

## Welcome to our first newsletter of 2012



By Tim Crossley

**As we enter the year of the Queen's Diamond Jubilee, it is interesting to see a 'changing of the guard' in the London Market claims community. Already there have been several new appointments and more will no doubt follow.**

A transition is also taking place in the systems community, and FINEOS is delighted to announce that our first London Market customer is now live. We also have our first FINEOS Express customer, Kiln, who is part of Tokio Marine Group. Kiln currently manages four syndicates at Lloyd's and, in terms of capacity, is one of the largest agencies trading in the Lloyd's insurance market. We are also pleased to announce that the FINEOS Claims Global Summit will take place just outside Dublin later this year, and for the first time we will have a dedicated London Market stream for customers and prospects.

### Kiln Selects FINEOS for Claims Operations

FINEOS Corporation, a market leading provider of claims management software, has announced that Kiln, the international insurance and reinsurance underwriting group, has selected FINEOS Express for its claims operations. Kiln, one of the largest agencies trading within the Lloyd's insurance market, is an acknowledged leader in a number of business areas including property & special lines, marine & special risks, reinsurance, accident & health, aviation, life and enterprise risk. FINEOS Express, the version of FINEOS Claims specifically developed for the London Market, will be rolled out across all lines of business and become the common platform for Kiln operations in the UK and overseas in Belgium, France, Germany, Brazil, South Africa, Hong Kong and Singapore.

The decision to move to a modern, web-based claims system was driven by Kiln's continued focus on delivering a first class claim handling and settlement service to its clients within the Lloyd's Market. Following a thorough evaluation of the leading claims solutions in the market, Kiln opted for FINEOS which offers a fully-configured, out-of-the-box claims solution designed for organisations where the primary operation is as a Lloyd's Syndicate.

Michael Kelly, CEO, FINEOS Corporation, welcomed Kiln as a new customer.

*"We are delighted to be working with such a high calibre customer as Kiln. We are totally committed to providing the best claims product in the London Market and will be investing significantly in both product and resources to support this in the coming years".*

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### FINEOS Event

#### Coming Soon

**FINEOS will be hosting a morning seminar entitled "Claims 2012: What are the Big Issues Facing Claims Professionals?"**

Following Bronek Masojada's criticism of the London Market Claims Transformation Project this claims briefing will see senior claims professionals from the Lloyd's and Company discuss the issues as they see them.

For further information or to register, please contact [Victoria.Jamison@FINEOS.com](mailto:Victoria.Jamison@FINEOS.com).

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## Specialised Technology Brings Better Claims Service

London Continues to Search for a Panacea to Allow Speedier, More Accurate Claims Handling. Richard West, FINEOS, outlines some of the most recent progress.



In the face of increased pressure to improve the speed of claims settlement, improve service and increase overall efficiency, managing agents are reviewing the structure of, and roles within, the claims department in a quest to establish optimal organisation and processes to best meet what many consider conflicting objectives.

Underlying all of this is the key question: how can claims be handled more quickly, accurately and fairly without processing costs escalating?

What has been seen in recent times is that whilst most claims directors and COOs would not consider themselves economics gurus, many are adopting Adam Smith's Division of Labour principle to achieve just that. Smith's pin factory example bears striking resemblance to a solution increasingly being adopted in the London Market, where simpler claims are diverted to less experienced or trainee adjusters whilst staff in newly established claims operations departments now perform a range of tasks designed to make the senior claims adjuster's life easier. In both cases, the main objective is to allow senior adjusters to concentrate on the more complex claims where their skills and experience are needed most. But how can companies fundamentally change their claims organisation, adopt completely new processes, introduce new roles and alter the traditional "Do It All" role without creating chaos?

If we examine the issues there is no doubt that a significant proportion of claims activity is straightforward but in the "Do It All" approach, senior claims personnel perform these tasks as well as deal with those complex issues that justify and require their experience.

Furthermore, it must be recognised that those long-steeped in the claims profession and not necessarily the best people to be responsible for process analysis, extracting management information, liaising with IT and performing other non-core tasks and nor do many want to.

### Claims Segmentation Techniques

It has to be a concern that while the London Market wrings its hands about the claims skills shortage, it continues to use those rare, sought-after staff to do work that does not need those skills. Surely there's room here for getting more for less? Not only can simple claims be routine and need little expertise to process but many tasks within the most complex claim are straightforward. For example, why do you need a highly paid senior claims adjuster simply to gather all the detailed data necessary for complex claims before the claims assessment can proceed? Data enrichment is clearly something that can be delegated.

The problem itself is clear to see but what is needed is an efficient and flexible means by which routine claims and tasks can be safely and efficiently performed by more junior personnel without any risk to service and accuracy standards.

Some companies have used basic workflow software coupled with the diversion of simpler claims and routine tasks to more junior staff. Whilst this solution implements Adam Smith's division of labour

principle, it is really only a first step towards reaping the potential savings and service improvements that can be achieved by the new approach. What is really needed is specialist claims management software rather than the application of a generic technology solution.

To deliver the efficiencies so desired by the market, at the core of a claims case management system needs to be a highly flexible Rules Engine that allows claims processes to be designed according to whatever attributes apply to a particular claims case. This approach has to start the moment a claim notification arrives where the case is subject to a segmentation or triage process. All information received within the claim notification is then examined and, according to the nature of the claim, the appropriate process is automatically applied. In many cases claims will be diverted to junior staff to correct data or add missing data essential to the assessment of the claim. Only when a case is "clean", (ie sufficient data is now available), will the case move on to the skilled adjuster. In other cases, routine, simple claims will be dealt with by junior staff themselves but there is the ability to refer cases to senior adjusters should an issue develop that requires their expertise.

Such an approach is conducive to the allocation of routine tasks and simpler cases between individuals and departments whilst still allowing all relevant claims personnel a dashboard view of every activity be it completed, current or yet to start.

Given the events of the year so far, such a system will also be highly beneficial in handling catastrophe claims where highly complex claims will incorporate a large number of routine tasks eg data gathering.

### Claims Operations

A relative newcomer to a number of managing agents is the Claims Operations Department. These teams have been established not only to make the claims adjuster's life easier but to assess and monitor the efficiency of all claims activities. This means identifying and dealing with particular process issues and easing the implementation of new processes and IT solutions. In addition, claims operations are responsible for the production of management information and the use of KPI's to aid performance, trend management and workload forecasting. Claims Operations staff will also ensure that processes are designed to ensure legal and compliance requirements are met. These are all essential tasks but do not fall in line with most claims adjusters' core skills set.

Again, specialist claims management software is the key tool that claims operations staff can exploit. Such systems will already incorporate sophisticated, claims specific MI reports and dashboards that allow claims operations to keep a finger on the pulse of the whole operation and thus quickly identify issues, recognise trends and monitor adherence to service standards. Where a new situation is faced such as a new major cat, claims operations can quickly implement specialised reporting to ensure close monitoring of events and help forecast the timing and level of the increased workload. Without the need of IT skills, claims operations can also modify the rules engine and the system driven processes to deal with the new cat cases in the most efficient manner.

Solutions to the market's problems are definitely out there but lessons need to be learnt from other markets where progress has already been made. Division of labour coupled with the establishment of specialist operations teams is a worthy aim but to be fully effective specialist claims management systems have to be in place.

Claims have never been under the spotlight as they are today. The Lloyd's Market is also making progress; however at a recent coverholder conference held in Lloyd's the market was told it needed to aspire to steps taken in the US which appear to be ahead of those at Lime Street. One of the most telling comments came from one US coverholder. His message was clear and simple - "Lloyd's needs to catch up".

Article appeared in Insurance Day, December 2012

## Leading Lloyd's Syndicate Goes Live with FINEOS Claims for the London Market

### New System Provides Full Cycle Claims Management

FINEOS has announced that one of the largest managing agents in the Lloyd's market has gone live with FINEOS Claims. The solution provides full cycle claims management for claims arising from the company's operations in Property, Contingent Lines, Marine, and Reinsurance. After an extensive evaluation of leading claims management solutions, FINEOS Claims was judged to offer the best fit for the London Market. Other selection factors were the maturity of FINEOS as a company, its commitment to the London Market and its successful track record in claims implementations.

FINEOS Claims offers a seamless web-based system that is flexible and future-proof. It gives control to the business allowing the company to further strengthen its claims management capabilities and meet and exceed the highest service standards. The system also provides comprehensive claims management capabilities that are complementary to and consistent with the Electronic Claims File (ECF) and Lloyd's Claims Management Principles and Minimum Standards. It also provides better management information, delivering a consistent process for claims handling irrespective of the business source.

The new rules-based claims solution enables the Syndicate to adapt and fine tune its business processes without having to depend on FINEOS for every change. Moreover, the segmentation capabilities in the solution ensure that volume claims are processed quickly without tying up highly skilled, specialised claims staff. Complex claims are automatically routed to staff with the necessary skills, experience and expertise to deal with them.

Commenting on the Syndicate's move to a production status, Michael Kelly, CEO, FINEOS Corporation said,

**"We are pleased to announce another successful FINEOS Claims implementation and we are delighted with the strong reputation we are building within the London Market. We see this as a testament to FINEOS Claims' ability to support a wide range of lines of business and a variety of operating channels on a single, enterprise wide platform. We will continue to invest significantly in FINEOS Claims for the London Market and look forward to working with more London Market insurers in the coming years."**

## Upcoming Events 2012

We have another busy schedule of events taking place in 2012. Below are some of the conferences we are sponsoring over the coming months. For a full schedule of events, please visit our website. If you would like to attend any of the events or set up a meeting with FINEOS, please contact [Victoria.Jamison@FINEOS.com](mailto:Victoria.Jamison@FINEOS.com).

### Strategic Claims Conference 2012 Mint Hotel, Tower of London Wednesday 7 March

The theme of this year's conference is: **The Strategic Role of Claims as an Asset to the Overall Business.** FINEOS will be

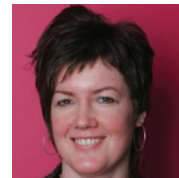
exhibiting at the conference and sponsoring Stream 4 entitled: **Harnessing Technology: New Developments and the Impact on Claims.** The session will be chaired by Graham Newman, European Product Marketing Manager, FINEOS, and will be divided in to two sections:



#### Case Study: Critical Lessons Learned from a Real World Technology Implementation

**Michael Whelehan,**  
Head of Claims,  
FBD Insurance

- Why a major technology implementation is a major transformation project and what this actually means for your business
- Legacy systems - some lessons learned on effective consolidation with new technology assets
- Where people meet technology : effectively preparing the organisation
- What actually happened during the course of the implementation



#### Future Technology and the Potential for Claims

**Jo Hinds,**  
Head of Financial Services,  
Google

- Using innovation in the digital space to give customers the experience they now demand
- Insights from other industries
- The untapped opportunities of mobile and social for customer service - and why social is not a fad
- "Having an app" is not a mobile strategy: what you need to ensure a multi-platform experience
- Early thinking on how digital will make insurance a next-generation service

## The London Market Forum Mint Hotel, Tower of London Monday 12 March

The London Market Forum provides a thought-provoking platform for key thinkers and market leaders from Lloyd's and the Companies' Market to discuss the challenges and opportunities of sustaining London's position as the world-leader in specialist insurance provision.



As part of the conference, **Graham Newman, FINEOS** will present **Claims Transformation: Positioning for the Future**

This presentation will look at:

- Defining better claims outcomes and the requirements of success
- Providing the power to change: the role of technology in enabling transformation
- Understanding and making the most of the internet experience
- Who is the claims system for? Redefining and effectively managing the claims ecosystem

## Announcing the 6th Annual FINEOS Claims Global Summit



**The FINEOS Claims Global Summit is the premier event to learn about emerging trends in the insurance claims market and to gain exposure to thought leadership and proven best practices from experts in the field of claims management.**

We are pleased to announce that our 6th annual summit, the FINEOS Claims Global Summit 2012, will take place just outside Dublin, Ireland.

This year's focus will be on Achieving Claims Excellence, and the agenda will include sessions addressing this theme from industry experts, FINEOS customers, and internal FINEOS experts. With the Summit in the same location as FINEOS Corporate Headquarters, access to FINEOS personnel will be optimal, and attendee networking opportunities will be enhanced.

### **Date: 8 - 11 October, 2012.**

Optional education sessions, pre-scheduled meetings with FINEOS representatives and additional networking activities will be offered on the days of Monday, 8 October and Friday, 12 October.

**Time:** The Summit officially begins at 6pm on Monday, 8 October and ends by 2pm on Thursday, 11 October

**Location:** The Ritz Carlton, Powerscourt, Co Wicklow, Ireland.

### **Who Should Attend?**

Current FINEOS customers and invited guests, including Claims professionals, CIO's, CTO's, enterprise architects, and other IT management

**For more information, please email [Alison.Murphy@FINEOS.com](mailto:Alison.Murphy@FINEOS.com).**

## Webinar - Leveraging Claims Data to Boost Performance

**On Thursday 16 February, FINEOS hosted a webinar entitled "Leveraging Claims Data to Boost Performance."**

Most insurers don't lack claims data. They lack the ability to unlock the valuable information contained in their claims data. Siloed systems and organisations, incompatible internal data models, and poor reporting and analytics capabilities hamper the industry's attempts to transform claims departments into data-driven, insight-based operations. To their credit, many insurers recognise that leveraging analytic tools and their internal data is the key to impacting claims outcomes, and are investigating accordingly.

The webcast explored the issues and industry trends, suggesting an approach, and giving examples of steps that can be taken to not only gain the insights necessary to improve the business, but to actually drive optimum processes by using modern claims technology.

To listen to a recording of the Webinar, please visit [www.FINEOS.com/about/resource-library](http://www.FINEOS.com/about/resource-library)

### **Speakers:**



**Martina Conlon,**  
Principal, Novarica



**Jonathan Boylan,**  
Chief Technology Officer, FINEOS

## iPad Winner



Graham Newman, European Product Marketing Manager, FINEOS, presents an iPad 2 to Peter Leahy, Head of IT, Endsleigh. Peter was the lucky winner of the iPad 2 at the Insurance Network Annual Congress 2011.

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