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# **Question and Answers (Q's and A's) on Claimant Satisfaction Research**

Attachment to FSCO Bulletin No. A- 02/02

**March 2002**

## **Q's and A's on Claimant Satisfaction Research**

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These Q's and A's have been prepared to help better understand the contents of FSCO Bulletin, No. A- 02/02.

### **Q1. What are private passenger automobile insurance claims?**

A1. Private passenger automobile claims are claims on risks that are underwritten as a private passenger type of use as defined under the *Insurance Bureau of Canada (IBC) Automobile Statistical Plan*. This means that claims on commercial, public automobile, garages, manufacturer and automobile dealer-type of uses are not to be reported.

### **Q2. The *Guidelines for Ontario Auto Insurance Claimant Satisfaction Research* make reference to a “closed claim.” What does it mean?**

A2. In the normal course of claims administration, files are kept open as long as there is a benefit entitlement that is claimable by the claimant. One such file is called an “open” or active file. However, when an insurer has paid out all the benefits to a claimant, and has carried out all the supporting activities relating to the benefit entitlement, the file is then viewed as a “closed claim” file.

### **Q3. What type of claims would the *Guidelines for Ontario Auto Insurance Claimant Satisfaction Research* apply to?**

A3. The claimant satisfaction research is to be conducted only among the following **four types private passenger automobile insurance claims**: SABS, excluding funeral and death benefit; collision and direct compensation - property damage (DC-PD); comprehensive; and glass claims. FA claims, and claims where the pay-out is zero should not be included.

### **Q4. In situations where a company might have difficulty completing the required number of interviews, how should claims be handled where an individual has more than one type of closed claim related to the same date of loss?**

A4. If it is likely that a company will not be able to achieve the 25 per cent minimum acceptable response rate required by FSCO, individuals who have more than one type of closed claim related to the same date of loss should be handled in the following manner. Individuals who have made a SABS claim and any other type of claim should be counted as SABS claimants. Individuals who have made a DC-PD/Collision claim, and one or more of a comprehensive claim and a glass claim, should be recorded as DC-PD/Collision claimants. Claimants who have more than one type of closed claim on the same date of loss must only be interviewed once.

**Q5.** How should insurers deal with zero pay-out closed claims, such as, where coverage did not exist, the amount of the damage was below the deductible or, where the claim was not allowed for other reasons?

A5. Closed claims with zero pay-out should be excluded from the closed claim register and company's calculations of the percentage summary of complaint type.

**Q6. Is there any indication of the cost insurers will incur due to the addition of new questions?**

A6. FSCO contacted some market research firms who indicate that the additional questions will increase insurers' costs by not more than \$1000 to \$3000 depending upon the sample size.

**Q7. How was the order of the questions determined?**

A7. FSCO consulted with a market research firm who recommended that these new questions should come after the end of the existing survey questions. This approach will ensure continuity from past surveys. In addition, Questions 5 to 8 in the survey instrument must be randomly rotated to ensure no emphasis is placed on any particular qualitative element of service being evaluated.

**Q8. Should insurers who are Facility Association (FA) Servicing combine their regular and FA data when conducting the survey?**

A8. No. FA servicing carriers will be notified shortly of the survey procedures to follow for FA claims.

**Q9. What would the market research organization we retain need from us to select the sample?**

A9. To select an appropriate sample for the desired response rate, all insurers must provide their research organization with a closed claims register. The register is a list of the four types of private passenger automobile insurance claim files that were closed in 2001, **regardless** of the policy year in which the policy was underwritten.

For example, for the survey in 2002, the closed claims register would be made up of the four types of closed claims pertaining to the period January 1, 2001 to December 31, 2001.

**NOTE:** Research organizations **must** ensure that the sample chosen is representative of the closed claims register of a particular company. For example, if a company's closed claims register is made up of 20 per cent SABS, 20 per cent collision and direct - compensation property damage (DC-PD), 50 per cent comprehensive and 10 per cent glass claims, then the sample chosen should have the same percentages of claims. Insurers **must** provide their research organization with a percentage summary of their 2001 closed claims register to enable the research organization to choose a representative sample size.

**Q10. Can survey results be weighted by market research organizations for those companies that cannot meet their kind of loss quotas, due to the small size of their closed claims register?**

A10. Market research organizations who cannot meet their kind of loss quotas **because they cannot conduct any further interviews** due to a company's small claims register, should weight results by kind of loss to appropriately reflect a company's closed claims register.

**NOTE:** If the required number of interviews cannot be completed, a report must be generated and provided to FSCO on the outcome of call attempts, to show that every effort had been made to complete the study. Market research companies must maximize the number of attempts they make to interview each claimant. Attempts must be made to locate correct telephone numbers and re-contact the claimants in those cases where claimants have moved, or where an incorrect number is listed.

**Q11. Are there special technical requirements that the market research firms might require?**

A11. Insurers may want to provide their market research firm with the IBC Claim Codes to help identify the claims types. The list of closed claim records sent to the supplier should contain a code or method for clearly identifying the four Claims Type categories.

**Q12. Can insurers use market research organizations that are not members of CAMRO?**

A12. No. Insurers must retain only market research organizations that are members of CAMRO. Deloitte and Touche conducts regular audits of CAMRO members' research procedures to ensure that CAMRO standards are being met.

**Q13. Why are there additional survey questions?**

A13. Over the past year, concerns have been raised about the lack of differentiation between company results. In response to these concerns FSCO established an industry working group to look at ways to improve the survey. The Working Group recommended questions should be added evaluating the timeliness of the claims handling process as well as qualitative elements of service provided by a company representative.

**Q14. When are the survey results to be submitted to FSCO?**

A14. The results are to be submitted to FSCO by **May 31, 2002**.

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