



Technology and Claims Easier e-claims

As a wide-eyed graduate working for ICL on systems resembling Mission Control when computers were huge and engineers were nervous, I felt it wise to duck the question “how do you know if it is hardware?”. The party-line answer, “because it clangs when you kick it”, was too corny to contemplate but it did beg the flipside question of what software might look like. Having moved in the claims management orbit for a while now, I have become clearer on at least one thing: that software needs to be as soft as possible. It must be flexible. It must be extensible. It must talk to its neighbours, but it must be secure.

You know how it is when you look at any system: having checked off the core functions comes the inevitable poser, “but can you make it do such and such?”. This is a question well put, because behind it may lie a new angle for the business which such a feature would enable. This is a question we would all like answered as truthfully as possible and, in revising PaperSwift, we have arrived at a form of software fashionably known in some circles as ‘third generation’. The first generation was built to do nothing more than asked; when more was asked the core of the system had to be modified. The second generation was a deconstruction of the first generation, reconstructed in order to deliver more functionality and to second-guess some of the change-requests round the corner. The problem with these former generations is that they tend to start out relatively simple, and then escalate in complexity. Complexity comes at a price.

It was time to step back and ask the ‘just suppose’ questions: more than claims, suppose we want to be able to handle incidents, fully described with documents attached, each of which could give rises to many claims, each of which has many parties, and documents. Then there are policies and how about a subsystem with the ability to record and manage legal matters too. We want to be able to control exactly who can see what, no matter how they look at the data. Users will belong to groups, and membership of a group will define what records you can see, within those records, what data you can see, down to which buttons appear on the screen and what they do – and all driven by a database we can set up. In other words, build a framework to handle a variety of different entities (‘objects’, in the jargon) some of which we know about today, and some of which we cannot know about. Let’s lay foundations with extra pipework, cables for power, broadband, home-cinema etc etc, test it all out so that they will work when needed, then cover it all over and leave some neat sockets and some levers to pull. Third generation software starts with complexity of design ‘under the bonnet’ and ends with simplicity of function. As the ability to handle new types of entity is needed, or new field of data required on the screen, the machinery is all in place to facilitate these changes quickly and cost-effectively.



Until recently, information exchanged in real-time could carry a high price-tag; a leased line of modest speed used to cost £6,000 per annum and next best was ISDN. Now, faster broadband is available to most offices and home-workers at a fraction of that cost. Where once, claims were recorded in-house on a spreadsheet or database, now the database can reside outside the office suitably shielded from most of the risks we are familiar with, and automatically backed up. I once visited an office where there was a notice pinned to the door saying, “Our servers are not here!”. When I asked the IT Manager why he had a notice telling me where the servers were not he said that thieves had stolen the servers once, and then as soon as they replaced them, the thieves returned and stole the new ones.

The efficient management of claims is a key objective within the insurance industry; drive down claim costs, and close down the claim as quickly and efficiently as possible. Loss Adjusters managing the supply chain perform a key role in assisting insurers in the claims process while needing to demonstrate a value-added service. With the advent of always-on internet connectivity, other parties in the chain can be instructed and can in turn feedback, instantly. This has to be better than faxes.

Studio Bolton of Milan and Rome was an early adopter of PaperSwift when principals became insistent that the progress of claims be visible ‘24/7’. They use the system as their own in-house claims-management system while simultaneously giving approved London-based users a view of the relevant claims. With the advent of the accessible internet, there is no reason why business partners in the supply chain should not exchange information. This exchange could be as simple as e-mail or text message, or as advanced as exchanging information directly between servers; and for once the advanced option is not hard to implement using what are known as web-services.

The tendency of insurers to ‘desk-top’ has reduced claims volumes and poses the challenge: what new services can we offer as we embrace new technology? It is understandable that in the past, while the opportunities afforded by an internet-based system looked attractive, the perceived difficulties were daunting.

One of the nagging concerns was security. Not long ago it was popularly considered rash to use a credit-card to purchase on the internet, and internet-banking was a fringe-interest. But no more, though insurance has lagged behind the banks in adopting new technology. We have had a while now to devise ways of securing information, and PaperSwift uses a tight data-sieve which checks the user’s permissions for each and every piece of data before releasing it from the lowest layer of the system regardless of whether the user wants to display it on a spreadsheet, a regular screen, a report or a PDA.

What about the hurdles to implementing a system? When systems were, of necessity, in-house there was the infrastructure to think about. As we’ve seen above, theft is one concern, but then there are backups, configuration, and generally extra work. Most



offices now have a network sharing a broadband connection through a firewall, and this is all that is needed. Of course there are challenges in moving to a new system, but the good news is that the challenges don't necessarily have to be faced at once, by staging the installation.

Another concern has been integration of an internet-based system with existing in-house software such as word-processing and accounting. Yet, it is now possible to pass information from the claim viewed in the browser window into a word-processed template on the PC to produce anything from simple letters to the DWP's CRU form and then send the document back 'up', attached to the claim behind the scenes.

Where technology might once have posed an off-putting challenge, it is now offering flexibility, affordability and security. One could avoid the new technology, but now the search is on for innovation and fleet-footedness it would be a shame to be the hindmost.

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