

INSIGHTS

The Outdoor Network: Preparing for Claims with Jim Hughes

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On this episode of Bracewell Covered, hosts [Vince Morgan](#) and Claire Cahoon are joined by Jim Hughes, CEO of Hughes Mediation & Arbitration and Hughes Risk Mgt & Insurance Services LLC and executive professor at the University of Houston, for a look at the various players, proper procedures and difference approaches in handling complicated coverage issues.

Jim has had an extensive career in the insurance field working as a broker and risk manager. He now serves as an arbitrator in insurance disputes.

How did you end up working in insurance?

I happened to have the chance to interview with a reinsurance company. Originally I thought I was going to go down the banking route. Reinsurance was a much smaller field, and the opportunity to learn on the job as opposed to going through a bank training program caught my fancy. I started my career with what's now Swiss Re in New York doing rush marine aviation insurance and had training stints in Houston and San Francisco. And lo and behold, I was transferred to Houston after a year.

I continued to work for Swiss Re in Houston. Then Conoco got hold of me, and I worked in Houston for several years for them, including doing a rather extensive study into whether captains should start learning third-party business. Fortunately, DuPont bought Conoco and decided that was a silly idea. In the meantime, I started applying to law school, but I got a transfer to London.

I shelved the idea of law school and got to work in London for four going on five years, which was exciting because there's a lot of stuff going on under LC at the time. I transferred back to Houston. Conoco was part of DuPont at the time, so I was handling and responsible for Conoco's North American operations, as well as some of DuPont's, and then I was facing in my career what you would call "dead man shoes," which meant that my boss was questioning where I was going. So, I made the jump to the broker side, going to Johnson Higgins doing energy, D&O and political risk, both as a broker and then eventually as a client executive. I then made a jump several years later to Global Special Risks (GSR), which at the time was a London coverholder submitting the authority for various Lloyd's and other English insurance companies, for both underwriting and claims.

GSR went through some challenging times, especially as London was withdrawing those authorities and it became more of a MGA coverholder. Conoco spun off from DuPont and, my

old boss reached out to me about coming back which was kind of exciting. And then within a year or two, Conoco merged with Phillips Petroleum and I became the corporate insurance manager, risk manager, which was an exciting run. I was in that position for about 15 years.

How do you go about working through complicated coverage issues?

It depends on what capacity I am being asked to look at something. It's looking at it from both a micro and a macro perspective. Micro is looking or trying to look at and analyze the policy, then analyzing what the claim is and drill down into the particulars of the claim. After micro, you need to look at the macro: Who are the players? What are the relationships involved? What leverage comes into play, keeping in mind insurance at the end of the day is a promise to pay, and that promises are words? Trying to understand how all these things can come together is paramount.

Does taking different approaches work well with one group versus another?

Yes, but again trying to figure out what was the preparation leading up to, hopefully before, a claim. Do the various players understand the policy? How have the various players interacted? Without knowing some of those dynamics, you may approach a claim differently. In my ideal world, going back to my 28+ year career in the risk management side, having proper procedures in place is best. Hopefully, you've taken the time in analyzing the policy. If you do you're adding value to the insurance procurement process. You want to say that you've actually hopefully understood what the policy has to say.

Even as part of the process, what I would periodically do is have outside counsel look at wording. Do we, the risk management group, know about it? Fortunately at ConocoPhillips, I was able to become part of its emergency response process where if an incident happened that exceeded certain thresholds, there were about eight people in the company that were immediately told about it. That would give me advance notice, and give me a quick opportunity to see where this might be going.

Interested in learning more about handling complicated insurance recovery claims? Reach out to [Vince Morgan](#) or [Claire Cahoon](#).

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