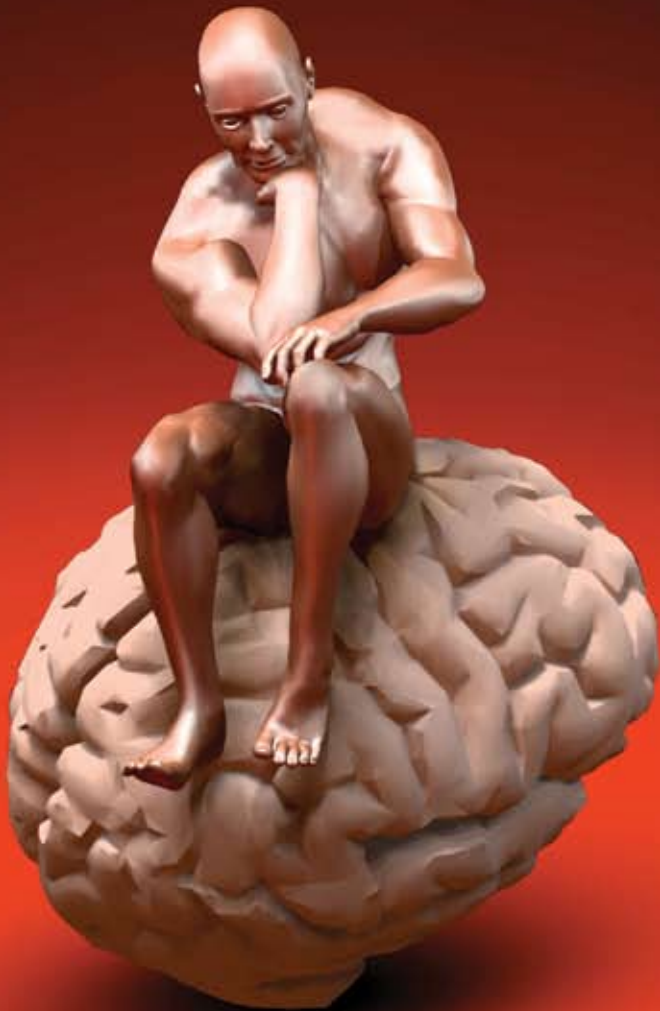


What is the connection between ethical values and organizational success?



The Ethical Claims Sc

It is a shortcoming of business thinking when leaders believe that ethics has nothing to do with business concerns. Demonstrating high moral and ethical standards may make us “feel” good, but more importantly, they are vital to today’s business success. Study after study has shown that organizations which have a clear vision based on ethical practices are more successful over the long term than organizations suffering ethical lapses. What is the connection between ethical values and organizational success? Why does success follow ethics?

It is imperative that organizations that stress high ethical standards must also stress quality service. It is the consistent, quality service that ensures success. This is particularly true in a claims organization. In this Internet age, the claims professional may be the only contact a policyholder ever makes with a carrier. The quality of the service provided by the claims adjuster, supported by the high ethical values of the organization, has a direct bearing on the future relationship with that policyholder. As a primary touchpoint at a time of high stress, the claims representative is a vital key to organizational success and the image portrayed by the carrier.

To understand the connection between ethics and

quality service, it is important to understand what we mean by ethical values. Most individuals agree that there are four major areas in which we demonstrate our ethical values: honesty and integrity; respect and caring for others; promise-keeping, trustworthiness and fairness; and, personal accountability. Ethics programs frequently discuss these four areas. Often attendees quickly agree that these certainly demonstrate ethical values, but they have a more difficult time describing what they mean. For instance, when someone says “honesty and integrity,” there is no doubt that they know what they mean by those words. However, describing the actions a person who is honest and has integrity would take is a bit more difficult and requires some reflection.

Frequently time is spent discussing this issue to aid the attendees in communicating the areas more clearly. The following words and phrases are often used to describe each:

- **Honesty and Integrity:** candid, forthright, trustworthy, truthful
- **Respect and Caring for Others:** courteous, respects the rights of all stakeholders, living by the Golden Rule
- **Promise-keeping, Trustworthiness, and Fairness:** being objec-

cs of Quality ervice

by Elise M. Farnham, CPCU

QUICK LOOK

- Claims adjusters may be the only face of the insurance carrier a policyholder sees so they need to perform with the highest standards.
- The four major areas of ethics and values.
- Education and credentialing adjusters proves to consumers that the organization is dedicated to customer service.

tive; awareness of one's own abilities; doing what you say you will do; having a sense of equity; being open-minded

- **Personal Accountability:** owning up to mistakes and errors; taking responsibility for correcting errors; practicing what you preach; "the buck stops here"

Now, if we take a close look at the descriptors, we will find all the words describing what "quality service" is about. For instance, one hallmark of quality service is the level of communication between the organization and its customers. Customers demand comprehensive information delivered in a timely fashion. By doing so, the organization demonstrates respect and caring for its customers. Good communication requires that the organization be candid, forthright, courteous and respectful of the rights of the customer as a stakeholder. Words we just used to describe ethical values, but are also used to describe "quality communication."

Customers expect claims professionals to possess the knowledge they purport to hold. Being aware of one's own abilities allows claims professionals to operate within the constraints of their knowledge. At the same time, objectivity about one's knowl-

edge can lead the claims professional to seek additional education and credentialing. The results of quality service enjoyed by the organization are in direct proportion to the level of knowledge held by each employee. This motivates organizations to support educational endeavors and to find ways to identify knowledgeable individuals. Credentialing through associations such as the Registered Professional Adjusters Society provides documentation of a certain level of knowledge that customers can depend on. At the same time, this credentialing demonstrates the organization's commitment to high quality service.

Failing to take responsibility when something goes wrong is a sure way for an organization to lose a customer, or worse, suffer litigation and related costs. Law books are filled with

examples of errors or omissions committed by claims professionals who did not take personal responsibility for the outcome of the cases they were assigned to resolve. Failure to return phones calls, failure to dispose of salvage in a timely manner, failure to document damages adequately, are all failings in personal accountability. More seriously, failing to advise the insured of the potential for an excess judgment or failing to advise the insured of a coverage question can lead to allegations of bad faith. Personal accountability rests with each member of the claims organization, as the organization's "accountability" is demonstrated through them.

Vince Lombardi said, "The quality of a person's life is in direct proportion to their commitment to excel-

lence, regardless of their chosen field of endeavor." He could as easily have made this statement about claims organizations. Excellence in the organization depends on the high ethical values and excellence of its members. Ethics and quality service are the pathway to success! **CA**

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About RPA

The Society of Registered Professional Adjusters is the organization implemented to oversee the qualifications and designations of Registered Professional Adjusters (RPA). The Society was formed by industry professionals that felt continuing education was critical and there needed to be a designation that recognized the professionalism of an adjuster. The Board of Directors is made up of insurance company top management and support organizations, independent claims adjusters, and attorneys that work directly with the industry. It is the first and only designation formed by and for the insurance claims professional.

The Society is a nonprofit organization and supported by volunteers and member donations. RPA designees have demonstrated excellence and proficiency in the insurance claims field, have met continuing education requirements, comply with ethics standards imposed by the RPA and have sustained a level of competence—something all current member designees must demonstrate and something all insurers should demand. The Society is not a social club and continuing membership demands compliance with requirements detailed on our Web site. The designation is not available to entry level claims persons. Members must be insurance company or independent claims adjusters and actively involved in the insurance claims industry.