

Electronic Survey

AIRROC Matters Survey Results

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The AIRROC Matters Survey was an electronic survey sent by email, which sought information on attitudes people in the industry have on nine topics related to run-off. Sixty individuals completed the survey, sixty-five percent of whom are employed by a member of AIRROC. The remaining thirty-five percent of the respondents identified themselves as employees of insurance or reinsurance companies that are not AIRROC members (15%), consultants (10%), attorneys (7%), and employees of an insurance department or reinsurance broker (3%).

Questions 1 through 8 of the survey asked whether the respondents strongly agreed, agreed, disagreed, or strongly disagreed with the statements in those questions, and provided an opportunity for respondents to make comments. Question 9 sought information on why people participate in AIRROC events.

- 1) **Quantity of Disputes:** Eighty-five percent of the respondents agreed (68%) or strongly agreed (17%) that companies in run-off have more disputes than active companies do, with the remaining fifteen percent disagreeing.
- 2) **Quality of Disputes:** Fifty-five percent of the respondents agreed (43%) or strongly agreed (12%) that companies in run-off are more likely than active companies to take unwarranted positions on claims. Forty-five percent disagreed (35%) or strongly disagreed (10%) with this proposition. One respondent commented that companies in run-off are also “more likely to pay attention to real issues” while another stated that companies in run-off are “less likely to make ‘commercial settlements.’”
- 3) **Timing of Claim Payments:** Seventy-eight percent of the respondents agreed (47%) or strongly agreed (31%) that companies in run-off take more time to pay claims than active companies. The remaining twenty-two percent disagreed (19%) or strongly disagreed (3%). Three respondents cautioned against generalizing about the timing of claims payments by different companies in run-off. Two other respondents expressed the view that delays in claims payment may be a result of fewer claims staff or resources, and another respondent expressed the more cynical view that delays are usually part of a cash management strategy.
- 4) **Reputation:** Eighty-two percent of the respondents agreed (65%) or strongly agreed (17%) that the fact that a company or portion of a company is in run-off is perceived less negatively than it was five years ago, with the remaining respondents disagreeing (15%), strongly disagreeing (2%), or unable to provide an opinion on the topic (1%).
- 5) **Quality of Personnel:** Eighty-one percent of the respondents agreed (47%) or strongly agreed (34%) that employees handling run-off operations are of at least the same caliber as employees handling on-going operations, with the remaining nineteen percent of the respondents disagreeing (17%) or strongly disagreeing (2%). Three respondents commented that employees of run-off organizations are more experienced and seasoned, while one respondent feels that a lack of high quality personnel is “consistent throughout the industry.”
- 6) **Regulation:** Fewer than half of the respondents agreed (29%) or strongly agreed (19%) that regulators should take a more active role in the oversight of run-off operations. The majority of the respondents disagreed (34%) or strongly disagreed (18%) that more regulator involvement was needed.
- 7) **Brokers:** Ninety-eight percent of the respondents agreed (44%) or strongly agreed (54%) that brokers provide a different level of service to active clients than to run-off clients.
- 8) **Conferences and Seminars:** Ninety-eight percent of the respondents also agreed (52%) or strongly agreed (46%) that there is value to attending conferences and seminars that focus solely on issues affecting discontinued operations.
- 9) **AIRROC:** Seventy-three percent of the respondents participate in AIRROC events because of networking opportunities. The second-most popular reason for participating in AIRROC events is for the opportunity to progress or complete business deals (52% of the respondents), with thirty-nine percent of the respondents citing the educational events as a reason for their attendance.■