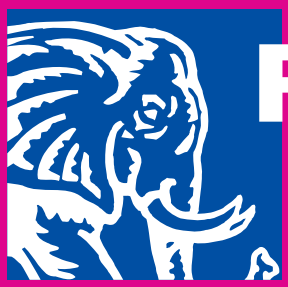


PINK

White paper

Claims 2020

Pink Elephant Claims Management solution 'Claims 2020'

- ✓ Positioned as implementation accelerator;
- ✓ Off the shelf insurance claims management software;
- ✓ Developed with leading organizations.

About Pink Elephant

Pink Elephant is an international knowledge leader in the field of business innovation and business change. With advisory and IT services, Pink Elephant draws the best out of its clients, by translating the knowledge and creativity of the people in these organizations into tangible results.

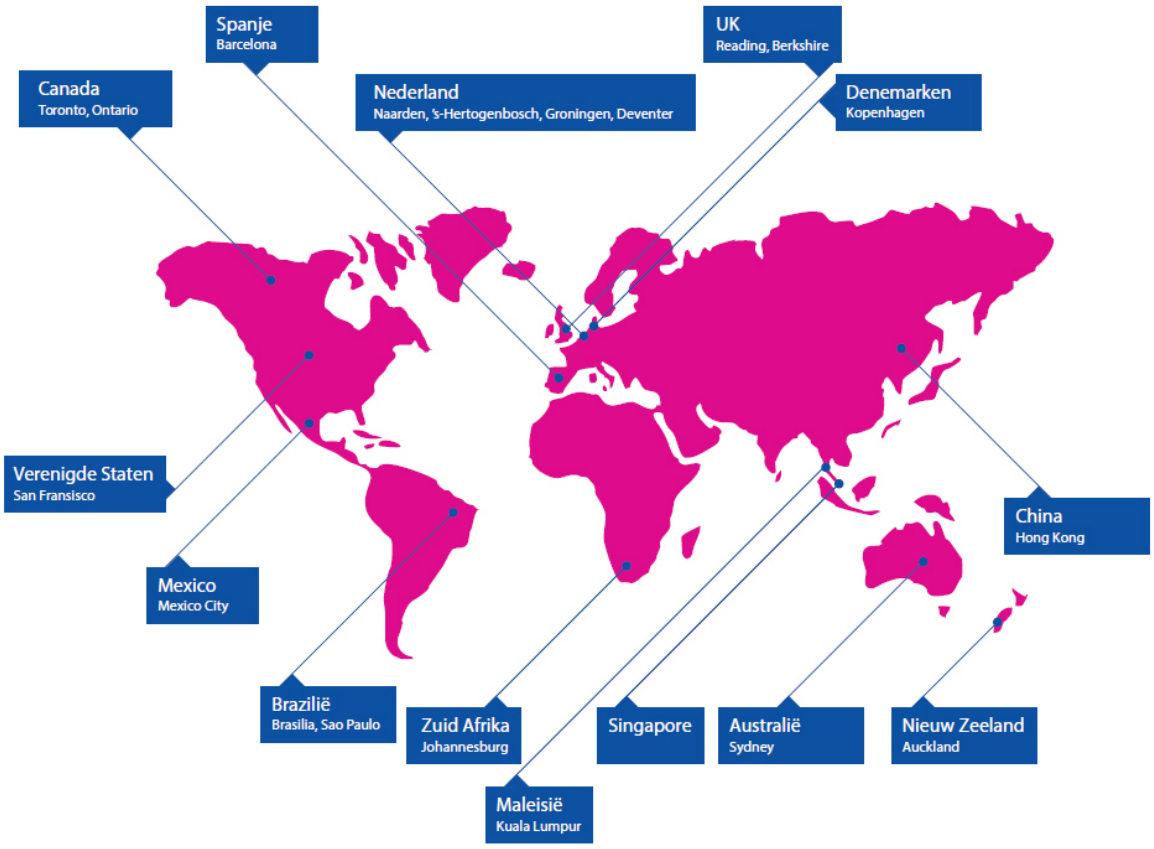
Since its foundation in 1980, Pink Elephant recognizes an important synergy between company objectives and the knowledge and entrepreneurship of people, as well as the way in which IT contributes significantly to making innovation possible and to increasing power of discernment in the market. Pink Elephant operates in more than 20 countries and provides business and management consultancy and other services, such as Enterprise App Services, IT Services, Document Services and Education.

Vision

Business transformation is vital in a time when technological developments happen in quick succession. The knowledge and creativity that already exists within organizations is often utilized insufficiently because both IT and business processes lack agility. Companies must invest in new Agile procedures and knowledge sharing and must also give more attention to the synergy between mankind and IT. Pink Elephant provides the people and the resources that help organizations take the next step in the transformation of their business.

Mission

Pink Elephant is the technology radar that helps organizations, at a strategic level, to achieve their business objectives. The major resources to do this are flexible IT systems and new ways for people to work together. With Pink Elephant as a partner, companies can break away from their traditional systems by using innovative technology, training and consultancy. In this way, they are better prepared for the future through the correct deployment of people and IT.



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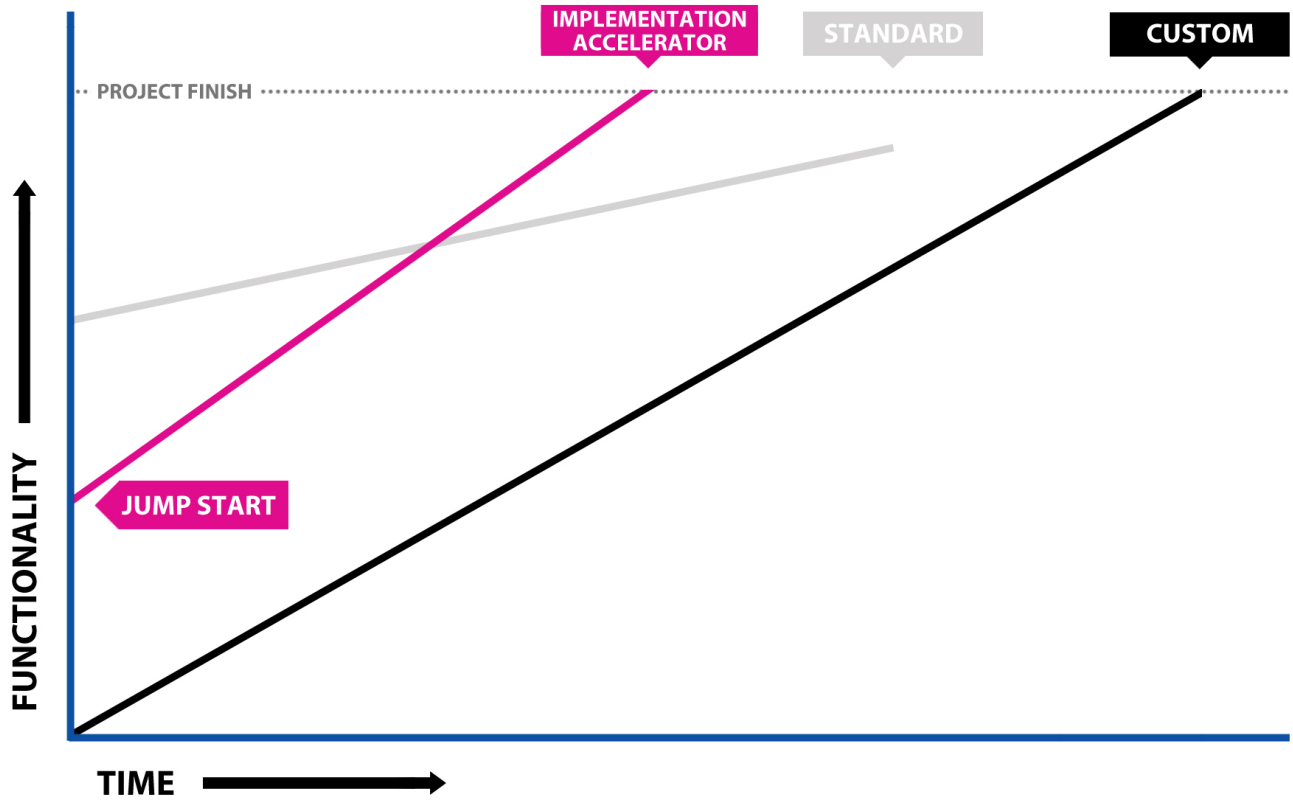
Business case

Insurance companies and service providers worldwide are looking for ways to automate their primary business processes in more efficient and cost-effective ways. Faced by external pressures such as rapidly changing government or financial regulations, increasing customer expectations, fierce competition and decreasing margins, as well as internal pressures such as cost reduction measures and a need for data-driven decision making, such companies turn to their IT departments to make the difference. Oftentimes in insurance claims management, the process is there but the software is not adequate to profit from it. Most of these companies will certainly be familiar with the issues that arise from having complex IT landscapes, filled with applications that were custom built to replace or add to existing software that just didn't meet the business requirements entirely and were too costly to change. All those applications start to age, knowledge is lost, maintenance becomes more difficult and more expensive to do, and before you know it you are in a downward spiral where IT has become a burden, not an asset.

As a solution to these problems, it is often simply not feasible to do a full migration while ensuring continuity of the business at the same time. Standard software solutions are generally difficult to integrate into the current system architecture, bring high costs with them, and more often than not business users find that half of the application goes unused after implementation, while other requirements are not implemented at all. A full custom made solution, on the other hand, has its own set of risks – scope creep, everything is possible (the project never ends), huge testing efforts and high dependency on the developing parties.

With Claims 2020, Pink Elephant proposes the middle road.



Claims 2020

Organizations where claims are handled outline the following core process:

Figure 1 - Claims 2020 core process

Notification	First Notification of Loss (FNOL) registration;
Verification	Checks and validations against client and policy; assignment or rejection;
Assessment	Skilled evaluation of available information; correspondence, expertise and determination of the nature of claim and solution;
Settlement	´Solving the case'; payment and recovery;
Closure	Archiving of the claim, reporting, and data processing.

"Claims Management solution Claims 2020 is positioned as an 'implementation accelerator', meaning that it makes full use of generic components."

Design and development of Claims 2020 was done by consolidating the shared functionality of three separate large, custom built Claims Management solutions across several countries.

The Claims Management solution

Pink Elephant developed a base application layer that serves as a starting point for all our claims management automation projects and consists out of generic components.

Figure 2 - Claims 2020 base application layer

Each of our clients has a different set of requirements. To support these differences, but still utilize the advantage of having an application 'off the shelf', Claims 2020 consists of an ever growing set of modules that can be clicked onto the core application layer with ease. Each of these modules consists of base functionality that can be expanded and adjusted upon with flexibility, while still providing that level of standard functionality that gets the whole project going along quicker.

Figure 3 - A selection of available modules

All of these modules readily integrate with the Claims 2020 core application as well as each other, but are not co-dependent. As such the possibility of combinations to create a solid project start is enormous. With the core application layer, a selection of modules, and custom functionality on top of that, Claims 2020 aims to combine the best of two methods.

The core

The functional elements that are represented in the core application layer are set up as follows:

- Claims Management
- Contract Database
- Workflow Engine
- CRM / HRM
- Document Management
- Operational Reporting

Claims Management

This module provides the core functionality of any Claims 2020 application. It automates and facilitates the overall claim lifecycle from First Notification of Loss (FNOL) to closure and archiving, through verification, assessment, and settlement processes.

Configurable business logic is included in the underlying Mendix engine, which helps improve claim handling accuracy and speed. Fields to store claim data are included and easily modified in the application, and facilitates for incident registration in case of natural events / disasters etc.

Other data lists such as damage cause, injuries, coverage, and so on are configurable. The screens are set up to grant users easy access to the most essential claim information and follow the claim through the process as defined in your custom environment. Decision management is an important feature of the Claims 2020 approach to claims management automation. Key decision points in the claims process are identified and existing and historical data can be leveraged to make these decisions automatically.

In short:

- Enables authorized users to create and continue work on claims;
- Facilitates claim status progression;
- Provides screens and fields to store all relevant claim data;
- Validates claims against contracts;
- Registers associated parties and synchronizes with CRM / HRM data;
- Decision management.

Contract Database

This module provides storage and logic of all types of policies (insurer – client) and contracts (insurer – service provider). This data is then used to pre-fill new claims with relevant data, saving manual completion time and reducing claim lifecycles. It is also the main repository for the claims management business rule engine, as policies and contracts determine claim validity based on coverage, duration, and so on – as well as further controls in the claims management process, such as fraud detection, finance and payment calculation (excess, value, damage estimates).

Contracts and policies can be stored and maintained directly into the application, but are often sourced from external policy management applications. Using a direct connection or the Web service API module, such information is easily and securely exchanged. Version control measures enable tracking of contract history progression. This module integrates readily into your existing software infrastructure.

In short:

- Feeds centrally maintained data into claims;
- Provides a set of business rules for claims to validate against;
- Can be stored and managed both in- and outside of the application;
- Links with other functional elements such as CRM / HRM and documents;
- Version control.

Worklow Engine

The Claims 2020 workflow module operates on the basis that there is always at least one outstanding action or task from the moment of notification to closure of the claim. Claims management processes are characterized by sequential actions and periods of waiting for external responses, such as client feedback on a settlement proposal, or waiting for signed documents to be mailed in. This means that at any time, a claim handling employee can have hundreds of actions outstanding, many of which are also subject to regulation concerning due dates and so on.

To keep track of and prioritize these actions, improve accuracy and efficiency of tasks, and enable resolution and closure of claims at the first possible occasion, a solid workflow engine is at the core of Claims 2020 to direct the management process. Throughout the application, actions can be defined and configured, with triggers that create workflow items and processes that result from the execution of tasks. Individual or groups of users are automatically assigned these workflow items and process these tasks based on prioritization by the system. Alerts notify the user of expiring or urgent tasks. When integrated with the Resource Planning module, allocation is also done based on workload and availability.

In short:

- Allocates work to employees;
- Automatic processes are initiated through workflow progression;
- Prioritizes tasks and alerts users of expiring work;
- Ensures follow up of claims;

CRM/HRM

Many entities of all different natures are involved in the claims management process: insured clients and insurers, third parties, service providers such as repairers and experts, employees, and so on. Each claim requires some information pertaining to these parties; address details for correspondence, insurance or invoicing details, and others. If this information is not properly stored into the application and made available for future use, a lot of work would become redundant. The Claims 2020 CRM / HRM functionality ensures that all associated party information is centrally stored and maintained for use in claims and other processes.

What sets it apart from a regular CRM is that aside from central data maintenance, it provides a dynamic link with the claims management process by tracking historical occurrences of associations with other data in the system. For example, relevant information in fraud detection includes the recognition of patterns in personal data. As information is being shared across the application / modules, the system identifies multiple usages of data and exposes this data for use.

For HRM it enables personal employee profiles that affect both application preferences as well as authorization layers. Authorization can be specified per user and per functional element. Dynamic authorization is configurable to control limits on financial amounts and other numerical data. Employees can be grouped and roles can be assigned to create any number of organizational layers in the Claims 2020 application.

In short:

- Registration and central maintenance of personal / organizational data;
- Links between associated parties on a claim;
- Cross-application data control; identifies patterns for analysis in other parts of the application;
- Employee management and authorization.

Document Management

The Claims 20202 File Management module allows for storage and tracking of all documents and correspondence associated with the claims management process, as well as other files which are relevant to entities and processes within the application – such as paper contracts, photographic evidence, audio or video, and so on.

Files are centrally stored and maintained, can be exchanged with other systems (useful for example in batch printing procedures) and can be indexed using configurable metadata. This means that data describing the contents and character of each file can be entered or automatically extracted to enable application wide file searching and reporting. Aside from manual uploading and downloading, file management is set up to easily integrate with other sources and systems. The FNOL connector modules enable the application to receive files from other sources and automatically trigger claims creation or modification based on the type of file and configurable identifiers. The document generator module can be attached to automate document generation based on configurable templates, layouts, and dynamic claims data. Others can be added as needed.

In short:

- Documents are stored and maintained centrally and link to claims, CRM / HRM, financial data, and others;
- Set up to integrate with other systems and modules seamlessly;
- Indexed documents that allow searching and automatic type determination.

Operational Reporting

To enable data-driven decision making – an important argument for claims management automation – the Claims 2020 Operational Reporting module adds built-in reporting tools that can provide insight in real-time, operational data based on selection criteria. Any number of reports can be configured and stored in the application.

User reporting dashboards for various function groups are available and can be customized and configured in the application. Dashboards can consist of both lists and graphs to display relevant, accurate, and realtime management information.

All Claims 2020 data, no matter the source, can be easily retrieved, searched through, and filtered by using overviews throughout the application front-end. Using one of the connector modules, such as Excel Integration or the Claims 2020 Web Service API, reports generated using this module can be easily exposed for use in external software and processes.

In short:

- Reports can be created and saved for repeated use;
- Reports can be filtered over any number of fields and tables;
- All data can be retrieved, searched, and filtered from inside the application front-end.

Modules

All modules readily integrate with the Claims 2020 core application as well as each other, but are not co-dependent:

Finance Module	Enables the registration of payments and recoveries on claims;
Fraud Control	Adds business rules that pro-actively checks claims for fraud risks;
Auditing	Enable accurate auditing by audit trail and Open File Review;
Feedback Registration	Register and follow up on complaints or other types of feedback;
Invoice & Hour Registration	Register time spent on claim handling by employees, and costs incurred;
Self-service Portal	Unlock claim and contract data to customers online via a web portal;
Mobile	Enables a mobile web version for use on any smartphones and tablets;
Document Generator	Adds advanced document generation options;
Web Service API	Standard integration method for data exchange;
Resource Planning	To map and plan claims management operations;
FNOL Connector (Phone/OCR/E-mail)	Automate the accurate and detailed registration of new claims.

Finance Module

The Claims 2020 Finance module enables the registration of payments and recoveries on claims in the application. This module integrates with all parts of the core application – registering payments on claims, contracts, and associated parties (CRM) as well as linking documents and workflow. Detailed information about each payment can be registered to provide insight and reporting possibilities. Payments are split in separate payment lines.

Payment categories can be configured and general ledger details maintained, linking each payment line with the financial configuration behind. A set of business rules can be defined per payment category, affecting payments / recoveries done on that category. Automatic calculation of recurring categories such as VAT, excess deduction, etc. can be set up and maintained in the application. Amounts can be specified in multiple currencies. Payments are set up to follow a configurable status progression and can be routed via team leaders or other designated employees for approval before execution. Employees can be assigned financial profiles which specify their authorization levels (amounts) when executing payments. The result of the financial processes enabled with this module will generally be a financial transaction that is ready for interfacing with external ERP / accounting software if applicable, or kept within Claims 2020.

In short:

- Create payments and recoveries;
- Validation of payments based on financial configuration;
- Multiple currencies supported;
- Authorization levels per user based on financial profile;
- Transactions ready for interfacing to external software.

Fraud Control

The Claims 2020 Fraud Detection module adds a configurable set of business rules to the application that pro-actively checks claims for fraud risks. The module uses data from the claim and policy but also makes use of CRM data such as policy holder claim history and multiple occurrences of data such as phone numbers, email addresses, and so on. As such the application and module become self-learning. As more data becomes available, more indicators can be checked for patterns and (in)consistencies.

Indicators are configurable but include examples such as claims within certain time periods of other claims or policy modifications etc. More business rules can be added easily into the application with parametric values. This module also adds a central repository to the application where previous or known fraudulent entities can be registered and checked on claims. This repository can be populated by outside sources as well, such as a national fraud register, if applicable. Claims that are selected for fraud risk are put in quarantine and using workflow functionality, appointed employees are assigned for manual control.

In short:

- Checks claims for fraud risk;
- Accuracy improves as more data is available in the application;
- Configurable business rules to determine fraud risk;
- Selected claims put in quarantine and selected for manual control.

Auditing

This module consists of functionality to enable accurate auditing during the claims management process. It consists of two main parts: audit trail, and Open File Review (OFR) functionality.

With the audit trail, all actions in the system are tracked and stored in the database. As such each entity is provided with an action history: a list of changes that were made to a particular set of data, who did this, and when. This allows for improved control \ measures and data-driven decision making.

OFR is a process that can be used to randomly select on-going claims for audit. With it, a list of claims can be generated based on configurable conditions and which are then put in quarantine – meaning no further changes can be made until the audit is complete. Using the workflow functionality, a task is then generated for a designated auditor employee who is asked to perform the audit using a list of questions. The audit questionnaires can be designed and maintained in the application and result in a score. Depending on the threshold of validation the claim is then allowed to proceed or selected for alternative action – such as reassignment to a different claim handler.

In short:

- Audit trail – implements a change history of all application data;
- Open file review – select and audit claims according to configurable audit questionnaires.

Feedback Registration

The Feedback Registration module adds functionality to register and follow up on complaints or other types of feedback in the application. This can be a valuable tool to increase customer service delivery and ensure meeting regulations in regards to client correspondence and feedback handling. Feedback response due dates can be configured in the application and will trigger alerts to assigned employees. Complaints can be handled by dedicated employees using specific screens and dashboards and the module links readily with the Auditing module which can be used as a tool to evaluate a claim in regards to received complaints. Feedback can be categorized, linked to claims, CRM details etc. and correspondence can be initiated and registered to follow up on feedback response.

In short:

- Registration of complaints, compliments, or other types of feedback;
- Dedicated feedback handler dashboards;
- Follow up on feedback response due dates.

Invoice & Hour Registration

The Claims 2020 Invoice and Hour Registration module adds the possibility to register time spent on claim handling by employees, and costs incurred. Per claim it provides screens to report and register how much time was spent doing which tasks, and link this information to contracts. Incurred costs can also be registered according to categories that can be defined and reported on front-end. This information can then be used for invoice generation, based on invoice templates that can be maintained in the system. Invoices can be generated in formats such as .PDF and readily link to the various connector modules such as Email, allowing the invoices to be registered, generated, and sent automatically without manual intervention. This module is especially useful for service providers (outsourcing) in claims management that operate on contracts for direct insurers. With this module they can easily keep track of time and costs spent on claims and invoice clients accurately.

In short:

- Registration of time and costs spent per claim;
- Custom categorization for reporting purposes;
- Generate invoices based on time / cost registration;
- Useful for service providers.

Mobile

The Claims 2020 Mobile module enables a mobile web version of the application for use on any smartphones and tablets. It can unlock both the Self-Service portal module as well as the back-end of the application, allowing either clients to submit and review claims via an integrated mobile application, or employees / suppliers to work from locations where no access to the desktop application can be established. Examples would be on-site experts or damage estimators, or claims managers working on the go. By adding mobile functionality, the main claim data registration screens and business logic become available in those situations, as well as provide enhanced functionality and usability: photos taken at the site can be directly uploaded in the application, and information is directly accessible anywhere with mobile access. As with the self-service portal, security is a main priority and ensured by tight access regulation of accounts and devices. The Mobile module comes with automatic device recognition, meaning that it is not required to set up separate instances of the Claims 2020 application for mobile and desktop. It readily integrates with the existing modules, saving you the need for data replication and interface as well.

Self-Service Portal

With the Self-Service Portal module, claim and contract data can be unlocked to customers online via a web portal. It acts as a layer on top of the application that allows customers to submit new claims (FNOL through the portal), review their claim history and track the status of submitted claims, review their contracts / policies, and maintain their own CRM data. It is a simplified procedure, providing the most relevant information to the claim handler after submission, and also allows for the attachment of digital documents / files to go along with claim submission.

The portal retrieves data directly from the core application, giving real-time status information back to clients. Security is in place to control access to the portal and as a separate module, there is no direct access to other parts of the Claims 2020 application. This module provides a number of advantages. For the insurer, it is a tool to meet increasing customer expectations of service and transparency. It reduces load from the communications department as information provision is routed through the portal, and reduces load from the mailroom as claims are automatically submitted via the portal. For clients the process of claim submission and inquiry becomes faster and easier. Furthermore, by allowing customers to maintain their own CRM data, this will also be easier to keep up to date and requires no effort from the insurer side.

In short:

- Web portal that gives access to clients;
- Clients can submit claims directly;
- Clients can review personal claims and check their status;
- Clients can maintain personal CRM data;
- Clients can review personal contracts;
- Secure access, no access link into the rest of the application.

Document Generator

This module adds advanced document generation options to your Claims 2020 application and replace or supplement any other document template design tool that may be present in your IT architecture. It aims to reduce the need for manual typing, correcting, or roofreading of correspondence by introducing templates, business rules, and tokens to the system.

Templates are document layouts and paragraphs of text that can be configured based on business requirements. Documents such as claim receipt confirmations, settlement proposals, damage assessment reports etc. need only be entered into the application once to be re-used whenever the need arises. Tokens can be added into the templates to populate the documents with dynamic data from the application, such as names, addresses, and specific circumstances in the claim or policy.

Claims 2020 automatically replaces the tokens in the template with these values when the document is generated. Business rules are used to specify when a document has to be generated automatically. For example, when a claim moves to 'Closed' status, a rule can be defined to automatically generate and send a final statement to the client. As one of the most advanced Claims 2020 modules, many other options are available in the Document Generator. Please contact us for more details.

In short:

- Generate documents based on templates and designs;
- Include or exclude paragraphs based on conditions in the claim;
- Include dynamic data easily with tokens;
- Manual review and editing documents from within the application possible.

Web Service API

As the mainstay of the Claims 2020 integration modules, the Webservice API adds a connector to communicate between your Claims 2020 application and other software using a web service (SOAP) protocol. As a standard API, it exposes the core components of Claims 2020 to allow external software to either request data from it (outbound), or send data towards it (inbound). The outbound API provides easy options for other software to perform "look-ups" in the Claims 2020 application – requests for read-only data. This can be used, for example, to allow external portals to display policy or claim data, feed financial data into accounting systems, and so on. The inbound API provides an easy method to update data in Claims 2020 based on changes in other systems. This can be used, for example, when maintaining external policy or CRM databases whose data is needed in Claims 2020.

This module is a security compliant connector and requires authorization and, optionally, client certificates, ensuring that no unauthorized requests are made.

In short:

- Exposes claim data via web service;
- Data can be created / updated in the application;
- Data can be retrieved from the application, for external use.

Resource Planning

The Claims 2020 Resource Planning module adds calendar functionality that integrates with workflow tasks and other modules to map and plan claims management operations. Each employee has their own calendar and can be compared to others to view availability etc. Workload and availability is also automatically calculated and tracked in the system to optimally allocate work. Smart task assignment is done to ensure that employee workload is divided equally to maximize productivity and prioritization of tasks.

The Resource Planning module is also used to register employee absence or leave, working hours, and logged in status. It uses these variables when allocating tasks, for example preventing the assignment of a task to an absent employee if that task has higher priority. Using reporting options a full history, trends, and forecast of claims management workload can be reviewed.

In short:

- Calculates employee workload;
- Assigns work based on employee variables – language, skills, absence, etc;
- Provides insight in work allocation;
- Calendar functionality.

FNOL Connector (phone/OCR/email)

The Claims 2020 FNOL modules automate what is the first and arguably the most important step in the claims management process: the accurate and detailed registration of new claims. It does so by providing a connector that gives external 'sources' such as scanning tools or online portals the possibility to trigger the notification process in Claims 2020.

The result of this connector is that when a claim is submitted via such an external source, it can be automatically passed on to Claims 2020 along with any relevant information that was submitted. This module then takes that information and automatically creates and pre-fills the claim with it.

For example, when a claim is sent by paper mail, it is received by the mail room who might scan it to create a digital document. This scan is then forwarded to the Claims 2020 application, which automatically picks it up, fills a claim with the data on the form, attaches the scan to it, and assigns to an employee with the correct skillset and availability. The same process would apply for notification online or via email. Using this module, both the manual labour required is reduced and accuracy is increased due to automation. It frees up time for the claim workers, and the process benefits from the resulting data quality increase.

In short:

- Automates the notification process;
- Integrates with external scanning / email / phone recognition software;
- Creates claims based on inbound FNOL messages;
- Pre-fills claims with data where available.