READY ANSWERS

Applied Systems users applaud arrival of claims download capability

By Dave Willis

You're at dinner with your family, and across the way you see Mr. Parker, a long-time and valued agency client. Mr. Parker gets up from his table, comes over to yours and asks how things are proceeding with his auto claim.

You sense that an undeniable deer-in-the-headlights look has overtaken you and, for just a brief moment, you're speechless. After what seems like an eternity—it is actually less than a second—you recover and deliver a marginally convincing, "No news is good news."

Mr. Parker smiles, barely masking his puzzlement, thanks you, wishes you and your family a nice evening and returns to his table. Your spouse assumes a puzzled look, too, and repeats, almost mockingly, "No news is good news? What kind of an answer was that?"

Perhaps you haven't participated in such a scenario. Instead, it's the theme of a recurring nightmare. While you're wholly confident that the carriers you represent deliver good claims service, you have no way of knowing what has been done without calling the company or, if possible, checking online.

Now, you could have responded honestly, saying, "I really don't have the foggiest idea about the status of your claim. We have no process in our industry for me to know when something happens with a claim." In 2008, the public expects more.

If Brian Bartosh, owner of Top O' Michigan Insurance Agency, ever had recurring nightmares or worries about running into "Mr. Parker," they're fast fading away. That's because, for most of its customers, the Alpena, Michigan-based agency is automatically notified whenever action takes place on a client's claim.

It's in there

Each evening, claims information is automatically downloaded into the agency's IVANS mailbox, and the agency's management system picks it up overnight. The process is called claims download, and Bartosh's eight-location northern Michigan agency has been using it with Frankenmuth Mutual since Applied Systems unveiled the functionality in August 2007.

Claims download complements other capabilities, including personal and commercial lines policy download and direct-bill commission download, according to Donna Barr, assistant vice president, Marsh Private Client Services in Las Vegas and former chair of the ASCnet (Applied Systems Client Network) user group Interface Committee—a position that Bartosh now holds. It also rounds out existing claims offerings, including real time first notice of loss; real time claims inquiry; activities and notifications; and loss runs, and allows everything to be processed from the agency's management system.

Through real time first notice of loss, when claims are filed, agencies receive immediate notification including an actual claim number and, depending on the carrier, the adjuster assigned and contact information. "We can provide our customers with a claim number before we hang up the phone," Bartosh explains. “We can often tell them who will call and when.”

When a carrier makes a payment, or changes a reserve amount, modifies adjuster information, or some other significant event occurs related to a claim, that night the data goes to the agency management system, which automatically matches it by policy number and claim number, feeds it into the agency database and generates a note, or “activity,” to the agency rep, announcing its arrival. No rekeying is necessary. The system is automatically populated.

Claims download operates throughout the life of a claim. “If an advance is made for additional living expense, if a road service bill is paid, if a reserve amount is changed, we get that information in our system,” Bartosh explains. “We get check numbers and who they were written to—basically, anything the company wants to tell us, we get automatically.”

Functionality in the making

Barr and other industry volunteers worked with ACORD to create a standard that defined technical steps that vendors and carriers should follow to develop claims download. “Through ACT (Agents Council for Technology) and AUGIE (ACORD-User Groups Information Exchange), we made a business case for claims download and got a standard implemented,” she says.

Past experience helped Barr drive implementation of this forward-thinking technology. “As we were bringing claims download to market, I shared how it could help when disaster strikes,” says Barr, who previously held a post at Marsh in hurricane-prone Florida. “I explained that if an agency was forced out of its office or lost power, it would be difficult to know whether a client made contact with the carrier, who the adjuster was, what the status was, etc.”

Of course, the agency could perform a claims inquiry through the system when power returned, or by phone. However, after a disaster, personal worries equal or exceed business concerns, and inquiries may be difficult to focus on or complete.

Barr continues. “Once power is restored or a remote office is set up, even if the agency does know about claims, the effort to enter them all would be tremendous. And who would update the system when payment is made or claims are closed?”

That message resonated with Linda Dodson, assistant vice president and eBusiness manager at Chubb, who used a post-disaster scenario to help convince senior management of claims download’s value. (A brief case study of Chubb’s claims download activities is available at: www.getrealtime.org/CampaignMaterials/Articles/RTCCaseStudy-02-08-Chubb.pdf.)

Twenty-first century technology

According to Bartosh, customers don’t even notice claims download. “What we’re doing really isn’t that out of the ordinary,” he explains. “We’re just fitting in where other industries have been, namely being able to give immediate response.”

But the employees love it. “It was overwhelmingly accepted by our staff,” he explains. “It represents a huge time savings. What we would spend a couple of hours doing now takes just a few minutes handling suspense items.” Employees value being able to get information quickly. “When a client calls, they have up-to-date information at their fingertips, right in the management system,” Bartosh says.

Particularly valuable in his mind is how claims download integrates into existing agency workflows, including first notice of loss in real time and claims inquiry in real time. “The three work well together to support the claims process," he adds.

Claims download has allowed the agency to be proactive with claims. "If a client reports a claim directly to the company, the download comes in the next day," Bartosh explains. "That provides us information we need to call the company or send a letter to the client detailing how we can help them."

It also covers the other end of the claims process. "When a claim is closed, we send out a claim survey," Bartosh notes. Previously, either of the two letters was haphazard at best. "Some people might get a letter; some might not. Some would get a call. Others wouldn't." Now it's a much more organized workflow—something that drives better service.

Today, four of Top O' Michigan's five main carriers—Frankenmuth, Fremont, Indiana Insurance and Safeco—offer claims download. That covers about two-thirds of the agency volume.

Now if Bartosh or his staff experiences "Mr. Parker" nightmares or fears, at least they occur more than 60% less frequently than before. To move toward 100%, Bartosh is working with the remaining carrier to get it on board—something he encourages other agency and brokerage leaders to do, as well. *