



## OVER-DEPENDENCE ON OUTSIDE CONSULTANTS, SHORT-TERM GAINS, NEGATIVELY AFFECTING THE CLAIMS INDUSTRY

### Reclaim a Balanced Strategy for the Best Days in Commercial Claims

NEW YORK, May 2, 2014 -- Strategic claims initiatives driven by outside consultants are crowding out results-focused claims management, meaning that decisions on claims department issues are being made for short-term fixes and brief stock price elevations, according to David Siesko, Siesko Partners, ([www.sieskopartners.com](http://www.sieskopartners.com)) a veteran attorney and former chief claim officer of a leading global insurance provider.

"As claims professionals, we face a crisis in the C-suite," Siesko said. "For example, stock prices rebound on the announcement of new reengineering initiatives, while the project end-date moves further and further from sight. These projects/initiatives, which yield endless consultations and reevaluations, serve only to mask poor claims and underwriting performance. All that come are delayed reserve increases – and excuses – followed by more reserve increases. Blame is shared by claims leadership, C-suite executives and insurance company boards of directors."

"We must return to building real leadership in claims departments," he said. "The kind of leadership we need does not come from external consultants, but is rather organically grown from stable claims teams who are committed to long-term stock growth and serving a solid customer base. A future claims leader must be today's file handler, not an external report compiler. Fieldwork must be at the core of every claims leader's background."

According to Siesko, the majority of those claim leaders "in the know" reject these views as old-fashioned, instead pointing to leakage, best practices, and technology as today's cutting-edge differentiators.

"Of course, these are important realities, but claims professionals do not obtain superior results for customers or their companies solely with these tools," he noted. "They obtain superior claims results through the experience of sitting across from plaintiffs' attorneys and grinding out settlements. They gain superior results when they have leaders who are focused on claims excellence and coaching from experience."

Leaders with interpersonal skills, patience and a solid understanding of the claims world outside executive conference rooms represent the true value, Siesko affirmed, adding that anything else is an add-on at best, or a distraction at worst.

"We all know customers and shareholders ultimately pay for consultant-driven reengineering projects," he said. "Let us end the senseless waste where it exists. Claims leaders must make realistic decisions on

reserves, and partner with all constituencies on prior-year development and underlying business issues. Only then can we elevate our game and move forward with new and innovative products and pricing."

Making this shift in company culture requires courage, leadership and commitment to claims as an equal partner in the business process, according to Siesko. He expressed a strong conviction that the age of outside consultants setting strategic direction for claims departments must wind down, and that claims departments must focus on efficiency, obtaining superior results and cultivating the claims leaders of tomorrow.

"This strategy will create immediate value for companies and their shareholders," Siesko concluded.

David Siesko is senior partner at the New York law firm of Siesko Partners a law firm specializes in working with both carriers and policyholders in coverage and expert testimony related matters. During fifteen years in Claims with Zurich Insurance Company he completed his career there in the position of Chief Claims Officer, Global Corporate. He also held Claim leadership positions at AIG and QBE, European Operations. [www.linkedin.com/in/dmsiesko](http://www.linkedin.com/in/dmsiesko)

Media contact: Shawn Beyer, 1-212-920-8390, [shawn.beyer@sieskopartners.com](mailto:shawn.beyer@sieskopartners.com)

