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Klapton Reinsurance PLC

Claims Leakage

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Claims leakage doesn't happen overnight it builds quietly, one decision at a time.

In reinsurance claims handling, especially across diverse African and international markets, leakage is not always about fraud.

More often, it's about process gaps, oversight, and pressure to move quickly.

Here's the uncomfortable truth:

How Claims Handlers Increase Leakage (often unintentionally)

Inadequate review of policy wordings

Missing sub-limits, exclusions, or conditions precedent can lead to overpayments.

Poor documentation follow-up

Processing claims without complete adjuster reports, invoices, or proof of loss creates exposure.

Delayed reserve adjustments

Under-reserving early and correcting late distorts financial accuracy and decision-making.

Weak challenge on quantum

Accepting loss figures without scrutiny, especially on large or cross-border claims.

Lack of recovery focus

Missed opportunities on subrogation, salvage, or co-insurer contributions.

Over-reliance on relationships

Good relationships with brokers are important but should never replace technical discipline.

How to Curb Claims Leakage

Master the wording

Every claim starts and ends with the contract. Know it, question it, apply it.

Strengthen documentation discipline

“No document, no movement.” Make completeness a non-negotiable standard.



Proactive reserving

Set realistic reserves early and adjust as facts evolve not as pressure builds.

Challenge constructively

Interrogate loss estimates. Ask the extra question. Validate assumptions.

Embed recovery thinking from Day 1

Always ask: Can we recover anything here?

Leverage data and AI tools

Use technology to flag anomalies, missing information, and patterns you might not see manually.

Final Thought

Claims leakage is not just a financial issue it's a discipline issue.

The difference between an average claims handler and a great one is simple:

- One processes claims.
- The other protects the balance sheet while paying fairly.

