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Insurance companies handle some traffic injuries too slowly

Conclusion

Since Finansinspektionen's review in 2005, insurance companies have taken some measures to shorten handling times for traffic injuries. Despite these measures, this study shows that there is still more progress to be made and that companies in some cases are unnecessarily slow.

FI will take the following measures

As a result of this study, FI will conduct in-depth reviews of individual companies to determine if their procedures for settling claims are in line with good insurance standards.

The study

FI monitors that the operations of insurance companies are conducted in accordance with good insurance standards. Pursuant to the Insurance Contracts Act, an insurance company that has received notification of an insurance claim shall, without delay, take the requisite measures to reach a settlement for damages. The settlement shall occur promptly and take into account the interests of the insured party.

This study focuses on the responsibility of the companies, including situations where other actors cause the delay in the handling times. "Other actors" could be the injured parties themselves, the Road Traffic Injuries Commission, the Social Insurance Office or health care services.

Some injury claims cannot be resolved quickly since the consequences of the injuries require medical or financial review. For example, this type of long handling time can apply to injuries involving children and teenagers. Slow handling times where claim settlements are conducted inadequately are not acceptable. Companies are responsible for reaching a settlement for injuries without undue delay.

The purpose of the study is to explain why handling times in many cases exceed three years. FI's review focused on a random sample of 27 claims from the four largest non-life insurance companies: Folksam, If, Länsförsäkringar and Trygg-Hansa.

The results of the study

Since FI's audit in 2005, insurance companies have taken some measures to shorten handling times. However, the review still shows that there is more progress to be made. In some claims, the company improperly handled the settlement, which extended the handling time.

In addition to the areas listed below, insurance companies are also responsible for preventing the actions of others from unnecessarily affecting handling times.

Long response times from administrators

Communication between administrators and the injured party or a representative for the injured party can stretch over a period of several months, despite the fact that the companies have instructions for how long response times may be, for example a maximum of 30 days. The study shows that the instructions regarding the maximum length of response times are not always followed in practice.

Long response times from medical advisors

Medical advisors employed by the companies can take a long time to determine the degree of invalidity. The study shows that in some cases a decision took up to ten weeks.

Change of administrator

There are several examples in the study where a change of administrator resulted in an unacceptable delay in the claim. In one specific case, a change of administrator delayed a decision in the claim by two years.