

If the adjuster will effectuate such administration of his work as will result in prompt and just settlement of all meritorious claims; if he will effectuate a service whereby false claims will be vigorously resisted and dishonest and unscrupulous practices will be discouraged and exposed, and if he will avoid unnecessary delays and lost motion, he will find that he is not only rendering good, efficient service to his company and its policyholders, but to the community as well.