



Where there's a Willoughby, there's a way...

Stuart Willoughby is Claims Director at Markel. His team recently won the Claims Team of the Year title at the Insurance Day Awards. He is also chairing the IUA Claims Strategy Group which is looking at the future of claims handling for London. In this article he sets out some of the innovation in claims handling – and use of ECF – that caught the judges' attention.

At Markel we saw the advent of the Insurers' Market Repository (IMR) as a chance to take stock of our entire approach to claims processing. We were fully committed to working with the market to achieve the targets the Market Reform Group (MRG) was setting for use of the Electronic Claims File (ECF) for new in-scope claims. However, we were also keen to explore ways in which we could embrace these targets as part of a programme of change that would deliver wider benefits to our claims team and, more importantly, to our clients. We therefore needed to identify an electronic solution for all our existing open claims (legacy) as well as new ECF advices. With approximately 50 claims associates based in London, handling claims written through either Lloyd's or the Company market, we were keen to ensure that we embraced electronic claims handling in as uniform a way as possible.

The solution we generated was to create a "virtual claim file" for each case. This would combine documentation on the IMR, where available, with documents (either scanned or received electronically) held in our own document management system. Thus, we would have no need to retain a physical file. It is not quite a move to a paperless office – as I'll explain in a moment – but it is a move to a world where paper is not intrinsic to the process and where we can maintain and measure a transparent, auditable claims handling framework.

We therefore developed an approach that can capture the brokers file electronically, however presented, plus other papers such as attorney reports, solicitors' letters, third party adjuster reports etc, regardless of medium. We have been transitioning to this new method of working since early 2008. We started in our Marine division, followed shortly thereafter by

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our Specialty team and then the Property team. Roll out has moved on to our PI team. The full programme will have taken eighteen months to complete once we are finished.

Already our experience has taught us a number of valuable lessons. A key question we faced at the outset was "what to image", and, once decided, what level of indexing we should put in place. We made one reasonably simple decision initially: scan open files only and archive all closed files. However, we still

needed to strike the right balance with regard to the extent to which we would index the various, and often voluminous, number of documents contained within each of the claim files. This decision would have material implications on our claim handling performance and the more details embedded in the indexation, the greater the cost.

We started, as I suspect most people do in this sort of situation, by seeking to implement the Rolls Royce solution. Better to be conservative with regard to claim handling performance, rather than risk failing to meet our customers' expectations. Initially, every type of report was given its own category. Quickly it became apparent that this approach would be both laborious and expensive without offering commensurate benefits. Over time, therefore, we have developed two alternative but complementary approaches:

- We scan the complete file in its entirety but split into six month sections based on the date the document was created/received; subject to the approval of the claim handler responsible for the file, or
- We scan the complete file, but, additionally, the adjuster identifies material documents for indexing. This is a process we go through before the file is passed to our external scanning partners.

Experience thus far is we are only using the latter, more complex approach, in

less than 15% of cases. What has become apparent is that the level of indexing we are looking to implement depends more than anything on the comfort level of the adjuster handling the case.

This emphasises that the process of creating our virtual file is not “one size fits all”. There is a need for an injection of intellect to make sure we get a usable outcome – a little thought up front can save considerable heart ache and expense. And the right answer for one adjuster may not suit another. That is why I would describe our approach as a framework – some standards and guidelines to ensure we are consistent; with flexibility to suit individual needs – a microcosm of the market reform process itself!

I mentioned earlier that I would not describe our approach as paper-free. One example of this is that we do maintain a “skinny” paper file for our more complex, larger cases. This contains the material elements and a synopsis. It helps ensure meetings on the cases have the right information and that management is appropriately up to speed.

The new way of working has been remarkably well received by our adjusters. There has been some lim-

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ited apprehension but, on the whole those that have adopted the new approach are happy with it. And as an organisation we are beginning to see significant benefits.

Given that the majority of claims are now presented electronically, having both the current message/transaction and the past documentation at our fingertips gives obvious and immediate efficiencies. This gives us the ability to accelerate handling of smaller, less complex claims, which is a key driver for our clients.

We have also created welcome flexibility in our management of resource by having the ability to access and

manage files from anywhere and at anytime, subject to an internet connection and relevant security clearance. The virtual file and the consequent ease of accessibility has also been a significant boon for our business continuity planning.

The whole experience has meant that we are both supporters and promoters of the use of ECF for legacy claims. We saw our exercise as providing a template for the market approach and have fed our knowledge into the pilot forums. We will, of course, be enthusiastic participants in the roll out of the market wide approach this year.

By taking a step back and thinking “let’s not just take the shortest route to meeting this MRG target, let’s see how we can make it work for us”, I think we have achieved something remarkable. We have embraced the significant cultural change from a paper dominated process to a flexible framework way of working supported by technology. I believe we have achieved this with surprising ease, and we are only at the beginning of reaping the benefits. As a result I would recommend this approach to any firm facing the challenges of ECF, legacy files and reform.



Events...

Dates for your diary

The Market Reform Forum sessions are designed to provide an update on the progress of the reform programme and give more detailed information on particular projects or aspects of the process. Dates coming up are provided below. All sessions start at 9:15am at Willis Auditorium, Lime St.

- Wednesday 18th February**
- Wednesday 18th March**
- Wednesday 15th April**

Only those who pre-register will gain admittance. Online booking is available via www.marketreform.co.uk Places are reserved on a first come first served basis.

ACORD Club dates:

ACORD Club provides an update on the latest technological innovations in the market. The venue for this is Balls Brothers, Minster Court. All sessions start at 11am. Dates coming up are:

- Wednesday 25th February**
- Thursday 26th March**
- Thursday 30th April**

For more details on upcoming speakers, visit the ACORD website (www.acord.org) or email Melanie Harding (mharding@acord.org)