

In the Digital Era – Claims Insights

by Mary Enslin, Gen Re Life/Health Client Services, Cologne

Just like the underwriting process can be contentious for customers and intermediaries, the claims process can also be challenging and frustrating. Customers are often unsure when and how to claim and the process can seem tedious at best and overwhelming at worst. With the growing awareness of customer centricity, insurers are looking for ways to improve the customer experience throughout the claims process. This customer-centric approach presents a challenge for insurers who must balance the customer's desire for a simple process that results in favourable claims outcomes as quickly as possible with the need to thoroughly investigate claims and avoid fraud.

Digitisation could offer a solution to meet both the client's and the insurer's needs. Similar to how underwriters can use digital information and continuous underwriting to improve the customer experience and better understand an individual's risk, claims departments can use digital information – smartphone data, Internet activities, social media interactions – to evaluate claims and detect fraud.

Notifying a claim

While most insurers still use paper claims forms or broker channels to facilitate claims submissions, many insurers are exploring digital alternatives. Some examples include:

- Online forms: Offering paper claims forms in a digital format online may make them easier to access and complete as claimants can submit these electronically as soon as they are completed. In many cases this is a step in the right direction but claims evidence (i. e. doctor's reports, hospital records, death certificates, etc.) must still be submitted manually.
- Digital claims portal: This is an online system that allows claimants to submit claims information and evidence through a secure service. Insurers can then use this information, which is already in a digital format, to process claims, often with a degree of automation.
- Applications on smart devices: A well-designed app can significantly simplify and speed up the claims process by allowing claimants to submit claims almost any where and any time. Insurers also have the potential to use data analytics to adjust questions as information is gathered, ensuring the process is tailor-made to the claimant and all necessary information is requested at once.

Content

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- Live online chat: Remembering that many claimants find the claims process confusing and intimidating, some insurers have introduced a chat function to their websites whereby customers can have questions answered in real time. Some questions may even be answered by chatbots (a computer program designed to stimulate conversation with humans) and the claimant would only be directed to a human consultant if the bot could not answer their question. In some cases, the bot or human consultant can guide the customer through the claims process by asking for claims information and prompting the customer to submit the required evidence.

Gathering of claims evidence

In markets where electronic health records are available, customers may be willing to give consent for the insurer to access these records directly. This could significantly accelerate non-disclosure investigations and the overall assessment of the claim by giving claims assessors all of the medical information needed to make a decision.

Similarly, in some markets, customers are invited to share their smartphone/wearables data, either through an existing fitness or health app, or through an app created by the insurer. This can be useful for the proactive management of potential long-term claims by allowing early detection and intervention strategies, as well as by monitoring compliance to treatment. Some insurers may also wish to utilise this form of ongoing communication to prevent future disability in customers who are already known to have health risks. For example, following a critical illness claim for heart attack, an insurer might engage with the claimant through an app to promote heart health in the hope of preventing a future claim.

Another growing source of claims data is online searches and social media. Many insurers encourage their customers to connect with them on social media and this can be a valuable source of collateral information. For example, insurers may find evidence on social media that shows the claimant enjoying a greater level of activity than what was suggested on their claims form, which could impact the outcome of the claim. Or insurers may use their social media presence to share the different health, rehabilitation or return-to-work services they offer and the success stories of other claimants. Of course, before using social media an insurer should ensure this type of contact is permitted in their market and that the required consent has been obtained.

Some insurers are taking customer centricity a step further and are using data to detect when a customer has a claim before a submission is made by the insured. For example, an insurer might have an agreement in place with a hospital that means they are informed if one of their customers is admitted. In this way, the insurer can obtain all the necessary evidence required for the claim directly from the hospital and initiate contact with the insured only to confirm payment of the claim. Similarly, if a claim has been received for one benefit, the insurer might use the information at hand to validate a claim on another benefit before the customer submits a second claim. For example, if a health claim is submitted and paid out, the insurer might also have enough evidence to validate a critical illness claim. In this way, the customer is not required to fill in a new set of forms and resubmit (often duplicated) evidence. Once again, insurers need to pay careful consideration to their regional data privacy laws before considering whether such an approach is appropriate for their market.

After a claim

Many insurers are already using data analytics to some degree to detect and manage fraud. There is also the potential to use data to detect trends in claims

across a number of characteristics such as geographical area or time period. In addition to fraud detection, this information on trends may be used to give feedback to the underwriting department. For example, if an insurer is seeing a higher than expected claims incidence of a specific condition, and fraud has been eliminated, they may look at whether they are asking the right questions to detect this condition at the underwriting stage.

Conclusion

Many argue that the claims process is stressful and emotional, and as such requires a human touch. In this context it is important to remember that digitisation does not aim to remove all human interaction from the claims process. Rather, the goal is to offer as many different means of communication as possible and, in this way, we acknowledge that no two customers are identical, and we accommodate their preferences. Digitisation also offers the potential for more open, transparent communication.

Others might fear that an increase in the use of digital solutions will result in human claims assessors being replaced by machines. Interestingly, insurers who have already digitised large portions of their claims processes have found that, because simple administrative functions are performed automatically, their claims assessors have the time to specialise in addressing complicated issues and investigating complex claims.

As Sir Arthur Conan Doyle's famous fictional detective, Sherlock Holmes, once said 'Data! Data! Data! I can't make bricks without clay!' In other words, an insurer's analytics is only as good as the data it involves. As a result, more and more companies are upgrading their operations, processes and systems to support the digitisation of data and Gen Re looks forward to being a part of this exciting journey with you.

About the author

Mary Enslin *joined Gen Re as a claims specialist in our South African branch in 2013. She relocated to Gen Re Life/Health Client Services, Cologne, to take up a position in the International Claims Management team in August 2016. She has a special interest in the impact of mental health and disability on work. She can be reached by telephone on +49 (0)221 9738 270 or by sending an email to mary.enslin@genre.com.*

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