

# Beyond Convenience: Claims Reimagined

- **Utilize technology to turn your claims process into a transparent, convenient, and seamless experience for all stakeholders**



## Introduction

The world is turning into a hyper-digitalized environment. Consumers expect state-of-the-art digital journeys in any life situation and want to engage with any service provider at their terms and through touchpoints they choose. Insurers seek opportunities to innovate, engage with their customers and at the same time grow efficiently and optimize operations. A claim is the most important touchpoint with a customer, the moment of truth.

New technology provides insurers with the ability to create a frictionless claims experience for their policyholders, increase engagement with them through proactive services and optimize their overall claims operations and expense. Service providers can be integrated easily into the whole process flow. And claims adjusters receive a better claims handling experience through infusion of analytical insights into their operational workflow to make better informed decisions.



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## Claims Management in a Hyper-Digitalized World

Claims management is a critical function of every insurer. It is a complex process that often involves many stakeholders. All of them are craving for a frictionless claims management process. Experiences they have in their daily lives driven by our hyper-digitalized world and seamless, convenient consumer services offered by companies like Amazon, Spotify, and Netflix are causing this expectation. The policyholder expects transparency and fast settlement. Claims adjusters look for seamless workflows and insights, helping them settle a claim and make the right decision. Service providers are looking for smooth integration into the claims process to provide their services to the policyholder seamlessly and efficiently interact with the insurer.

Digitalization offers a variety of benefits throughout the claims process. Connected devices, IoT, and telematics are enablers for proactive risk prevention or risk advisory services. The same technology enables an automated first notice of loss and supports the policyholder proactively in an often stressful and emotional situation. AI and machine learning help the claims adjuster with real-time insights to make informed claims decisions, segment the claim and involve the right parties from the beginning or support full automation of claims cases. Mobile technology and new data sources combined with advanced analytics streamline the claims assessment and claims repair process by reducing cycle times or providing more accurate estimates. And the same technology can help automate the claims process either partially or entirely, leading to improved operational efficiency and enhanced customer satisfaction.

### Claims prevention Risk advisory



Proactive notification through IoT and Telematics

### First Notice of Loss



Automated FNOL and delivery of structured claims data

### Claims Management



Smart claims prediction, segmentation and routing

### Assessment and Repair



Mobile and proactive services with automated estimates

### Claims Settlement



Automated Payments, Invoice and subrogation analysis

Digital technology enables a frictionless claims experience for all stakeholders



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## Customers Want Speed, Convenience, and Transparency

Expectations of customers are rising fast. Policyholders are demanding transparency about their insurance coverage and convenient and frictionless interaction with their insurers, especially in claims situations—the most critical touchpoint between an insurer and their customers. Policyholders are looking for proactive support in an often stressful and emotional moment. It is the moment of truth where policyholders expect the insurer to cover for their loss. The satisfaction of insurance customers is mainly driven by the claims experience, in many cases by the time to claims settlement. In a [survey conducted by Guidewire in 2020](#) in the UK, France, and Germany, consumers in all three countries said, “Pays claims quickly” as the essential quality attribute of an insurance company (UK: 40%, France 63%, and Germany 70%). Increasingly the policyholder would like to gain better transparency into claim status and the rationale of a claims settlement decision.

The pandemic has only fueled this desire with situations where insurers have not paid claims for business interruption or business closure. In some cases, policyholders expected payment, but the policy excluded pandemic events. There is a clear opportunity for more accessible insurance language and simplification of insurance products to close this perception gap between an insurer and its customers. Simultaneously, insurers are looking to utilize digital channels and proactive notifications like push messages to keep the customer closely informed about the current work status. Chatbots could be used to provide an alternative to personal interaction. However, at the same time, it is essential to mention that there is still a desire for human interaction, especially in more complex or emotional claims situations. That requires a real omnichannel strategy where all touchpoints offered to the policyholder are interconnected in real time, and the customer can choose and switch as desired.

## Claims Adjusters Need Insights Embedded Seamlessly into Their Workflow

Claims adjusters need to handle a vast amount of data and information when assessing and evaluating a claim. They need to collect and consider many data points provided with the claim, but at the same time interact with a lot of external parties to either gather additional information, order repair services, or make payments. Their success is crucial for a smooth, efficient and fast claims process. It has an essential impact on the policyholder's satisfaction and the insurance company's operational result. Insurers should provide their claims professionals with sophisticated claims management capabilities, a holistic view of all claims information, proactive support through data-driven insights, and an integrated workflow where they can interact with internal and external stakeholders in a unified way. Information like fraud evaluation should be directly embedded into their claims workflow, as well as the ability to order assessment or repair services. Simple tasks should be automated so that the claims adjuster can focus on more complex tasks. And those complex tasks should be informed by directly accessible data-driven insights like predictive claims severity prediction. With all of those capabilities unified, the claims adjusters will find an enjoyable environment to excite the customer with speed, transparency and convenience. This will directly impact customer satisfaction and improve the excellence and efficiency of an insurer's claims operations.



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## Claims Service and Data Providers Expect Seamless Integration and Automation

The claims lifecycle has many external stakeholders and many integrations with either data services or service providers. Examples for data services include fraud detection services; examples for service providers include car repair companies. These external stakeholders need to be seamlessly integrated into the claims workflow to create the highest efficiency for the claims professional in utilizing the information or interacting with those stakeholders directly. External data services should feed the claims process in real time. External service providers should interact with the claims professional handling the claim in an integrated way and vice versa. Direct integration of all of these services into the claims management system is necessary. It will lead to satisfaction and convenience of all stakeholders; will create an integrated claims processing environment and ecosystem that fosters innovation, collaboration, and efficiency; will reduce direct and indirect claims expense of the insurer; and finally satisfy policyholders at the moment where they need their insurer the most.

## Digital Claims Management

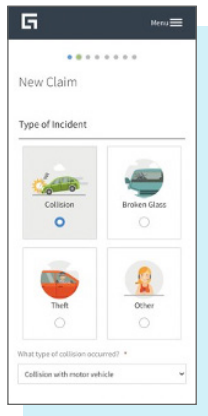
Digital omnichannel experiences are critical to seamless interaction between all participants of the claims lifecycle. Guidewire provides policyholders, claims adjusters and repair vendors with embedded digital experiences, so they can all communicate, connect, and exchange information in real time throughout the whole process with the device of their choice.

Guidewire ClaimCenter enables insurers to transform their claims into a differentiating experience with an adaptive first notice of loss (FNOL) process tailored to meet their customers' unique needs. Ensuring prompt and reliable third-party service is more achievable with direct integration and streamlined communication and collaboration between vendors, adjusters, and customers.

ClaimCenter also enables insurers with the opportunity to provide digital self-service channels to their customers to file and track claims easily, upload photos and documents, select preferred repair vendors based on their location, and communicate with adjusters—from anywhere.

Claims adjusters will receive any claims-relevant updates or information in real time and immediately progress with the claims adjustment process.

Repair vendors have direct access to any necessary information from the claims management system, communicate in real time with the insurer, and receive repair requests and provide repair proposals for approval in real time.





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## Smart Claims Management

Advanced data and analytics like AI or machine learning are vital for intelligent claims prediction, estimation of claims severity, claims routing and segmentation. Claims adjusters require deep insights embedded into their adjustment workflow to make better-informed decisions about a claim. Simultaneously, analytical insights can be used early in the claims lifecycle to determine whether a claim could be processed in an automated way or need to be routed to a specialist team because of its complexity.

Guidewire ClaimCenter with Guidewire Predictive Analytics embedded directly into the claims process flow optimizes claims operations and helps the claims organization manage costs while increasing customer satisfaction. Analyzing multiple sets of data, providing guidance to frontline decision makers, and continuously measuring the business value help better manage claim indemnity and loss adjustment expenses.

The following are some use cases available with Guidewire ClaimCenter and Guidewire Predictive Analytics:

Use Case	Description	Business Benefits
Initial Segmentation	Smart classification, routing, and assignment of claims immediately after first notice of loss or report of injury	<ul style="list-style-type: none"><li>• Increased efficiency and straight-through processing</li><li>• Reduced reassignment rates</li><li>• Improved claims productivity and reserving accuracy</li></ul>
Severity Escalation	Early warning system for claims that are at risk of adverse development	<ul style="list-style-type: none"><li>• Targeted use of experienced resources</li><li>• Reduced indemnity and expenses for large claims</li><li>• Lower litigation rates</li></ul>
Subrogation Detection	Identification and referral of claims that have an opportunity for third-party cost recovery (e.g., collision or building subrogation)	<ul style="list-style-type: none"><li>• Increased creation or preservation of subrogation opportunities through early intervention</li><li>• Increased recovery via reduced leakage and improved prioritization of opportunities</li></ul>
Litigation Risk Detection	Identification and escalation of claims that have a higher risk of being represented by an attorney or of entering litigation	<ul style="list-style-type: none"><li>• Lower litigation rates</li><li>• Targeted use of experienced resources</li><li>• Reduced indemnity and expenses for large claims</li></ul>



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## BEYOND CONVENIENCE: CLAIMS REIMAGINED

<b>Total Loss Identification</b>	<b>Identification of total losses before expenses are incurred for vehicle repair; identification of repairable vehicles classified as total loss at FNOL</b>	<ul style="list-style-type: none"> <li>• Quicker identification of damaged vehicles that are not worth the cost of repair</li> <li>• Reduced expenses of towing, storage, and estimation</li> <li>• Reduced indemnity on repairable vehicles</li> </ul>
<b>Expense Reduction: Field Adjustment</b>	<b>Classification of claims that should be evaluated by a field adjuster vs. claims that can be remotely handled</b>	<ul style="list-style-type: none"> <li>• Reduced field adjustment expenses</li> <li>• Reduced indemnity on remotely handled claims</li> </ul>
<b>Customer Satisfaction Prediction</b>	<b>Early identification of claims that have the risk of poor customer satisfaction or retention</b>	<ul style="list-style-type: none"> <li>• Improved customer satisfaction</li> <li>• Improved retention of valued customers</li> </ul>

## Connected Claims Management

The goal of “connected” claims management is to provide a frictionless and efficient claims experience. Such an experience is not only for the policyholder with innovative communication solutions like chatbots as one example. It is also for other participants, such as repair service providers and data providers who enrich the claims lifecycle with value-add services. These services need to be pre-integrated and pre-developed with the core claims workflow.

With so many insurtech startups and hyped technologies, it isn't always clear which solutions will add real value to an insurer's claims system and operations. Moreover, resources for lengthy integration projects are scarce and hard to justify, making a “test and learn” approach to innovation nearly impossible. The Guidewire Marketplace is a collection of more than 125 prebuilt, validated, and trusted apps and content for the Guidewire platform. From established players to insurtechs, the Marketplace gives insurers access to the most comprehensive and innovative set of solutions to extend their platform's capabilities and drive their business forward.

It lets insurers accelerate innovation and differentiate their business with apps, content, and more from the world's largest and most comprehensive marketplace of P&C solutions. With multiple categories of apps across a broad spectrum of capabilities, the Marketplace provides options for how insurers build their ecosystem with Guidewire. Guidewire validates all apps in the Marketplace to ensure that solutions are compatible, secure, and of high quality. Most importantly, the solutions provide the business value insurers expect from Guidewire partners.

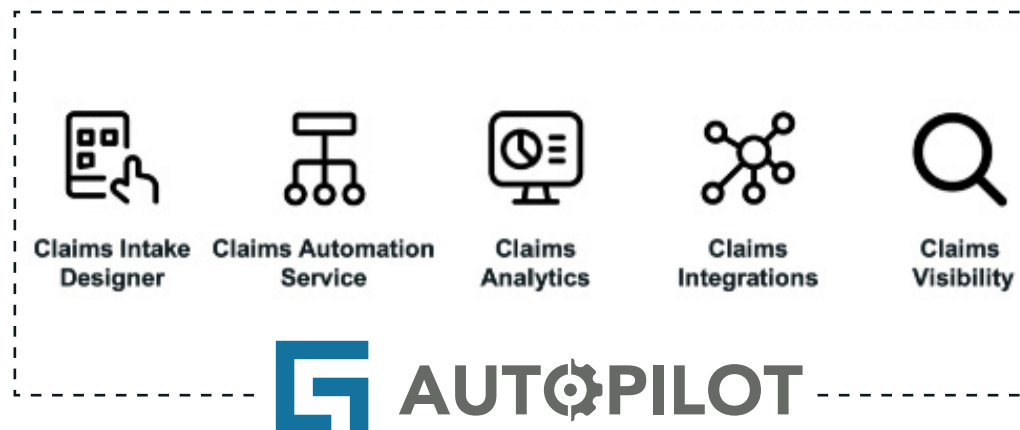


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## Guidewire Claims Autopilot: Guidewire's Vision for Claims Automation

The next evolution of claims management entails all of the above capabilities. Innovative claims management needs to be digital, smart, and connected. It will do this by embracing new digital channels and technologies; leveraging AI, embedded analytics, and business intelligence; and complementing innovation through seamless integration of innovative external solutions into the claims lifecycle.

To achieve this vision for the future of claims, Guidewire is investing in the area of automation with Guidewire Claims Autopilot. Claims Autopilot will enable insurers to take an automation-first approach to claims handling. It comprises five main areas that leverage artificial intelligence, analytics, and digital technologies to enable insurers to deliver better customer experiences while lowering operating expenses.



It all starts with claims intake, which transforms into an adaptable, fully digital experience. Business users will be able to customize these experiences through the Claims Intake Designer, enabling them to quickly design, define, and modify a series of progressive questions to help identify the nature of the claim.

Next, the Claims Automation Service will work behind the scenes to evaluate each claim as it comes into ClaimCenter and begin a series of processes to automate the entire claim. If an anomaly occurs during automation, it will push the claim to manual handling and, once assessed, pick right back up and automate the remaining steps in the claim.



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The Claims Automation Service will be powered by Claims Analytics, which will leverage artificial intelligence (AI) to operationalize data and analytic insights to automate processes throughout the claims lifecycle. Claims Analytics will also help insurers gain analytical insights into claims processed by the Claims Automation Service with metrics including cycle times, counts, financials, and comparison metrics.

In addition, Claims Autopilot will leverage Guidewire's extensive ecosystem of partners and Insurtechs to streamline integrations for third-party services—such as fraud detection and AI estimating—into the Claims Automation Service.

Offering fast and automated service is just one component of Autopilot. It will also help insurers provide better customer experiences throughout the claims process with full visibility into status updates and two-way communications that are accessible anywhere.

## Excite Any Stakeholder in the Claims Lifecycle with Frictionless Experiences

The future of claims goes far beyond convenience. It delivers a satisfying experience to policyholders, claims professionals, claims service vendors, and other claims lifecycle stakeholders. It requires a digital, smart, and connected claims platform with seamless user journeys, embedded analytical insights, and integrated, innovative value-add services and sophisticated automation capabilities. Unifying these capabilities will improve customer satisfaction and retention, reduce operational and indemnity loss expenses, and increase operational excellence.

And finally, every stakeholder of the claims lifecycle will experience speed, convenience, and transparency while enjoying the frictionless experience.

Guidewire is the platform P&C insurers trust to engage, innovate, and grow efficiently. We combine digital, core, analytics, and AI to deliver our platform as a cloud service. More than 400 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](mailto:info@guidewire.com).