

## **How Bad Subrogation Data Negatively Impacts You**

Certain industry reports, articles, websites, and speakers continue making false claims that "missed subrogation is costing insurers \$15B annually and 32% of recoverable claims are not pursued." These groups are falsely using the name of NASP without permission and erroneously citing NASP as the source. The claims are untrue. The data is false and does not represent true metrics of the subrogation industry.

Why is this significant?

If a company relies on bad or inaccurate subrogation data, it can lead to various negative consequences such as:

1. Inefficient and delayed recovery: Inaccurate subrogation data can lead to delays in the recovery process and result in the insurer not receiving the reimbursement in a timely manner.
2. Financial losses: If the company has bad subrogation data, it can result in the insurer not being able to recover the full amount they are owed, leading to financial losses for the company and/or the insured.
3. Poor decision-making: If the subrogation data is not accurate, it can lead to poor decision-making and incorrect conclusions about the claim, which can have a negative impact on the company's reputation.
4. Increased operational costs: If the subrogation data is inaccurate, it can result in the company having to spend more time and resources to reconcile the data, leading to increased operational costs.
5. Flawed objectives: If the company relies on bad data, inaccurate and potentially unachievable subrogation objectives may be set, or outside consultants could allege that you are not doing your job!

NASP is exhausting all avenues to stop the distribution of this bad data, including our General Counsel sending cease and desist letters to offenders and exploring legal remedies. But the data continues to be distributed, so we need your help. If you are concerned that a company may be using false metrics to support their narrative, ask them these questions:

- What line of business does your "missed subrogation" data measure? Lumping all lines of business into one subrogation percentage has absolutely no value.
- Do the represented "missed" amounts and percentages include salvage, second-injury fund, or reimbursements? If so, that is not pure subrogation.
- What states are being represented in these claims? Surely not contributory negligence states or Michigan collision.

Here's just one example of proven Personal Lines collision-only metrics found in NASP's 2022 Auto Subrogation Benchmarking Study: \*

3-Yr Average # of Newly Reported COLL Claims per Year	348,845	
3-Yr Average # of COLL Files Referred to Subrogation	86,580	25% Referred to Subro
3-Yr Average # of COLL Subrogation Files Closed with at least \$1 Recovery	53,685	62% of Subro Files with \$

\*Participants wrote a total of \$13,700M in premium.

These metrics confirm that 62% of “recoverable claims” produce dollars. This statistic, alone, proves that groups saying “32% of recoverable claims are not pursued” are wrong. Otherwise, if we know our industry is recovering on 62% of “recoverable claims,” then these false claims suggest that 94% of claims referred for personal lines collision subrogation should produce a recovery!

NASP Benchmarking reports are a trusted source of accurate and timely subrogation data. Verify! NASP is here to help and arm you with accurate metrics.

For more information, visit <https://subrogation.org/benchmarking>, or contact NASP's CEO, Leslie Wiernik, at 1-800-574-9961