

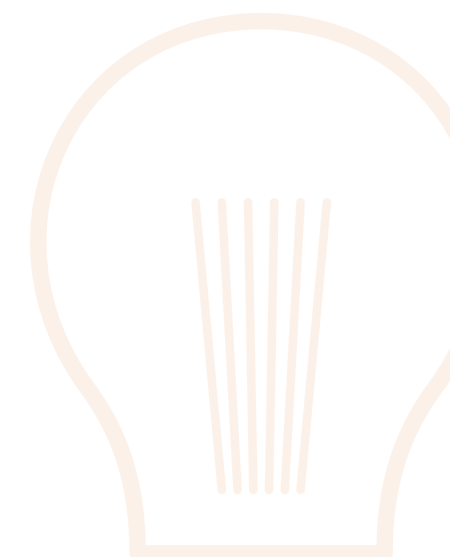
THE COST OF LATE REPORTING

First Notification of Loss (FNOL) has never been more important in our industry, especially as the United Kingdom has become more litigious and consequently the average cost of settlement has increased. Although the market has seen claims costs improve at the lower end of the scale as a result of the Woolf & Jackson reforms, and will see further improvement when the whiplash reforms finally come into force, it is critical to report claims as soon as possible to mitigate claims costs. Based on research undertaken by our claims partner Davies Motor, this document provides an overview of the potential savings that can be achieved by early reporting and the impact this can have on the subsequent claim process.

Claim Reported in	Likelihood of Successful TP Capture	Combined Helpline Intervention Cost	Average TP Repair Cost 2017	Average TP Hire	Average TP Injury	Average Total (for cases including PI)
24Hrs – 4 Days	86%	£3,228	£1,346	£882	£1,000	£3,228
If the incident is reported within 24 hours to 4 days, with full Third Party (TP) details, the ability to control the entire TP claim increases significantly, generating considerable indemnity spend savings. Delaying the claim can make it more difficult to investigate, resulting in an otherwise avoidable increase in cost and settlement time.						
5-14 Days	50%	£2,550	£1,600	£2,250	£3,070	£6,920
Once over 5 days post incident, the opportunities reduce further as there is an increasing likelihood that the TP will have notified their insurer and, subject to liability, their claim may have been passed on to a Credit Hire and/or Credit Repair Organisation, greatly increasing the potential for larger claim costs.						
14 + Days	35%	£2,550	£1,600	£3,150	£4,135	£8,885
Once over 14 days post incident, the opportunity to intervene decreases substantially as there is a high probability the TP will have been in hire for some time and will be reluctant to move. Also, their vehicle may already be with a repairer.						

Our approach to claims management is all about cost mitigation and all teams within our claims department are committed to achieving cost savings whenever possible. Davies Motor, on behalf of Edison Motor, provide a market-leading claims service with unrivalled sector knowledge and a new-age approach to claims handling.

For more information on our products and services please contact your appointed broker or Edison Motor contact.



This article and related document links do not purport to be comprehensive or to give legal advice. While every effort has been made to ensure accuracy, Volante International Limited & Davies Motor cannot be held liable for any errors, omissions or inaccuracies contained within the article and related document links.

Readers should not act upon (or refrain from acting upon) information in this article and related document links without first taking further specialist or professional advice.

In Partnership with

