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Lack of Expertise Affect Insurance Claims Handling Department by Cathey Lee

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The insurance industry is experiencing robust growth in a flat economy, but along with the industry's increase in volume, costs associated with insurance claims handling are rising. While some of the increase can be tied to increases in cost of living, much of the cost increase is due to insurance adjuster errors, inefficiency, and lawsuits that arise from poorly managed claims.

One of the barriers to improvement in insurance claims handling is that many of today's insurance adjusters lack the expertise to properly analyze, process and settle claims. There are several contributing factors:

Minimal education requirements: In an era where most careers require post secondary education, insurance claims adjusters only need a high school diploma.

High attrition: The talented, seasoned adjusters are leaving the industry. Nearly seventy percent of all adjusters currently in the field are over 45 years old, and one third are 55 years of age or older. Conversely, only four percent of all adjusters are under 35 years of age.

Lack of mentoring: This factor is directly related to high attrition, the ranks of seasoned, talented adjusters is shrinking. With the industry's lack of post secondary education requirements, it is imperative that a mentoring program be in place so new claims adjusters can develop expertise by watching and learning from their experienced coworkers.

Heavy work loads and high quotas: These two factors challenge even experienced insurance claims handling adjusters; when the adjuster is new and untrained they are likely to commit a higher level of errors when forced to work quickly

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