

Westfield Recovers Millions with Improved Subrogation Process

Following ClaimCenter Deployment, Insurer Generates a 15.16% Annual Increase in Subrogation Recoveries



Westfield

Headquarters

Westfield Center, OH

Operations

U.S. only (Commercial and Personal insurance in 21 states), Surety services in 50 states (including D.C.)

Business Lines

Personal auto

Employees

2,461

Website

westfieldinsurance.com

Product(s)

Guidewire ClaimCenter 9

In business for more than 168 years, Westfield is a leading property and casualty insurance company that was founded in 1848 by a group of Ohio farmers. The company provides commercial and personal insurance in 21 states and surety services in 50 states.

Westfield has \$4.9 billion in consolidated assets and \$1.8 billion in net written premium. The largest writer of contract performance bonds in Ohio, and one of the top writers for farm business in the United States, Westfield is represented by a network of over 1,000 independent insurance agencies.

A Customer Service and Analytics Transformation

Westfield selected Guidewire ClaimCenter as part of a transformation initiative focused on customer service and analytical capabilities. The company sought a platform that would increase its flexibility, operational efficiency, and effectiveness to keep pace with business growth. Concurrent with its ClaimCenter implementation, Westfield installed new document distribution and management systems, and upgraded its analytics solutions and capabilities.

“A benefit of Guidewire ClaimCenter is that you can quickly make changes and enhancements to achieve the results you want,” says Jon Thornton, Claims Process and Technology Leader.

The company’s Chief Claims Officer, Rob Bowers, explains that although ClaimCenter is a key component of its larger ongoing business transformation, it has led to additional benefits as well.

Subrogation Process Challenges

Subrogation can have a major impact on an insurer’s loss ratio and overall profitability. While it may not be top of mind for some insurers, it’s also not an area to ignore.

Benefits

- A \$7.5M (15.16%) annual increase in subrogation recoveries following ClaimCenter deployment
- Subrogation recognition
- Avoidance of missed opportunities and lost revenue
- Speed of recovery and prompt return of customer deductibles
- Improved operational efficiency
- Streamlined processes

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Process and Technology Leader, Westfield

Key leaders at Westfield identified the importance of improvements to its entire subrogation process, but before the transformation with ClaimCenter, they lacked the technology they needed to optimize. The major pain points were around technology, process, and people. “We had paper files that were physically sent to our subrogation team,” says Thornton. “We couldn’t integrate with an electronic subrogation claims portal, and we used physical mail services for demands and arbitrations filings. We weren’t integrated with our vendors. So it was quite common to have trouble locating files.”

Claims management at Westfield had to manually calculate industry benchmark ratios, workloads, and performance metrics. These factors resulted in less-than-favorable subrogation results and long cycle times—affecting customers who waited much too long for their deductible returns and overall claim resolution. Burdened with these pain points and frustrated with the knowledge of how things could be improved, Westfield used its Guidewire ClaimCenter project to transform the entire subrogation process.

Subrogation Benefits with ClaimCenter

With support from its senior leadership team, Westfield has realized a wide range of improvements and benefits from leveraging ClaimCenter as the foundation for its subrogation transformation around recovery, processes, and people:

- **A \$7.5M (15.16%) annual increase in subrogation recoveries following ClaimCenter deployment:** Achieved new capabilities and efficiencies that have increased recoveries in Auto (\$3.6M), Property (\$3.9M), and Workers’ Compensation (\$100K+)
- **Subrogation recognition:** Improved and automated the recognition referral process to engage subrogation specialists early and to address subrogation proactively
- **Avoidance of missed opportunities and lost revenue:** Mitigated missed opportunities to protect the statute of limitations or identify mass tort and product liability situations
- **Speed of recovery and prompt return of customer deductibles:** Emailing of subrogation demands leading to faster recoveries and subsequent quick turnarounds to reimburse customer deductibles—improving the overall customer experience
- **Underwriting pricing:** Increased subrogation recoveries to improve accuracy in the actuarial and underwriting pricing process
- **Improved operational efficiency:** Availability of all supporting documents in the electronic claim file to easily attach for sending (with each document labeled, including photos)
- **Workforce efficiencies and cycle time:**
 - Improved the assignment and segmentation process to ensure that files with significant exposures are automatically routed to the most experienced specialists and that routine assignments are balanced
 - Eliminated manual workarounds so that deductibles are returned to customers faster
- **Streamlined processes:**
 - Activities sent to the appropriate subrogation representative so that files do not need to be manually assigned, resulting in even workloads assigned via round robin
 - Developed capability for users to be “out of office” so they don’t receive new assignments
 - Developed capability to have back-up users

- **Quantity of referrals and automatic triggers:**
 - Built triggers into ClaimCenter so that subrogation opens and an activity is sent to the designated subrogation representative as soon as a loss is entered
 - Based triggers on cause of loss (mostly pertaining to large-exposure property and worker’s compensation files)
- **Intercompany arbitration:** Created design screens to manage and track the intercompany arbitration process (previous process was 100% manual)
- **Technology:** Reduced the manual effort required to process subrogation throughout the claim lifecycle • **Analytics:**
 - Improved data capture, integrity, and accuracy by creating a centralized screen containing the appropriate data fields to process and manage subrogation
 - Enhanced reporting capabilities to enable improved business decisions relating to subrogation management

Going Forward

“We have been impressed with the robust functionality and precision that ClaimCenter has brought to our claims transactions, and we are looking forward to leveraging the system as a platform for our future growth,” says Bowers.



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Process and Technology Leader, Westfield

The capabilities and efficiencies gained with ClaimCenter have increased recoveries in Auto, Property, and Workers’ Compensation lines. Leveraging ClaimCenter as the foundation for its subrogation transformation, Westfield’s most significant quantifiable accomplishment has been the increase in recovery dollars—enabling the Subrogation department to have its best year yet.

Guidewire is the platform P&C insurers trust to engage, innovate, and grow efficiently. We combine digital, core, analytics, and machine learning to deliver our platform as a cloud service. More than 500 insurers, from new ventures to the largest and most complex in the world, run on Guidewire. For more information, contact us at info@guidewire.com.