

SELECTING A FORENSIC ACCOUNTANT FOR NAVIGATING COMPLEX CLAIMS – 3 KEY CONSIDERATIONS

BY MONICA ATTANASI-SCHULTZ, VICE PRESIDENT, NATIONAL PROPERTY PRACTICE LEADER AND COLLEEN VALLEN, SENIOR VICE PRESIDENT, FORENSIC SERVICES PRACTICE LEADER

Documenting and preparing an insurance claim as a result of a loss event is often disruptive, complicated and time consuming. For an insured, the claims process can be a drain on resources during a time when normal business operations should be the primary focus of management. To minimize the impact of the claims process, an insured is well served by the early establishment of a team of experts, including forensic accountants and industry professionals, to assist in the claims process. A knowledgeable broker can facilitate the building and management of the expert team on the insured's behalf. The broker and the expert team will work to expedite the settlement of the claim and minimize the disruption to the insured. Establishing a team early allows management to focus on the business of its business.

The role of a forensic accountant in the claims process is an important one, and often a policy will provide the insured with coverage to hire one.

A forensic accountant utilizes accounting, auditing and investigative skills to analyze financial information and identify the financial impacts of a loss event. The forensic accountant will not only gather the financial documentation and conduct in-depth financial analyses and modeling to quantify the financial impact of the event on the insured, but will also work closely with the team in presenting this information to the insurance carrier and its experts.

When selecting a forensic accountant, there are several important considerations.

1 EXPERIENCE IN THE QUANTIFICATION OF INSURANCE CLAIMS

Forensic accountants have different credentials, specializations and experience. It is important when selecting a forensic accountant for insurance claim matters to understand the forensic accountant's relevant experience.

When working on an insurance claim, an experienced forensic accountant understands the importance of linking the financial damages to the loss event.

This requires an understanding of the insurance policies and their application as well as the ability to perform the necessary financial analysis and develop the appropriate models to accurately quantify the impact of the loss.

2 A DEEP UNDERSTANDING OF A CLIENT'S BUSINESS

An experienced forensic accountant has a client-centric approach. Insurance claims are unique, and no two organizations are alike. There's not a one-size-fits-all solution for the forensic accounting work that goes into preparing a claim. An effective forensic accountant understands this and will take steps to develop a deeper understanding of the insured's business as well as the financial impacts of the event.

To do this, a forensic accountant may employ a variety of activities including financial analysis, interviews and market/industry research. Through this process, the forensic accountant obtains an understanding of the financial trends, business history, future plans, the industry/market the insured operates in and any special circumstances that are important in analyzing the loss.

This deeper understanding is tremendously valuable in helping to ascertain the true financial impact of the loss.

3 A FOCUS ON EFFECTIVE COMMUNICATION

The ability to effectively communicate is a critical skill for a forensic accountant. The forensic accountant, as part of the insured's claims team, has to be able to communicate regularly with management and other experts on the team.

An effective forensic accountant will keep a channel for continuous interaction with the team to manage expectations, resolve issues as they arise, report on findings and ensure that efforts are not duplicative.

Effective communication is important to keep the claim process moving and minimize the impact to management.

Communication is also essential in the presentation of findings. The financial analyses and modeling done by the forensic accountant are detailed and complex, and they tell a story. The ability to explain the analysis and findings in a clear concise manner, often to non-accountants, is essential to the claims resolution process. This focus on effective communication should not be limited to verbal communication, but should extend to any analyses and reports being prepared as well. A good forensic accountant understands the relationship between the narrative and the analysis and the importance of presentation.

EFFECTIVE CLAIMS RESOLUTION WITH FORENSIC ACCOUNTING

While not every claim warrants a forensic accountant, for those that do, having an experienced forensic accountant on the team can reduce the burden on management related to claim preparation and assist in moving the matter toward settlement.

To learn more about the value of a forensic accountant:

[Contact a Conner Strong & Buckelew representative](#)

CONNER
STRONG &
BUCKELEW

J.A. Montgomery
CONSULTING



MONICA ATTANASI-SCHULTZ

Vice President, National Property Practice Leader
856-552-4554
mattanasi-schultz@connerstrong.com



COLLEEN VALLEN

Senior Vice President, Forensic Services Practice Leader
856-614-4486
cvalen@jamontgomery.com

