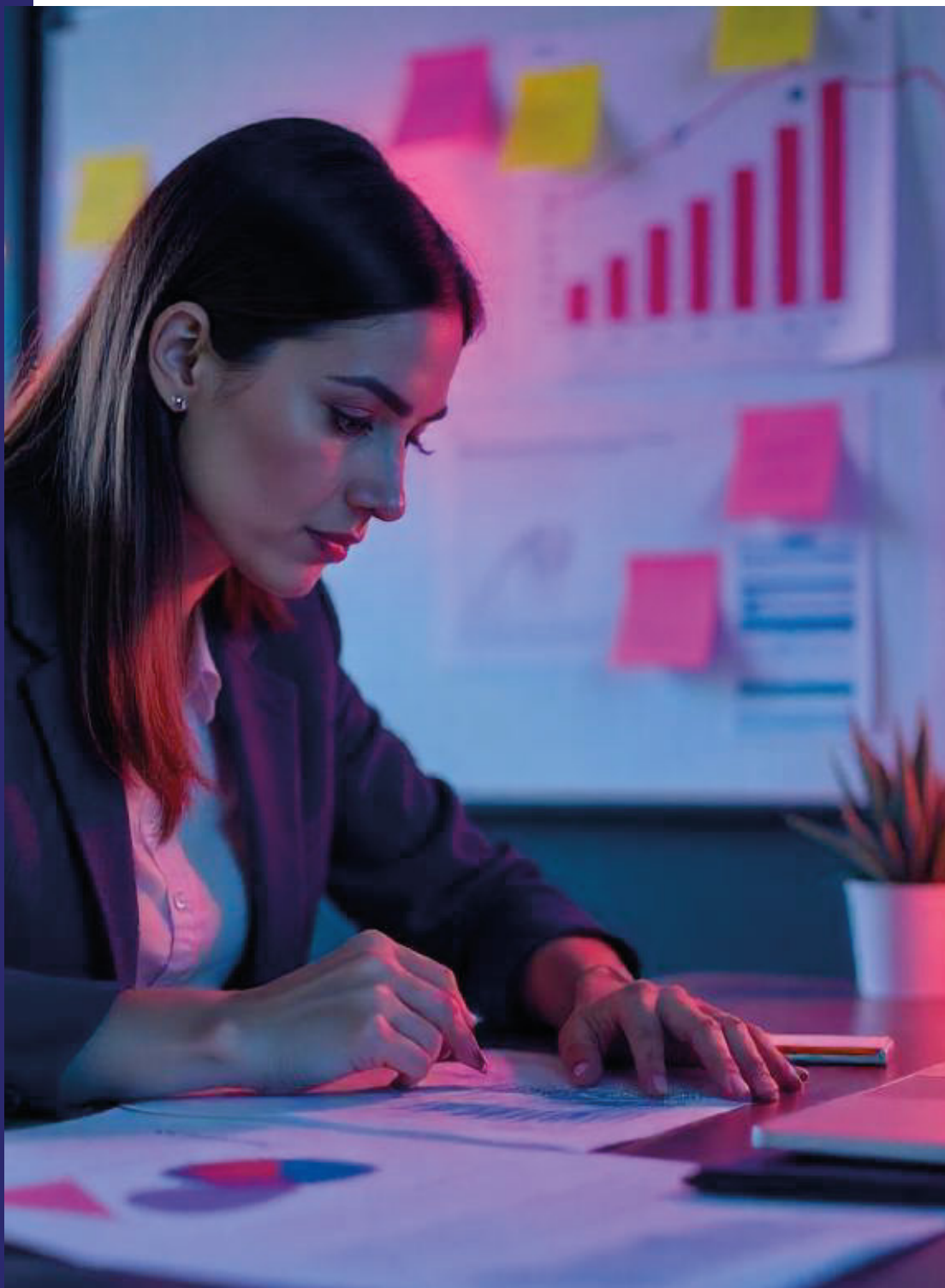




Forensure's guide to good practices

for Forensic Accountants working on Business Interruption claims



Best Practices for Involving and Onboarding Forensic Accountants in Complex Business Interruption Claims

This guide is designed to help loss adjusters successfully onboard and collaborate with forensic accountants in complex Business Interruption (BI) claims. It outlines practical steps to ensure a smooth process for all parties, particularly the insured, who may feel uncertain or intimidated by the involvement of a forensic expert. This guide also contains useful pointers for BI loss adjusters.

1. When to Involve a Forensic Accountant

Forensic accountants are typically engaged in BI claims when:

- Losses are substantial or complex.
- Specialised financial analysis is required to determine quantum.
- Multiple variables or data sources influence the claim.
- Independent verification is needed to support transparency.

Forensic accountants bring data-driven insights and objectivity to the claim process. Their involvement should enhance, not hinder, trust, efficiency, and fairness.

Timely involvement is key. Engage early to minimise delays, ensure access to data, and build trust with the insured.



2. Set the Stage with Clear and Timely Communication

■ Inform the Insured Promptly

Clearly and promptly communicate the appointment of a forensic accountant. Avoid surprises – insureds may perceive forensic involvement as accusatory unless appropriately introduced.

■ Explain the Role

Clarify that the forensic accountant provides an independent, objective analysis aimed at ensuring a fair and accurate claim settlement, and is not there to "catch anyone out"

■ Align Internally First

Before engaging with the insured, the loss adjuster and forensic accountant should align on scope, messaging, and approach to avoid mixed signals.

■ Tailor and Explain Information Requests

Work with the forensic accountant and the insured to refine the initial information request list. Clearly explain what is required, why it is needed, and how the information will be used. This collaborative approach helps reduce friction and delays.

3. Foster a Collaborative, Not Adversarial, Relationship

■ Acknowledge the Business Context

Both the loss adjuster and the forensic accountant should recognise that the insured may be experiencing financial or emotional strain post-loss. Be empathetic and avoid overly technical or legalistic language.

■ Walk Through the Numbers Together

Instead of requesting documents in isolation, consider proposing that the forensic accountant review the financial data in collaboration with the insured's finance team. This supports accuracy and transparency while enhancing efficiency.

■ Listen to the Insured's Reasoning

If the insured suggests that their loss is greater than the initial findings, the loss adjuster and forensic accountant should consult with the insured by asking for clarification.

An adversarial relationship will only hinder the process and impact the level of trust with the insured.

Understanding their rationale may uncover a valid alternative quantification method, which should be jointly assessed by the loss adjuster and forensic accountant to determine if it is appropriate for the claim.



4. Diplomatically Maintain Professional Scepticism

■ Lead with Questions, Not Accusations

If irregularities or red flags are uncovered by the forensic accountant, adopt a neutral, inquisitive tone. Instead of stating “This figure seems inflated,” ask, “Can you walk me through how this figure was calculated?”

■ Use Data to Guide Discussion

Liaise with the forensic accountant to gather information to benchmark data against industry norms, historical performance, or market trends to support

findings. When raising any identified outliers or discrepancies to the insured, present these as discussion points, not conclusions.

■ Flag Concerns Tactfully

If outliers, irregularities or inconsistencies are presented by the forensic accountant, invite the insured to clarify these before escalating. This encourages cooperation and may reveal legitimate explanations.





5. Streamline the Process

■ Avoid Information Overload

Prioritise essential documents. Where deeper analysis is needed, follow up in stages to avoid overwhelming the insured. Keep the information requested by the forensic accountant separate from the information requested by the loss adjuster.

■ Set Expectations around Follow-Ups

Explain early on that additional requests may arise. This prepares the insured for an evolving review and reduces frustration.

■ Track Document Submissions Collaboratively

Consider maintaining a shared tracker (e.g., a cloud-based spreadsheet) accessible to the forensic accountant and the insured, showing:

- Requested items;
- Received items; and
- Outstanding items.

This improves visibility and accountability for all parties.

■ Define Timelines and Next Steps

Provide clear deadlines and outline what the insured can expect after submission. Ensure that the next steps include that which may be required by the forensic accountant. Timely communication builds trust and reduces uncertainty.

■ Be Proactive and Efficient

Delays erode confidence. Where possible, align with the forensic accounting in the use of technology and data analytics to accelerate your analysis without sacrificing quality. Also consider whether there are any procedures that can be executed in conjunction with the forensic accountant to avoid unnecessary duplication.



6. Deliver Clear, Defensible Findings

■ Back Up Your Conclusions

All calculations should be confirmed and supported by appropriate data. Ensure you understand the forensic accountant's methodology and that you can explain it if approached by the insured. If any of the forensic accountant's findings are referred to in the loss adjuster's report, they are to be clearly reasoned, keeping in mind that a transparent report reduces the risk of dispute.

■ Be Open to Alternative Models

If the insured suggests an alternative loss quantification method, assess its logic and relevance in consultation with the forensic accountant. A willingness to engage constructively can foster agreement and reduce the time taken to settle claims.

■ Stay Professional in Disagreements

If the findings of the forensic accountant are challenged:

- Allow an opportunity for the forensic accountant to explain their assumptions.
- Walk through the calculations with the forensic accountant and insured.
- Focus on resolution, not defensiveness.

Effective collaboration between loss adjusters and forensic accountants is key to managing complex Business Interruption claims with clarity and fairness. This partnership ensures financial impacts are accurately assessed and claims resolved efficiently.

If you have any questions, please don't hesitate to contact us.



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