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Chubb, ASCnet Drive Real-Time 'Round Trip' of Claims Data

Otherwise just simple sheets of paper, the insurance policy springs to life when customers have claims. These situations provide opportunities for insurance professionals at agencies and carriers who relish providing great customer service to shine.

Processing and managing claims promises to become easier for all parties in the independent agency channel, thanks to technology driven by ACORD XML Standards, upload and download, real-time processing directly from agency management systems and some dedicated industry professionals.

Two key players in the agency-carrier process improvement are Linda Dodson, assistant vice president and eBusiness manager for Chubb Group of Insurance Companies, and Donna Barr, assistant vice president of Marsh Private Client Services. Both are leading industry efforts: Dodson is co-chair of the ACORD Implementations Guide Working Group (the first guide will focus on claims workflow); and Barr chaired the ACORD Claims Download Working Group in 2003 and at that time was chair of the Applied Systems Client Network (ASCnet) Interface Committee, of which she still is a member.

Defining Moment

A defining moment for Dodson on the value of improving claims workflow came after Hurricane Katrina struck the Gulf Coast. "There were agents who were never able to track what was happening to their customers' claims," she says. "That's where we saw the momentum for change to take hold—that's what gave us the business case as a carrier to really show the value."

Similarly, in 2001 Barr started the push for Claims Download. In 2003 at a Real Time meeting with agents and carriers, agents saw the First Notice of Loss (FNOL) and Claim Inquiry Transactions. They started to think like Barr and ask if the information could be downloaded. Applied Systems agreed at that time to implement the functionality if a Claims Download Standard could be developed.

The first development was a standard for claims download, which reversed the existing FNOL upload standard. Working in XML means the standard can be reused for notifications and updates across software system vendors, Barr says.

In the Loop

"Agents always have wanted to be in the claims loop," Dodson says. "Carriers used to rely on antiquated forms—like e-mail and fax—and it would take a week to get the information. Claims download is all up-to-date information."

Barr agrees: "I can't tell you how much time is spent on claims. We can go on Web sites and get information and run Real Time Claims Inquiry, but that takes time. Then you have to go back and update the system. We think we can significantly reduce staff time needed for these functions just with Chubb coming on for claims."

Armed with basic information about a claim, agents now can make "more intelligent phone calls," Dodson says. "So instead of just calling with basic questions—like 'What's the status—open or closed?' or 'Who is my adjuster now?'—now they can have meaningful conversations with an adjuster. The adjuster will be there for the important things—as an advisor to the agent; not for little things."

Transactions Available

The new download and real-time capabilities for claims will include a single, round-trip process for:

- FNOL upload with attachments;
- Claims download, including payment transactions, adjuster assignments, claim status updates (e.g., open or closed), claim number assignments and reserve changes;
- Real-time claims inquiry;
- Alerts, such as activities and notifications; and
- Loss runs, which are supplemental to the upload/download process, but necessary information in understanding the impact of claims on profitability.

“Claims download allows us to take care of a Chubb client the way a Chubb client expects to be taken care of,” says Dodson. “It’s the full lifecycle, all starting and ending in the agency management system. These are ideal workflows.

“The key is for the agency to avoid re-keying anything,” she adds. “Agents tell us they’re overwhelmed by e-mail; they want the information directly in their management systems. And we can send by producer code, which significantly reduces our administration overhead. This allows the agents, not the carrier, to decide who should receive the updated information.”

Many agents re-key claims information—a time-consuming activity, Dodson says. “So now the updates are in the system. Agents can analyze the accounts. They can run reports on their agency management systems to determine the profitability of accounts. They can be more proactive with the client. They don’t have to be reactive in the claims process.”

Impact for All Lines

The claims round trip covers personal and commercial lines—although it excludes, for now, specialty lines such as E&O and D&O.

“What’s great about claims download is you’re able to impact all lines,” says Barr. “Here you can go across the board and hit everything—not just one line of business.” Some lines will see a more immediate benefit of the new workflow. One such line is workers compensation, with lots of smaller medical claims stretched out for months or years.

Chubb expects to roll out the full claims process with Applied Systems users in 2008. Other systems will follow. Applied has certified at least six carriers and is working with several others. Barr is currently piloting with SAFECO.
