

# The Importance of Claims Process Planning and Execution



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## Chapter 11 Claims Process Overview

Chapter 11 debtor companies must either satisfy all creditors in full, pursuant to a plan of reorganization, or establish a claims process where creditors are afforded an opportunity to file a claim against one of more debtor companies for recovery of a pre-bankruptcy debt. To establish a claims process, attorneys for the debtor will prepare and file a 'bar date motion' which outlines deadlines, forms, and procedures for mailing and receiving returned proof of claim forms.

Administrative service providers will support all aspects of the claims process which begins with proof of claim planning and execution. A successful claims process involves careful consideration and project planning related to creditor lists, distribution and processing logistics, materials preparation and packaging, and project timing. Administrative service providers, experienced with claims issues, will provide the insight, assistance, and project management necessary for successful claims process planning and execution.

### Creditor Lists

Compiling creditor lists for execution of the claims process involves careful assembly of scheduled liabilities, statements of financial affairs, and interested party pleadings. As part of claims preparation project management, administrative professionals will review, analyze, and complete address information and provide updates for individual creditor records associated with specific lists. Once lists are complete, administrative professionals will supply claims mailing reports to attorneys, advisors, and the debtor company for review and analysis. Experienced service providers will supply the resourcefulness, organization, technology tools, and manpower to assist with the execution of complete and accurate creditor lists for proof of claims distribution effectiveness.

### Distribution and Processing Logistics

Proof of claims distribution and processing can become complicated by the sheer number of creditors, materials, and procedures for distribution and processing. As part of good project management, administrative services will utilize their claims expertise to plan and organize the distribution and processing logistics for the entire spectrum of claim recipient creditors for a well orchestrated process. They will incorporate issues which address: materials, production and distribution timing, third party assistance, receipt processing and electronic database processing.

### Materials Preparation and Packaging

Directly related to distribution and processing, as discussed above, are the proof of claim forms which individual creditors will receive. As part of great project management, administrative professionals will plan out methods and timing for reproduction and organization of individual customized creditor proof of claim packages. They may provide helpful proof of claims case precedent, which professionals may utilize in the preparation of proof of claims procedures and the bar date motion. Finally, administrative professionals will assess and suggest methods and materials for distribution packaging, which accomplish the competing needs of expediency with cost efficiency.

### Project Timing

Timing for proof of claims planning is critical because the amount of materials and creditors involved can cause delays and complications at any point in the process, from preparation to execution to receipt processing. As part of a solid project plan, experienced administrative professionals can provide the insight and assistance necessary to establish separate timelines for each phase of a successful proof of claims process. Administrative professionals will carefully monitor each phase of the claims process and provide continuous feedback to apprise case professionals in changes of status and completion of tasks.

### Preparation for Proof of Claims Receipt

Simultaneous with preparation of proof of claims packages for mailing, the administrative services provider will establish internal processing procedures, a segmented sub-database, and response templates for creditor inquiries to proof of claim mailings. The processing procedures are developed pursuant to the bar date motion for a proof of claims intake, qualification, and organization. The segmented computer sub-database will be used for optimal proof of claims receipt, input, and organization. The sub-database will become an invaluable tool for post bar date claims reconciliation. The response templates will provide consistency and efficiency in response to creditor inquiries during a heightened period of concern.

### Summary

Administrative service professionals can provide meticulous attention to proof of claims execution details, insightful case precedent and planning, and proof of claims distribution mechanics which attorneys, advisors and debtor companies can rely upon for a successful claims process.

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