# The Evolution of Claims Management

*"They eat a great many of these."* Says the one in red holding a potato
*"They peel them with their metal knives.*
*They boil them for twenty of their minutes, then they smash them all to pieces."* Roll about laughing
*"They are clearly a most primitive people."*



## The Early Years

An amusing insight into the evolution of the mashed potato, but we can draw a comparison to the world of claims management. It really wasn't that long ago that the claims team would convene daily around the boardroom table to review the XL spreadsheet that someone had printed off, showing us all our claims from yesterday, then we would divide the claims up and go off to do the work. At this point most under 25's reading this are falling about the table like the alien characters in our advert. Very early and primitive workflow yet we are not talking the 80's or even the 90's, but the late 2000's – less than five years ago.

The advent of ECF(1) at least gave us a full electronic file to review via the Insurers Market Repository. Documents could now be made available electronically to supplement the CLASS file, but we still hadn't moved on with workflow. Some organisations with more advanced IT teams may have built an in-house workflow system of sorts, others may have procured a third party system like the early ECF version of DOCOsoft's Claims Workflow, but this really was the minority. Claims remained the poor relations of Underwriting when it came to the use of technology to make our jobs easier.

## The ECF2 Years

Like a breath of fresh air, along came ECF2. A few may disagree but to the majority this introduced a workflow system to us, and what's more, being centrally funded it was (sort of) free. For many this was the first dip into being electronically advised of the claims we needed to handle. And even better, it was up to date. No more reviewing what happened yesterday, we could now be advised within an hour of a broker loading a claim. No more 9:30 meetings around a table cutting up spreadsheets, figuratively speaking.

We now had our claims delivered to workbaskets, usually sorted by teams or classes of business. We could define some basic routing rules like 'follow me' when we wanted to handle all subsequent movements. We could set priorities on claims to identify target processing times. And we had real time management dashboards. The claims workflow service would let us identify and allocate claims, then lead us into the claims agreement screens of ECF2 to review and respond. Simple, basic and effective workflow that suited the majority of the market who previously had no similar process.

For carriers with their own workflow, ECF2 also provided a trigger file to feed claims directly into their system and kick start a workflow process. Certainly here at DOCOsoft our customers were now experiencing the start of a Claims Management System that enabled them to handle claims more efficiently, reduce claims turnaround times and improve document handling. Following the introduction of ECF2 workflow into our product one of our esteemed market colleagues said at the time "it can't make a bad claims person good, but it can make a good claims person better".

## "I've tried it, I like it but now I want more"

For many, ECF2 and claims workflow has now become a way of life. Some changes have been made to improve the workflow system over the past couple of years and, whilst it is unlikely that it will be enhanced greatly in the foreseeable future, for many it "does the job".

But increasingly at DOCOsoft we hear the word in the market is that claims teams and management want more. There is a definite upturn in forward thinking carrier organisations, both in the Lloyd's and Company markets, requiring more from their workflow. In some cases it is out of necessity, reacting to pressures internally and externally to provide better management information to local senior management or head offices in the US, Bermuda, Europe or Asia. Also, compliance with Lloyd's Claims Management Principles and Minimum Standards and other regulators and governing bodies needs to be managed better. We need better control and management of the experts we appoint. We need stringent audit reporting. We need effective control of the claims we are handling, our own claims team's performance and the brokers we deal with. We need financial reconciliation to ensure we have the very latest true financial position of a claim. We want to manage our customer and client meetings with effective customer relationship management. In short, MI has taken on a whole new importance. Claims Managers want more.

But the claims handlers want more also. The technology should support them to be able to concentrate on what they do best – handling a claim. They want a simple to use system that guides them through processes like manager approvals of above authority claims, peer reviews, diaries, static claim reminders, Expert appointments, etc. It should ultimately provide them with a whole claim file in one place; the ability to review the whole claim from one screen. Access to policy details relevant to the claim is important, being able to create unlimited notes – we had a 15 line limit 30 years ago, searching to find claims quickly and easily, contacting brokers and experts, creating documents such as large loss notifications and expert appointments from templates and storing them alongside other claims documents and even the broker documents loaded to the IMR all in our own internal document management system. Claims Handlers want more as well.

And, of course, the tenacious work of our good friends at the LMA and the ECF user community in bringing about Write-Back later in 2014 or early 2015 will provide the added benefits to claims practitioners using their own Claims Management Solutions to fully handle the claim from within and no longer needing to rely on access to the IMR and CAS.

In short, pure workflow is no longer enough. What we now want is a claims management solution and 2014 is fast becoming the year when carriers have decided basic workflow was a great introduction to what can be done but now we need to grow up and really join the twenty-first century world of true claims management, as so many of our peers have already done.

But whilst I am great advocate of technological advances I never could take to Cadbury's Smash though. I'm afraid I am still being one of the primitive people in that sense.


Graham Sheppard

DOCOsoft Head of London Business Development (graham.sheppard@docosoft.com)