

PART ONE

CRITICAL THINKING

For the Claim Professional

*Critical Thinking vs.
Non-Critical Thinking*

By Carl Van and Amanda Van

As anyone who has been successful in claim-handling can tell you, the process requires a special ability to make decisions. However, far too many claims people rely a little too much on their intuition to make those decisions and can often go astray due to the lack of critical thinking.

In fact, when polled, 50 percent of adjuster respondents said they use very little formal critical thinking steps in order to analyze coverage, liability, or even the truthfulness of customer statements. In a follow-up question, 90 percent of adjusters could not even name a single formal critical-thinking step.

In the *Critical Thinking for Claims* class offered by International Insurance Institute, focus is placed on teaching claim professionals how to:

- Make good decisions based on cautious reviews.
- Work through problems to find the best answers.
- Stay focused on the real issues.
- Apply critical thinking to writing.
- Apply learned skills to claims situations (coverage analysis, reporting, etc.).
- Utilize critical thinking when developing plans of action for claims handling.

In this three-part series, we will attempt to assist the claim professional by outlining some basic concepts when it comes to critical thinking.

Part 1 – Critical Thinking vs. Non-Critical Thinking

Decision-Making - Let's start with a typical example of decision-making that may have a negative result.

Your coworker, Randy, says to you: *"If you decide to extend coverage because of the nuisance value, you can forget any promotion. The Claim Executive hates giving in like that. Look what happened to Mark. He's been turned down five times in a row."*

What questions come to mind about this statement? Here are some questions that should come to mind when presented with this comment:

- How much weight should I give this comment before deciding coverage?

Should I accept Randy's statement and forget about considering nuisance value? Is there a connection between Mark not getting promoted and his past practice of extending coverage for nuisance value? What is Randy's interest in this?

Danger! Unreliable Reasoning Ahead

- Whether intended or not, we all use strategies of communication that can be deceptive. A good critical thinker is one who can recognize those deceptive strategies in order

to avoid errors in reasoning. Here are some examples which we will go over briefly:

- Making things too simple
- Using facts that are irrelevant
- Making a case based on no facts to the contrary
- Making a case for the masses
- Begging the question
- Attacking the messenger
- The slippery slope
- Ignoring painful information
- Falsely championing a cause and effort
- Creating a straw man.

Making things too simple. This means making something so simple that it actually becomes inaccurate. For example, Susan says to you, *"We have to put all of these things into claims captioned reports because the Regional Managers want to know everything."*

The best way to respond is to point out any error in the logic and provide other evidence for a more complicated reason.

You might respond with, *"I doubt that they want the information just to be nosy. I've seen where they use it to analyze the complete situation to help determine the correct path we should take on the claim."*

Using facts that are irrelevant. This means using facts that really have no bearing on the issue at hand. For example, Brad says to Angelina, *"The new Claims VP is going to change all of our contact standards anyway, so we might as well not bother trying to beat the old standards."*

The best way to respond is to point out that the facts have nothing to do with each other. Angelina replies to Brad by saying, *"Yes, the new Claims VP might change things, but that doesn't mean we should abandon what we are doing now. The current standards are still important."*

Making a case based on no facts to the contrary. This means to take a position based on the fact that it has never been disproved. Sonny says to Cher, *"I've never seen a better way to prepare a coverage analysis, so as far as I'm concerned, this is the best process there is."*

The best way to respond is to explain that al-

though part of the statement is true, it does not actually prove the point. Cher might respond, *“I understand that you have never seen a better way, but there could still be better that ways we just haven’t seen yet. I think we need to do a little more research.”*

Making a case for the masses. This means trying to get an agreement simply because it is the most popular. Phil says to Harry, *“We should use that estimating system because most companies use it.”*

The best way to respond is to show a lack of support for the conclusion. Harry could reply, *“That estimating system may be the most popular because it’s the cheapest, or has been around the longest. There may still be other systems that better suit our needs.”*

Begging the question. This means making a claim that is only supported by itself. George, a claim adjuster, says to Dick, *“Scooter should get the casualty supervisor job because he is better and has been here the longest.”* Dick asks, *“How do you know he is better?”* George replies, *“Because he has been here the longest.”*

The best way to respond is to bring into question the reasoning and ask for a more convincing piece of evidence. Dick might say to George, *“I agree, Scooter has been here the longest, but why does that make him the best?”*

Attacking the messenger. This means to inaccurately criticize an argument because of who mentioned it. Regis, a senior coverage analyst, says to Kelly, *“I don’t buy Carl’s argument about coverage. If he knows so much about coverage, why did he get into training?”* The best way to respond is to point out that one is not dependent on the other. Kelly could say, *“I don’t know why he got into training, but whatever the reason, it doesn’t mean that his analysis of coverage is wrong.”*

The slippery slope. This means to argue against a course of action because it will influence something else even though they may not be closely related. Cartman, a claim supervisor, says to Kyle, *“If we let the adjusters have company cars, they will expect more and more, and pretty soon we’ll be buying*

them company condos.”

The best way to respond is to take the issues one at a time. Kyle might retort, *“Giving the adjusters company cars may or may not make them want more. Let’s discuss the merits of company cars now and worry about the ‘company condo’ bridge when we get to it.”*

Ignoring painful information. This means to ignore facts because they do not support your conclusion. Bert, a claim manager, says to Ernie, *“The drop in the claim customer service survey results means our agents and extensive marketing campaign have set their expectations much higher.”*

The best way to respond is to point out the missing fact. Ernie could respond, *“You know, maybe the expectations are a little higher, but perhaps we are not doing as good of a job as we used to.”*

“EVER SINCE WE STARTED USING THAT NEW RESTORATION COMPANY THAT EVERYONE KNOWS REQUIRES A LOT OF PAPERWORK, OUR TURNAROUND TIME HAS GONE WAY UP. THEY’RE RESPONSIBLE.”

Falsely championing a cause and effect.

This means to relate one issue to another simply because they occurred at the same time. Bart, a claim appraiser, says to Homer, *“Ever since we started using that new restoration company that everyone knows requires a lot of paperwork, our turnaround time has gone way up. They’re responsible.”*

The best way to respond is to consider that it may be true, but to look for evidence that one has nothing to do with the other, because they may not be connected at all. Homer, calmly and patiently replies, *“Yes, they require a lot of paperwork, but how do we know that is the reason the turnaround time has gone up? Maybe we should see how the paperwork affects turnaround time.”*

Creating a straw man. This means to distort what someone else says and then attack it. Donny, a claim examiner, says, *“I think we should try to eliminate working too much past eight hours. Errors increase after a full workday.”* Marie replies by saying, *“Donny is suggesting that we are not dedicated employees, and that we don’t have the stamina to put in the hours needed to do a good job. I resent that. I believe we are all hard workers and don’t need to be babied.”*

The best way to respond is to return to the real issue. Donny could clarify by responding with, *“I agree we are all hard workers. That doesn’t change the fact that anyone’s ability to catch errors decreases after a full workday.”*

Danger! Watch out for emotional manipulation ahead. Just because something contains emotion does not automatically mean it is incorrect, but we should be careful to recognize emotional manipulation. Being able to recognize them is the best defense to avoid being dragged into them. Although there are many, the two most common are:

Condescending Statements Threatening Results

Condescending statements. This means using statements that reduce a person or situation to a lower status. Examples include:

- “She’s just clerical.”
- “He’s a bomb waiting to go off.”
- “She’s a nine-to-fiver.”

The best way to respond is to force the person saying this to consider if the statement is true or even meaningful. Questioning the comment by rephrasing the comment is a good way to do that.

She’s just clerical. – *“Do you mean that because she is clerical her point is not valid?”*

He’s a bomb waiting to go off. – *“Do you mean he is getting frustrated and about to express it?”*

She’s a nine-to-fiver. – *“Are you saying she puts in the minimum amount of effort?”*

Threatening results. This means intimidating others with what might happen.

Examples include:

“You’ll make the Claims Regional mad.”

“All the other adjusters will hate you.”

The best way to respond to these is to simply ignore them. If you don’t like that idea, ask a question to move them into a more neutral position:

- You’ll make the Claims Regional mad –
“How will I make him mad?”
- All the other adjusters will resent you
– “What do you mean by ‘all,’ and why would they resent me?”

Just for practice, read the memo below and count how many emotional tactics you find. Al, the memo’s author, is an auditor working on a project for his manager to determine the effectiveness of field adjusters determining coverage. He has written this memo to Peg, a senior claim adjuster:

Peg,

I am writing this memo because I am concerned about the explosive decision you made last week to extend coverage on this file and hope you will immediately reverse your decision. Based on what you wrote, I believe you misinterpreted the current case law, and I am afraid that if I go to the Claim Executive about this, she will agree with me. This would seriously impair the ability of your unit to make decisions such as these in the field.

The fact that you sent the coverage write-up to everyone reviewing this file supports the impression that you have only a rudimentary ability to interpret coverage.

Love,
Al, Senior AH

So, did you find any? Good job! For the next issue, we will address some styles of non-critical thinking and discuss the difference between statements, arguments, and conclusions. ■

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