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TECHNOLOGY

IN THE LOOP

Claims download enables agents and carriers to better serve their mutual client while increasing efficiencies and reducing expenses

By Nancy Doucette

When your client has a claim, that's your opportunity to deliver on the promise you sold, isn't it?

But if the client reports the loss directly to the carrier, you might not know about that claim for several days. That could prove embarrassing if your agency calls the client to discuss the upcoming renewal of the family auto policy, only to learn that one of the vehicles was totaled days earlier, leaving the client's teenaged son seriously injured and in the hospital.

A growing number of carriers are working to speed up delivery of vital claim information to agents by offering claims download. Since the capability was unveiled in late 2007, more vendors are making it available as well.

Applied Systems was the first vendor to offer it to users of its TAM system. (See "Ready Answers" in the May 2008 issue of Rough Notes.) It is now available to users of Applied's Epic system as well as users of the NASA (North American Software Associates) management system. Vertafore expects to deliver it to users of AMS 360 and Sagitta in the first half of 2011.

Claims download can do more than prevent embarrassing situations such as the one mentioned earlier. Like other real time and download capabilities, claims download can boost an agency's efficiency and productivity, while enhancing customer service.



“There is no better time for an agency to enhance its relationship with a customer than at the time of a claim. Having claim information readily available in the management system is an important first step in the effort.”

—Clare DeNicola
President/CEO

According to Jim Jensen, CIC, “efficiencies are king” in his three-person agency located in Indianapolis, Indiana. Jensen is president and third-generation principal of A.H. Jensen & Sons, Inc. Additionally, he is a member of the Download Committee for ASCnet (Applied Systems Client Network) and participates in several ACORD working groups.

“We started using claims download as soon as Applied Systems made it available,” he recalls.

Currently, Indiana Insurance (a member of the Liberty Mutual Group) and Auto-Owners Insurance provide claims download to Jensen’s agency. “Of the five carriers we represent, they are two of our largest carriers,” he notes. The agency also just started piloting claims download for Pekin Insurance Company.

In terms of efficiencies, he says there is much less manual work for his staff thanks to claims download. The day after the carrier receives notification of the loss, Jensen’s TAM system is automatically updated with a description of the loss, the claim number and adjustor assignment.

Claim payments and reserves are also reported via claims download, he says. In the past, the agency would receive a copy of the check and staff would have to manually enter the line, the amount and the payee. “Getting the payment detail via download is a real time savings,” Jensen says.

Encouraging signs

Truth be told, though, the adoption rate for claims download—by both agents and carriers—has been slower than both factions would like. Agents say too few carriers are offering it. Carriers say they have competing priorities. Both statements are accurate.

Clare DeNicola, president/CEO of IVANS, which provides agency-company interface solutions to the property/casualty industry, says there are trends which suggest that’s about to change.

Throughout the year, IVANS surveys its 350 P-C carrier customers as well as its 30,000 independent agent customers. In its “Carrier Automation Trends for 2010,” IVANS reported three near-term goals for carriers: cut expenses, do more with less, and increase efficiencies.

“Carriers are telling us that they are increasing their investments in technology initiatives that serve those needs,” she reports.

Some of those investments are being made in the area of claims download. In a recent six-week period, 12 more carriers began offering the capability. “Carrier adoption of claims download has been a steady build in the last six to eight months,” DeNicola says.

That aside, carriers have to decide which transactions to roll out, and when, she notes. “A lot relies on agent demand in a particular carrier base. It changes from carrier to carrier. Agents need to speak to their carriers about moving claims download closer to the top of the priorities list.”

DeNicola observes that agents share the same near-term goals as the carriers and, therefore, more are implementing claims download as well. She says that about 50 agents begin using it each month. “There is no better time for an agency to enhance its relationship with a customer than at the time of a claim. Having claim information readily available in the management system is an important first step in the effort.”

She credits the industry’s Real Time/Download Campaign with raising agent awareness of the capabilities that are already part of their management systems, and the importance of taking advantage of those capabilities to service their customers better. But using these new capabilities requires change, and change isn’t always readily embraced by staff. (See the sidebar on page 103 for more about “Creating New Habits.”)

For its part, IVANS has a menu of services available to carriers that want help in implementing claims download. “We can do the whole project for a carrier, which includes data translation, consulting services and use of our e-commerce server that allows data to flow from the carrier systems to the agency management system,” she explains.

“Or if the carrier prefers to do its own translation, we would still operate as the hub in the middle,” she adds.

Overall, she reiterates, “The carriers that we’re working with have definite long-term plans to improve the electronic flow of information with their distribution channels.”

Plenty of resources

This is music to the ears of Donna Barr, AIT, who was instrumental in getting an ACORD standard in place for vendors and carriers to use in their claims download development efforts. Barr owns Premier Insurance Consultants of the Treasure Coast in Palm City, Florida. She also offers insurance technology consulting and is chair of

the ASCnet Download Committee.

“Claims download is my baby,” she admits. “I spearheaded it through the industry from the time it was just a dream of mine to seeing Applied implement it in August 2007.”

A 25-year industry veteran, Barr has been active in a variety of interface initiatives. As with policy download, claims download should be adopted by agencies as soon as their carriers make it available, she recommends.

“It’s one of those transactions that offers immediate efficiency benefits, even if you have only one carrier sending it,” she points out. “It’s one less carrier that you need to follow up on or go to their Web site and pull information. Everything flows right into your Applied or NASA management system.”

To find out which carriers are offering claims download, Barr suggests that interested agents contact their vendor.

She notes that there are also efficiency gains for carriers that offer claims download. “They aren’t getting as many inquiry or follow-up calls from agents; they aren’t processing and mailing claims-related paper,” Barr says.

Barr says there are plenty of resources available for agents who are considering claims download. The “ACORD Claims Workflow Implementation Guide” is a 26-page PDF available at the ACORD Web site that goes through all the scenarios of a claim—whether the insured calls the carrier directly or the insured reports the claim to the agency. “It’s two different workflows,” she indicates, which means that the download that the carrier initiates is based on how the claim was received.

If the insured reports the claim to the agency, the agent keys in the claim detail to the agency management system. The agency either faxes, e-mails, phones or sends the loss report via real time to the carrier. The claims download would reflect only information that has changed.

If the insured reports the loss to the carrier directly and the agent is not involved, the download creates the claim in the agency management system. The agency receives a download report each morning which reflects policy and claims download activity. The report will specify the type of claim activity: claim notification, adjustor assignment, payment, or closing of a claim.

Barr says the ASCnet Industry Solutions Download Subcommittee is another good resource for TAM or Epic users. “Agents can send questions to download@ascnet.org,” she explains. “Committee members will review the questions

and respond.”

She also encourages agencies that are having difficulties with any of their download activities to communicate those concerns to the Industry Solutions Download Subcommittee. “If there are issues or problems, we want to know about them so we can address them with Applied or the carrier,” Barr says.

Steady progress

“We’re chipping away at a big iceberg,” quips Angelyn Treutel, CPA. She is vice president for Treutel Insurance Agency, Inc., in Bay St. Louis, Mississippi, and reports that the eight-person agency is gradually building the number of carriers that send claims download. She says the agency began using claims download as soon as Safeco (a member of the Liberty Mutual Group) made it available.

Since then Travelers has begun sending claims download to her agency and, she says, Progressive “is close.”

Treutel adds: “Even if there’s only one carrier in your agency that is offering claims download, that’s a good way to start. It’s a good test case. You can grow into the other carriers. And when you can see the results and the benefits of having the information automatically loaded into your system, you’re better able to demonstrate it when the next carrier rep visits.”

As chair of ACT (the Agents Council for Technology) and a member of the ASCnet Download Committee, Treutel is passionate about the need for greater adoption of claims download. “We agents absolutely must have this information downloaded into our systems. Some carriers will say: ‘We have the information at our Web site.’ Since independent agents write with multiple carriers, we shouldn’t have to go looking for this information. Our carrier partners should send us the information for storage in our agency systems, without our needing to re-key the data.

“We inform the carriers when we receive a claim,” she points out. “The carriers need to inform us when they receive a claim directly. This helps us both serve our mutual client.”

Creating New Habits

In January, the all-industry Real Time/Download Campaign rolled out its “21-Day Challenge” in an effort to expand real time and download

usage. The Challenge draws on the premise that it takes 21 days to create or break a habit.

The schedule for the Agents Council for Technology Webinars on real time and download is available in the ACT Webinar Library at www.iiaba.org. Additional information on how to broaden real time usage is available at www.getrealtime.org/21dc.

Doug Johnston, vice president of partner relations and product innovations for Applied Systems, has joined forces with Brian Bartosh, CIC, LUTCF, president of Top O' Michigan Insurance and ASCnet ultra volunteer, to bring a free, one-day workshop to Applied System management system users who are interested in improving efficiency while lowering expenses.

The “Developing Effective Agency Habits” workshop begins with the idea that in 21 days, an agency can permanently implement more efficient processes. “Every so often, you need to reinvent processes,” Johnston notes. In his agency, Bartosh makes workflow change an agenda item for regular staff meetings.

Johnston and Bartosh draw upon their combined 70-plus years of industry experience to help workshop participants address business issues as they relate to technology, which includes discussion of change management principles. Examples are Applied-specific, keying primarily on capabilities that are part of TAM.

The workshop presents the five-step process that begins with setting a goal—selecting a transaction such as claims download—for the three-week effort, and getting staff commitment. Additionally, it examines potential speed bumps and roadblocks, which often hinder attempts at change, and emphasizes the importance of perseverance when implementing new processes.

Part of the process of creating new habits includes contacting carriers to let them know there's an interest in a particular capability, such as claims download, Johnston says. If a carrier isn't offering the functionality that the agency has identified as its new habit goal, that's a roadblock, he observes. “You can't just sit back and wait,” he concludes.

For dates and locations for the “Developing Effective Agency Habits”

workshop, contact Doug Johnston at (800) 999-5368 or e-mail him at dougj@appliedsystems.com.

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