



# CLAIMS & RISK MANAGEMENT

## Working Group

October 22 - 23 • Washington, DC

### Executive Summary

The Council's fall 2018 Claims & Risk Management Working Group focused largely on group discussion around customer experience, leveraging data, integrating claims and risk teams and providing a unique value proposition. The group also had Justin Albert, Associate Vice President & Actuary at The Hartford, present on how they are using AI and machine learning to "improve outcomes with claims and risk data." Taking place in Washington, D.C., the Working Group was chaired by now-former Working Group Chair Todd Macumber, President of Specialty Practices at HUB, and current Working Group Chair Michael Rivas, Senior Vice President of Risk Services at Assurance Agency. The working group was staffed by The Council's Director of Market Intelligence & Insights Robert Boyce and Content Specialist Katie Oberkircher.

### Participating Firms

Nearly 30 participants from the following member firms attended, including 14 first-time attendees:

AHT Insurance	Hylant
Assurance Agency	INSURICA
BB&T Insurance Services	InterWest Insurance Services, LLC
Clark Insurance	M3 Insurance Services
Cobbs Allen	McGriff Insurance Services
Conner Strong & Buckelew	MJ Insurance, Inc.
Early, Cassidy & Schilling, Inc.	Morris & Garritano Insurance Agency, Inc.
Henderson Brothers, Inc.	Murray Securus
Holmes Murphy & Associates, Inc.	Parker Smith & Feek
Hotchkiss Insurance Agency	UNICO Group, Inc.
Hub International Illinois	Wallace Welch & Willingham, Inc.

### Improving Outcomes with Claims & Risk Data

**Presenter:** Justin Albert, Associate Vice President & Actuary, The Hartford

Describing data as the "new oil," Albert's main point was that given the technological advances today, it has become essential that brokers and carriers leverage claims data in order to improve outcomes for their clients. Like oil, data is an asset we are "sitting on top of" but is a "huge investment and effort to extract."

According to Albert, artificial intelligence (AI) and machine learning technology can ensure timeliness and accuracy when it comes to determining the value of a claim. These capabilities encourage carriers like The Hartford to identify which parts of the claims journey require human interaction and which do not. This ensures that the claim gets into the right hands with the necessary experience to improve outcomes for the client. In short, the goal is to strike a balance between recognizing the affordances of technology and the importance of human interaction to ensure a better customer experience.

Additionally, data analytics may be used to target intervention and triage methods, effectively shifting the claims process from a reactive to a proactive one. While the tools to analyze claims data continue to evolve, the newer challenge is how to best utilize it and how to determine which stakeholders should have access to it.

## Unique Customer Experience Strategies

Todd Macumber of Hub International led a group discussion around formulating a unique customer experience strategy. How to create a customer experience that fosters loyalty in customers and attracts new business is a key challenge facing insurance brokerages today. One major focus of the discussion was the 12 principles behind a good customer experience:

1. Make it effortless (e.g. Amazon one-click purchasing)
2. Stir emotion
3. Give perception of control
4. Be an advocate
5. Create relevance
6. Recover with style
7. Personalize the experience
8. Pay attention to the details
9. Keep it simple
10. Deliver pleasant surprises
11. Create peaks and avoid valleys
12. Finish strong

The group also discussed pain points that customers often face, such as the application process and the volume of paperwork they may have manage in the process of dealing with an insurance brokers, and how they might attack those pain points using innovations in the industry. The importance of personalizing the customer experience by having staff guide them through the entire journey was also a focal point. The human element is crucial in the industry, at least for now.

## Government Affairs Update

Prior to the midterm elections, Joel Kopperud and Blaire Bartlett of The Council's Government Affairs team offered their election projections ([click here](#) for the full analysis), estimating that the Democrats would pick up between 23 and 25 seats in the House and remain the Senate minority. With the elections now behind us, it looks as though this was a noticeable underestimate, at least when it comes to the House, where Democrats have picked up 35 seats and could get as many as 40.

On the Senate side, the upper chamber remained in Republican control after flipping two seats (Indiana and Missouri). The only question that remains is whether the GOP will have a 54-seat majority or a 52-seat majority, as Florida and Arizona remain to be determined.

The pair also touched on the HRA rule, which would allow employers to offer Health Reimbursement Accounts (HRAs) to employees so that they may purchase individual insurance coverage. Kopperud and Bartlett noted that it's still too early to tell whether this proposed rule will be passed, although they predict it will be.

## Benchmarking Survey

Over lunch, the Working Group collaborated around an upcoming benchmarking survey to harvest useful

data on claims/risk management practices. The majority of the group expressed interest in the results of the survey, especially if it allowed them to compare non-integrated and integrated claims and risk management teams as well as resources devoted to these teams. The group was also hopeful that the survey would provide results sufficiently substantive to be segmented geographically and by organization size (in terms of employee count or annual brokerage revenue). If you would like to participate in the creation of this survey, please indicate in the forthcoming follow-up survey or let Rob Boyce know directly at [Robert.Boyce@ciab.com](mailto:Robert.Boyce@ciab.com).

### Claims & Risk Team Integration

Jen Weathersbee, vice president and director of Claims at InterWest Insurance Services, LLC, led a group discussion about the integration of claims and risk management teams. Historically, claims and risk management teams are siloed, with differing access to both resources and communications. As some agencies transition to different agency management systems, they see a chance to integrate their claims and risk management teams in hopes of streamlining workflows.

Integration, as the group understood it, means that the claims and risk management teams form one department, which itself reported to a central hub. The teams would have access to one another's information internally, and would be able to better coordinate training requests and analytics of specific claims, thus channeling the "keep it simple" principle of a good customer experience.

There are challenges to integration, of course, such as the fact firms will have to foster a change in mindset in staff accustomed to the more traditional, siloed model, as well as convince the claims and risk management teams to communicate properly. Team structure and staffing needs (such as additional support staff) are also open questions when it comes to integrating claims and loss control teams. There is also the downside that team lines will be blurred and staff from the claims side will want to do risk control, or vice-versa.

### Unique Value Propositions

New Working Group Chair and SVP of Risk Services at the Assurance Agency, Michael Rivas, led a dialogue about how insurance brokerages might conceive of and leverage unique value propositions. Now, more than ever, the "lone ranger days"—where a producer would go after business alone—are over. A holistic, team-based approach, with integration, is preferred, especially in this interconnected era.

The group also discussed other ways to differentiate themselves from the crowd: tiered account structures, where they get personally involved with large accounts; scheduling periodic meetings between the claims and broker teams to ensure they are on the same page in terms of pain points; and ensuring that the separate teams all understand what roles each other play. Hiring staff based on filling skillset gaps in the team is also a way brokerages can better the customer experience.

### Utilizing Data for Claims & Risk Analysis

Tom Heebner, SVP of the Risk Services Division at Hub International, posed the following questions to the group:

1. What are you doing internally for reporting and analytics?
2. What are you doing externally for reporting and analytics?
3. What systems and processes do you have to do those things?
4. What would you like to provide internally or externally that you are not now?

One of the main issues with data reporting and analytics the group highlighted during discussion was that the data needs to be input in a consistent, standardized manner, which sometimes isn't possible with legacy systems. To confront that issue, some members expressed a wish for software with a dashboard capability, able to streamline the process to integrate data, such as Origami. Todd Macumber of Hub described a customized dashboard that Hub created themselves, but that isn't really a feasible solution for brokerages without Hub's resources.

### Closing and 2019 Leg Summit Dates

At the end of the meeting, the group had the opportunity to discuss other issues they had in mind. These issues included:

- What communication method to use throughout the year (Basecamp or LinkedIn)
- A follow-up survey to inquire about potential member involvement in development of benchmarking survey

**Save the date** for the 2019 Legislative & Working Groups Summit, Feb 11-14, as the next Claims & Risk Management Working Group opportunity.

Please contact The Council's Rob Boyce at [Robert.Boyce@ciab.com](mailto:Robert.Boyce@ciab.com) for any questions/concerns regarding The Council's Claims & Risk Management Working Group.