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# Connected Claims USA 2022

## Post Event Report

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\*Thought leadership extracted from speaker presentations, panels, and fireside chats as part of Connected Claims USA 2022 hosted by Reuters Events in November 2022, Chicago.

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## Introduction

Claims is the opportunity for carriers to show their value. Carriers live and die by their claims reputation and are under increasing pressure to keep customers happy by utilizing technology to enhance the speed of claims resolution and mitigate pressure points, yet, still expected to offer an empathetic ear.

Technological adaptation and customer expectations are a catalyst for accelerated change and the claims function is responding with a dynamism that is only set to increase as carriers adapt, refine and innovate the claims process.

As Steve Donnelly, *Chief Claims Officer, Amerisure*, pointed out: “We had decades and decades of stagnant processes... And then suddenly we have several years of change. The change we all know is just going to get more rapid.”

Connected Claims USA 2022, hosted by Reuters Events in Chicago from 2-4 November 2022, explored how insurance carriers will achieve claims success through four pillars; customer-centric claims management, driving transformation with technology, developing strategic partnerships for growth, and, achieving organization wide efficiency.

All of this must be done with an eye on reputation, in claims the stakes are high. Neil Harrison, *Chief Claims Officer at Aon*, explained reputation must be managed with two stakeholders in mind. He detailed: “...Reputation isn’t a single issue. Reputation is multiple. It’s a little bit like client segmentation, right? When you think about it, what do you need to do to get a good client?”

“Feedback from a major corporation is probably very different from what you need to do to get great feedback and good insight and so on from a smaller organization or even from an individual claimant.”

Delegates were urged to think about reputation management through the lens of both the customer and colleagues.

To achieve change and maintain the service level required to support a positive reputation, providers are increasingly digitizing the claims journey.

GG Oncel, *Industry Principle, Insurance, North America*, of event sponsor, **Mendix**, stated: “Every insurance company sells the promise of covering the insured’s loss and paying what was promised fast. Digitizing and streamlining the claims experience is crucial as it directly impacts customer retention, brand value, and bottom-line profitability.”

“The time to digitize is now.”

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## Prioritize Customer-Centric Claims Management

Carriers are focused on providing a quick, seamless customer journey with a customer-first CX strategy as they seek to improve both reputation and retention.

Steve Donnelly, of Amerisure, encouraged delegates to staff claims teams with technology scouts and claims experience owners to ensure the function works as it should. The scouts should be “charged with going out and seeing what’s out there. They need the expertise to understand what will fit our customers’ needs?” In addition, these specialists must also understand how any new technology might integrate into the carrier’s current systems, the cost, and the resources required to implement them.

The other prong is the experience owners. It is these people who are closest to the customers and understand what creates a differentiated experience for those policyholders. Donnelly noted: “They talk to our customers about things we’re thinking about and get feedback and understand it. And then they bring that information to our organization.”

That value of these two groups, scouts and customer owners, cannot be overstated when it comes to the development of the claims process.

Carriers are seeking to achieve the ‘perfect first-time experience’ when they take a customer through their claims journey. Zach Gordon, *Senior Director of National Homeowner Claims*, **CSAA Insurance Group** highlighted the importance of keeping things simple for customers when they come to make a claim. He flagged the value of getting the customer to the right place as soon as possible and communicating with a singular voice throughout all stages of the claims journey.

He commented: “How do we ensure that they get to the right adjuster or the right adjudicator, somebody who has the skills, somebody who has the ability to resolve their claim, not just a portion of it, but from end to end. They have to have the exact skill needed to be a singular voice for that customer.”

To achieve a good claims experience for customers staff should regularly have their training and skillsets updated. Adjusters must be able to be a single point of contact across claims administration and should also be able make the coverage decisions, adjust the claim, write the estimate, via virtual and in person channels.

Carriers should also consider what their role is when they have to deny claims. Of course, there is always the option of washing your hands and walking away but thinking about reputation there are some things providers can do in this instance to offer good customer service.

Brooke Bass, *SVP & Manager - US Property Claims, Global Retail Markets*, **Liberty Mutual**, gave the example of a large tree coming down in a customer’s garden. The claim was not covered but the adjuster linked the customer with a furniture maker who needed the wood and took the tree away for free. Initiatives such as these

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require strong local knowledge and links but, in this case, left the carrier with a happy, cared for customer who is more likely to stay with the provider, despite their claim being knocked back.

In the health space, Jamie Raynoso, *Chief Operating Officer*, **Clover Health**, highlighted how Clover Health is using data to inform doctors of patient behaviour, such as whether or not they filled prescriptions and co-morbidities to help them with their decision making and foster better outcomes for the patient and claims outcomes for the carrier.

Cissy Williams, *EVP Chief Operations Officer*, **Protective Life** flagged that life providers must work to engage beneficiaries of life insurance as well as policyholders and engage those people with the right mix of digital and human communication.

Carriers must also be alive to the 'burnout' consumers have experienced due to the pandemic. Customer feedback is an important element of learning but Brandon Cagnon, *VP Head of Customer Experience*, **AMIG**, warned carriers not to overburden the customer with questions about performance. In the current climate, customers are tired of responding about carrier service due to "burnout" from increased feedback requests during COVID-19. He also urged carriers to be very specific about how they use the data they hold and use it to solve specific strategic problems.

## Drive Transformation with Technology

Customers demand flexibility from carriers and there is a plethora of tech available to carriers to enhance their claims operations and meet that demand.

Applications such as artificial intelligence (AI), machine learning (ML) advanced analytics, IoT, automation and telematics can all move the needle and help carriers deliver a simplified, personalized claims journey.

Shannon Terry, *SVP Chief Advanced Analytics Officer*, **Nationwide**, reminded delegates that a significant portion of tech investment should be around data, acquiring and ingesting. Data hygiene is required if carriers wish to move on to using more advanced processes such as machine learning or modelling or telematics and low touch claims.

He said: "Do you view your data as exhaust? Is it just sort of the stuff coming out of the tailpipe as you run your business or is it the fuel that's driving your business?"

Pollution of this data is a key challenge across the insurance spectrum. Bad data, especially when a lot of information is collected must be wrangled into something meaningful. Terry added: "The good news is we've got lots of tools and technology. We have a whole tech stack, we have math, we have statistics and tools. They help amplify all of your capabilities and your teams."

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Tech should be used to enable rapid product development, digitize customer engagement, and modernize core systems, to result in faster time to market, increased revenue, and cost savings.

GG Oncel, of Mendix, noted: “The biggest challenge is connecting a paperless omnichannel mobile native claims service to policy, claims, and billing systems for seamless info exchange.

“Another big challenge is understanding the financial demand associated with increasing claims efficiency and assessing productivity and ROI. Systems across the board lack functionality, workflow, flexibility, and configurability, and the traditional code-based approach isn’t budget-friendly or timely. Today’s consumer has more options than ever, so time-to-market has never been this crucial.”

There are always new market entrants waiting in the wings and carriers that fail to keep up with the latest technology developments could find themselves edged out of the market.

However, Raj Sadasivan, *VP Chief Transformation Architect - Claim Technology, Travelers*, cautioned carriers against an over-reliance on technology: “Even though technology is there, I think we have to still use the best technology available to all of us, our brain. If you don’t use your brain, you can over engineer or under-engineer.”

Personalization is also key. Liberty Mutual’s Bass stated that when a digital experience is tailored to the customer it can still feel empathetic. Speaking about apps, she said: “Even though it’s my phone providing that empathy, someone had to engineer it that way.”

“It isn’t just the same experience that every customer gets. It feels personalized to me that that’s the key. You have to know the customer and know what they want and need.”

Faster claim payments are also a customer demand and carriers were urged to implement technology to speed up the process rather than relying on checks in the mail.

Carriers were also cautioned to consider how any new tech implementation may fit with current or legacy tech. Quin Netzel, *SVP Specialty Claims, Westfield* outlining how his newer organisation had integrated its fresh processes and tools with that of its parent provider: “What we’re having to do at Westfield Specialty is trying to identify those technologies and processes that we can lean into while we’re building our foundation that will support us going forward.”

Additionally, insurance providers were advised to get fresh initiatives to the testing phase as soon as possible. Jamie Trish, *President of Insurance, Fairmatic*, pointed out that carriers should get out there faster, even if the project isn’t perfect, because it’s impossible to learn about these initiatives until they are out in the wild.

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## How Mendix is Driving Transformation with Technology

Mendix is a Siemens business and the global leader in enterprise low-code, revolutionizes the way applications are built in the digital enterprise. With the Mendix platform, organizations can broaden their development capability and fix the myriad business challenges that need to be addressed through software. IT and the business collaborate to make apps with rich native experiences that are intelligent, proactive, and contextual. With a holistic low-code platform like Mendix users can also modernize core systems and build large app portfolios to keep pace with business growth. The Mendix platform enables continuous collaboration between those who build the software and those who use it – this accelerates the application development lifecycle and supports iterative deployment at scale. Organizations can create modern, flexible applications quickly in a tool that maintains the highest standards of security, quality, and governance. The Mendix Platform has been adopted by more than 4,000 leading companies around the world.

## Develop Strategic Partnerships for Growth

Overcoming choice fatigue and picking the right partners to enhance collaboration and increase organizational capabilities is important for carriers too.

The Connected Claims USA 2022 delegation learned that there is huge value in working with the right tech partners and dedicating investment to external organizations which specialize in particular technologies. Keith D. Bergin, *Vice President, Cyber Liability Claims, Tokio Marine HCC*, explained: “I think putting the right people in place to have internal teams invest in data analytics internally, but then rely on our tech vendors.”

“There are absolutely phenomenal tech vendors that do one thing and do it well. We can’t be everything. And there needs to be a recognition of that.”

Many carriers look to do things in-house but there is huge value in using the right tool for the job and external vendors can provide this service.

GG Oncel from Mendix added: “Think about being a carpenter; hammers and nails are manual and take a long time. Using a nail gun is easier and gets the job done faster. Better tools lead to more efficient delivery.”

There is an increasing importance of finding partners which are ready to grow and evolve alongside the carrier as needs change.

**Lloyd’s of London** has set up a lab structure to nurture potential external partners and decide who it will work with. As Carey Bond, *Head of Claims, Americas* at Lloyd’s said: “In general, the market continues to grow, as does the industry... The fantastic thing is that through collaboration and cooperation with each other, that’s how we move the market forward.”

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## Achieve Organization Wide Efficiency

Removing communication silos and streamlining claims operations to boost cooperation and improve efficiency is vital.

Samridhi Jain, *Head of Claims Strategy & Innovation, Zurich NA*, highlighted that transformation must begin with a plan that involves all stakeholders across the business. Change management, with the emphasis on management, must be in place and the workforce must be onboard for the ride. Leadership should share progress, source stakeholder feedback to drive engagement and also work with third parties to assess suitability of changes and ensure new initiatives are futureproof.

Amerisure's Donnelly advised providers to work to a roadmap of two to three years and create a "living document" to help plan how to use resources. It should be updated every six to 12 months, not just because strategy changes but "because the environment changes so quickly".

Carriers must nurture a mixture of skillsets within the workforce to achieve success. Aon's Harrison listed: "Technical skill sets, professional claims, consultative skill sets, commercial understanding, client need, and being able to interpret that into a solution we provide. Understanding the financial drivers of those client organizations".

Organizations such as Nationwide have gone as far as to appoint an ethicist to help and Terry advised that carriers put a lot of consideration into formalizing the roles within firms such as data engineering, data science, actuarial science along with the traditional carrier roles.

As part of a wider strategy carriers must engage in extensive work on diversity, equity & inclusion (DEI) to bring in fresh talent to the sector.

Michelle Klein, *SVP Chief Claims Officer, Berkley Professional Liability*, noted: "Senior leaders have done a better job of bringing women in. But now we need to bring more diverse people into this industry and have them progressed to become leaders of this industry."

Carriers were advised to widen their recruitment funnel to catch more talented people and to consider recruiting staff from fresh sources. As Klein pointed out, not all insurance staff require a university degree and carriers should look to hire straight out of high schools. The industry must also be more proactive about targeting undergraduate and business schools within colleges. Women who have been out of the workforce for sometimes can also be a wellspring of talent and eager to come back to the workplace.

Rebekah Ratliff, *Mediator & Arbitrator, JAMS* pointed out that the insurance industry does not do a great job of telling people about the disciplines within the industry or the career opportunities available in the sector.

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Once the talent pool is established carriers should strive to ensure all team members feel part of the family and seek to instil an innovation mindset in those staff, according to Samantha Santiago, *VP Head of Claims Strategy & Automation, Farmers*.

Meanwhile, Laurie Pierman, *VP Claim Operations and Shared Services, Amerisure*, pointed to relentless focus on relationships, both internal and external as drivers for success. Collaboration with staff, agents and customers is essential and carriers must adapt to balance remote working with face-to-face operations.

## Conclusion

The industry has made great strides in claims over the past 20 years and it is now, noted Keith Daly, *Chief Claims Officer, Zurich North America*, that claims teams become the “centerpiece” of any carrier rather than a back office function. A key challenge is going to be staffing the claims function with talented people as incumbents retire. Daly remarked that while the function can bring in digital natives it also must focus on upskilling the current workforce across tech, data and analytics.

Carriers were urged to start moving forward on their claims transformation journey or face fading into irrelevance. Steve Donnelly stated: “Start today because the longer you wait, the further behind you’re going to get.”

Insurance providers must also be ready to facedown the capacity challenge that is heading towards the sector. Mike Fiato, *EVP Chief Claims Officer, Liberty Mutual*, pointed out: “Despite all of the technology, despite all of the opportunities that technology presents, there is a change in capacity limitation that we all face.”

And, amid any claims strategy carriers must not lose focus on the customer. As Aon’s Harrison emphasized, “the reality is that claims is a people business”.

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