

The Travelers Companies Inc. - Former Claims Manager of the Americas at Cover Genius

Interview conducted on January 04, 2023

Topics

Insurance Claims Automation, Claims Management, Vendor Management, Medical Records Processing, Payment Processing, Customer Communication, Compliance and Regulations

Summary

A Tegus Client spoke with a former Claims Manager of the Americas at Cover Genius about automating manual processes related to insurance and claims. The expert recommended using online forms for self-reporting and outsourcing lower-tiered claim systems to outside vendors. They also stressed the benefits of virtual payment options over paper checks. The expert suggested that the lowest-hanging fruit for automation in insurance is the claims system, which should have automation, business rules, and an open API system. They also discussed the importance of integrating subrogation, salvage, and inspection vendors into the claims system and cultivating relationships with them. The expert emphasized the importance of having data people on both sides to ensure successful integration and to establish support and communication protocols.

Expert Details

Former Claims Manager of the Americas at Cover Genius, leaving January 2021. Director of Claims Experience at Coterie. The expert can speak in depth about automating processes at their insurance company and can speak to how decisions get made in terms of what use cases to prioritize across an insurance carrier.

Director of Claims Experience at Coterie. The expert is responsible for driving innovative web and mobile solutions by absorbing the needs of customers and internal operations in order to scope out Coterie's customer claims experience.

Prior, the expert was the Claims Manager of the Americas at Cover Genius, leaving January 2021. The expert was responsible for end-to-end claims process management, including the development of claims adjudication process, managing claims personnel, and policing licenses for both individual and business entities.

Prior, the expert was the Claims Manager at Aon PLC, leaving December 2018. The expert was responsible for the relationship between the insurer, Insurance Auto Auctions, and Copart and had worked with them since 2006.

The expert can speak to Insurance Auto Auctions, Copart, Travel Insurance, Claims, Liability, and the relationship between insurers.

Q: Do you have experience in automating any complex processes/procedures within your insurance company? Please describe in a couple of sentences.

A: Yes, I do. Most recently we had to automate a new claims and management system, policy system, and outbound payment system. Previously we used Stripe for an inbound payment system. I was integral in automating these.

Q: Can you speak to how decisions get made in terms of what use cases to prioritize across an insurance carrier?

A: Yes, I can. Mainly, it depends on what stage the insurance company is in, what technology they are

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currently leveraging, their tech staff, and pricing. The main use case is you want your technology to work for you.

Tegus Client

Thank you for taking the time to speak with me today about automate manual processes related to insurance and especially claims. To start off, could you please give us a quick overview of your background and some of the most important projects that you've worked on from the perspective of automating some very manual processes?

Former Claims Manager of the Americas at Cover Genius

Yes. So claims by definition, is manual. It started with a person and a stone tablet and has really kind of grown to different lengths as we see it nowadays. But one of the different parts that we look and we see per day that we have to kind of put our hands on, I mean, when it comes down to it, the first initial part is how we get the claim.

So what we call the FNOL or the First Notice of Loss. So I mean, the best and strongest way of doing this is to have some type of 24/7 approach. Whether that be an online form that an individual fills out, whether that be having a phone presence, having somebody available 24/7, whether you have the internal FTE for that or if you use the phone service or different phone services that can assist in that capacity.

You definitely want to have the ability of calling a claim at any point in time, day, holidays. It doesn't matter, I should be able to call the claim. There are some outfits out there that you can only call in the claims through certain hours or you have to wait and stuff like that doesn't make any sense. Especially from the last point we had with holidays, if I had a claim on a Friday night, it could be up until Friday night, the middle of December, it could be up until January and when I speak to somebody if they're working in that type of retrospect.

So that's the first thing, First Notice of Loss. And online form is the best because you'd be able to get all of the key and crucial details written out, typed by the person who has experienced that loss or maybe their agent or a proxy. And then you can use certain programs to be able to have that translate into either e-mail or depending on what claims system you're using, translate directly into a claim creation process. And yes, so that is a key point there. I'm a big proponent of the self-reporting aspect.

Because then the individual who has experienced loss, whether it be the insured or the claimant is essentially able to be a part of the process. And then when you have that kind of involvement in the process there, they're able to be a lot more patient because they're understanding the ins and outs of it.

The very worst thing is to be on the side of a person who's experienced a loss and have no information and have no kind of involvement. No way to get your hands dirty to really kind of see and we're stepping into the ages. Gone are the days like when my parents, they gave it to an agent and then they kind of washed their hands off it. Insurers and claimants are a lot more involved in the claim process.

Tegus Client

Could you clarify a little bit more by what you mean by being a part of the process? Like I know there's like self-serve, like digital forms? And as you said, there's ways to call in and speak to someone.

Former Claims Manager of the Americas at Cover Genius

Yes. So I mean probably more so from the self-service, the ability to type something in into a form or type something in on an actual website and then that would translate into the notice of the claim. That also may be a generation difference. I'm a millennial like I look for forms. I look for e-mail. I look for ways I can do something through Twitter or text message.

If I have to call somebody that's not going to be the first option I run to. So it depends on the individual. While somebody of a different generation might say, I need to speak to somebody, voice-to-voice. Because I need to have that type of emotion or I need to be able to opine in a certain way that I wouldn't be able to. I

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need somebody to hold my hand through the process.

Tegus Client

Okay. Have you worked with like your adjusters and implemented a particularly manual process and worked on coming up with some sort of solution to automate something that they needed to be doing?

Former Claims Manager of the Americas at Cover Genius

Yes. So a lot of the manual processes come down to regulatory documentation. So there are some letters that every state requires for when a claim is submitted. There's something called a claim acknowledgment that should be sent out on all claims, but then there's certain statutory language that changes that needs to be on there.

So that is something that can be automated. Obviously, when the claim comes in, we know that claim acknowledgment needs to go out. The most strictest of states require the claim acknowledgment to be out to somebody within ten days of the loss. So that's something that can be automated right then and there. The letters themselves.

So there is also a way within the claims system for it to read where the loss state is and then that language, that appropriate statutory language can be prefilled on whether it be the claim acknowledgment letter, whether it be a document request letter or a delay letter, a liability denial, a coverage denial.

Anything like that, a coverage disclaimer or reservation of rights, whatever letter is sent out, it has the appropriate statutory language on there just because you don't want to fall into any type of issues with the Department of Insurance. They all hate insurance companies for some ungodly reason. So you definitely want to have that from an automated standpoint.

Tegus Client

Can you tell me how that gets implemented? Is that within your claims system? Or is there like a third-party tool of some sort that you use to implement that?

Former Claims Manager of the Americas at Cover Genius

Very good question. It would be exclusively with the claims system. So the claims system would need to be intelligent enough to disseminate where the loss occurred, what state and what language needs to be on what, when the letters go out. So there obviously should be some type of template that uses as a basis.

Because, like I said, all states are going to use the same basis in terms of the template, but then there would need to be additional language. Like there might only be 30 states that have a certain denial type of language on it. So if it's on for this state, it should show up. If this state doesn't require one, then it should be blank in that section.

Tegus Client

Got you. But could you provide me with an example similar to the languages for the letters, but just your claims system if you had to like plug in into any other service?

Former Claims Manager of the Americas at Cover Genius

Yes. To answer your question, not all claims systems will have one-stop shopping. There are a few guys out there. You've heard the Duck Creek and the Guidewires, but those are old. The new guys on the market, you'll find Origami or Five Sigma had phenomenal programs where a lot of those external portions are integrated into the system.

But then with the folks that you don't have, then obviously you need to use other vendors. So at minimum, without outside of the claims system, you need obviously FNOL tool. It could be as low-threshold or low-tiered as an embedded PDF or it could be as heavily regulated something of FNOL provider, something like Cogitate. The company Cogitate has a pretty awesome FNOL program that they use. You'll also need a telephony system. So you'll need some way of calling people on the phone, right? There are a lot of ones out

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there, Google Voice.

There is one from Salesforce, there is a division under there that they use a phone system, and there's also a company named OpenPhone as well. OpenPhone is a nice one because with them, you have the ability to text but also it caters specifically to businesses. So it's different than a Google Voice, which is just a random phone number. OpenPhone is actually a telephony platform where you can text, you can put up automated messages, you can put up business hours. You can have voice mails transcribed. It really is a pretty awesome tool to use there.

So obviously, the claims system, FNOL provider, telephony and then at minimum as well a payment processing or outbound payment service. I am a massive proponent on virtual payment options because that helps speed up the claim process. You can get everything in on a claim on Day one. But if you send out a paper check, it could be upwards up to three weeks for somebody to get their payment. For example, you send the payment out to somebody, it's the wrong address. So now you have to stop that payment, wait for it to stop and then reissue it. You send out a payment for \$25,000.

Once they get it, depending on their financial institution, they may have to stair step that payment, so they might get \$5,000 now, \$10,000 in a couple of days and then the rest in a couple of weeks. So it could be all of two to three weeks before somebody gets their money. Virtual payments don't have those hiccups. So if it comes down to direct deposit, if it comes down to virtual credit cards, direct to debit, which is something new in the market that can get your money as little like eight to ten minutes. These don't have those same paper check restrictions because that will definitely help out from a customer service standpoint.

Because even though I can get the claim fully locked in and processed in one day, the impacted party does not see the claim close until they have payment in hand. So a couple of payment providers out there. I know One Inc is one out there. SnapRefund is one. Commerce Bank has a program called Commerce PreferPay as well where they have virtual payment options.

They might do paper check as well. I wouldn't completely assess any paper checks, but the virtual payment option is just an easier and a cleaner process. So those at minimum would be the outside vendor that you would find with a more lower-tiered claim system that doesn't have those integrators.

Tegus Client

Is there still a strong prevalence, do you think, in an insurance world of manually processed checks? And can you talk about like what is the most like manual process of all that?

Former Claims Manager of the Americas at Cover Genius

Yes. When I work for Esurance, there was an individual, if I'm not mistaken, that wrote every check that gets sent out. That is the most horrible of processes you can ever do. Number one, you're compartmentalizing it because if something happens to this person and now all of a sudden, you can't make payments. And then she's working in a certain hourly fashion, right? So she works for core hours from nine to five or what have you. So you're going to find a lot of companies are still using paper checks.

They might have so many different automations for how they do their underwriting and how they rate policies and how the claims come in and how an individual can log into a website and see the status of their claim. But they're still paying by paper check, which is mind-boggling to me because there are certain areas where these are the pain points, this is where you find leakage.

This is where you have the ability to really under promise and over deliver for the customer and then you screw this up. And then now you've lost that customer. That customer at time of their policy ending, they're going to look for another type of coverage because you didn't have their back in their time of need.

Tegus Client

So why do you think some insurance companies still do it the manual way? What hurdles do you think might be there for them to?

Former Claims Manager of the Americas at Cover Genius

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They're stuck in their old ways. You have a lot of legacy carriers. I mean, when I started my career, I started at Travelers, massive company, huge company. At the time that was the second highest commercial writer of policies within, I believe, the country, maybe even the world. But when it came time to us to get something like a digital recorder to do our recorded statement, it took six to seven months of planning to be able to disseminate that. Like there's a so much red tape that these folks are doing. And then ultimately, they're scared.

You don't want to have an issue like Target had a couple of years ago when they had those leakages of all those credit card numbers. So they're scared. They don't want to step into those situations. But what is great about the world of insurtech or even start-ups and stuff like that, is that we have our fears because every day that we're able to have a door open is a fear.

Travelers doesn't have the same fear as an insurtech does. Travelers has been around for one million years, they're going to be around for one million more. But when you have the ability to really find technological advancements and find ways to do something better, then we look at the legacy carriers and what they're doing wrong.

Or essentially what they're doing from their eyes right because they've just been doing it the same way, the same standard boring plain way, and we find ways to do it differently. So it's fear. Fear is what kind of gets in the way of these folks, finding ways to do things differently.

There's some people that are trying something different. You'll see a lot of things from Liberty Mutual and Progressive. They try to do something differently, even GEICO. But the State Farms and Allstates of the world, the old guys they're going to be stuck in their ways.

Tegus Client

Got you. So this individual that you talked about that manually cuts checks nine to five every day. Do you happen to know what was in her process beyond just writing out the actual checks? Did she have to interact with various systems? Like if there are accounts payable systems or different like accounting systems? Do you happen to have context on that? What are all the like systems at play within issuing a check?

Former Claims Manager of the Americas at Cover Genius

Yes. So I mean she definitely had to have interactions with an AP system, exclusively because she needed to kind of find out and make sure that the balances were correct. Making sure that she had enough in the account balance to be able to draft all those checks. So that would be the first thing.

Then after that, you need to be able to make sure she had enough paper because we had a stack of a certain amount of allowance. So we get allotment of checks that we had for the certain payments. So then she would need to see if there's a need for a priority.

If we had any injury claims that need to be settled within a certain amount of time frame, those had priority over other claims. And then she had to literally stuff them in the envelopes and send them over to the post office. So it was an extremely manual process at that time. Now that I think about it. It's crazy. How we actually ran a claims organization doing that.

Tegus Client

Sure. And can you give an example of what some of those AP systems may be?

Former Claims Manager of the Americas at Cover Genius

I mean QuickBooks, I know was one of them. I think QuickBooks was one of them. I think they're all under the QuickBooks into one umbrella. There was something, there was TurboTax equivalent as well that they used also. But then obviously, she also had access to the actual bank account. So actually go into the actual account and then find out the balance at the opening day before she would do all of her payment processes for that day.

Tegus Client

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Okay. I would like to dig into more use cases. I guess so you talked about manual checks being mind-boggling. What do you think are some of the like lowest-hanging fruit within insurance for like manual processes being automated?

Former Claims Manager of the Americas at Cover Genius

It starts with the claims system. The claims system is the heart, the nucleus of any successful claims organization. I name-dropped a couple of points for you. But when it comes down to it, if there is one system that you're able to do everything out of one and not move out of it, that is your system that you want. It's not going to be cheap.

I assure you of that, but it's going to make so much easier way of the claims management you have. And with those automations, you're able to lessen FTE. Now I'm not looking to get rid of anybody. But if I can have a system to do the work of two FTEs, that is going to help out a lot on the bottom line, especially when you have a younger company or maybe an insurtech start-up just trying to break her out.

I've seen both the size of a nominal claim system. I've seen the ones of remedial ones and the remedial ones just increase frustration, and it increases employees kind of discrediting the company. Like why would they make a decision to start with this company with this program. It doesn't make any sense. I've worked with better ones years prior.

So that's what it starts with. If you can find a claims management system that has the ability to not only put in those automation, those business rules, has an open API system. So maybe if you have a vendor that you worked with previously that you want to integrate that into the new system, you have that. And if not, they have the ability of stepping up there and then having specific access to different reports. A lot of the insurtechs that you're going to see nowadays may not be the insurance company themselves. They might be what they call a managing general agent.

So they might work on behalf of an underwriter that needs some visibility into how the health of the claims is going, and that happens from the reports. You shouldn't have to just putt around with some Excel spreadsheets, I should be able to click one button or even have it on our automation that it gets emailed out to me. Another portion I want to say about the claims management system. Because I want to make sure of this point, is having an assignment rule base as well.

So there are going to be certain folks that might be licensed in certain states that they can handle claims and others cannot. Maybe a person is out of the office, sick or what have you, maybe a person got injured, there are people on vacation and they got a lot of claims and you want to pull that person out of the rotation.

So having that intelligence built into the system would be pretty cool as well. Because now you have the ability to kind of adjust and not just have somebody just drawing claims in different places, somebody going to claim when they're not in the office or if they're not a licensed to do so or they're not tenured enough to do so, and what have you.

Tegus Client

Okay. So you talked about like Origami and Five Sigma. It sounded like those were the examples of claims systems that could have a lot of services integrated into them. Is that correct? And so could you give me an overview of what some of those valuable integrated services are?

Former Claims Manager of the Americas at Cover Genius

Yes. I mean it's actually going to be repeat of what we just talked about before. So I know for a fact Five Sigma has telephony, texting capability built into the tool. They have payment open APIs. So if you want to bring in your own payment vendor, they can do it. If not, I believe they work with One Inc., so they can set you up with an account over there. And then even the FNOL portion, they're able to do an embedded FNOL onto your website. So you can whitelist it with your own information. You have to go to a different native website, put in all your information and that drops and translates directly into a new claim. So there's no person in between.

So rather than you're putting in an embedded PDF. And then you put on the information and just said, "Okay,

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I got it." It goes to somebody. They have to manually put it in, they create a claim number, that you sign through an adjuster. The adjuster reaches out with your claim number. The Five Sigma tool, you're able to put that information in, it gives you a claim number at the end of the submission. Once again, kind of putting a little bit more confidence in the person who was impacted and kind of knowing that a claim has actually been assigned, has been set up.

Tegus Client

Got you. And you talked about claim systems like this having an open API system to integrate and you just mentioned like the payment example. Are there other cases? Because to have like a tool that does everything, that's going to be a lot. And one company can only do so much. So even with the tool that has a lot integrated into it, something Five Sigma, for example, what are some integrations that you think are still worthwhile as an added benefit for automation?

Former Claims Manager of the Americas at Cover Genius

So most likely a subrogation vendor. Subrogation or salvage vendor would be good to have. That is the one part of the claims process that actually makes money for the company. So that would definitely be good to make sure you have in there.

Tegus Client

Could you possibly give examples of those vendors?

Former Claims Manager of the Americas at Cover Genius

A company named Salvage Bros, that is a salvage vendor. And for subrogation, I don't have any company. There is a company called National Subrogation Service, NSS. I've used them before.

Tegus Client

And were you going to say as well as you said there's subrogation, salvage and I think you were going to provide more?

Former Claims Manager of the Americas at Cover Genius

Subrogation, salvage, obviously, inspection vendors. Gone are the days where like when I worked at Travelers and let's say, I live in New York, let's say I had a claim that was in New Mexico. There are people that worked in Travelers and in New Mexico, but gone are those days. So inspection vendors. So if you have physical damage claims, whether it be homeowners, whether it be auto, whether it be general liability or whatever, you have individuals that can go out and inspect that damage, write up damage estimate repairs.

So you have companies like Crawford, not a huge fan. You have companies like AmerAdjust. Big fan. And then you have an up-and-coming start-up named Handdii, spelled very interesting. Handdii is an exceptional company that kind of works in that and kind of making sure that you have boots on the ground and going out there and inspecting that physical damage. So yes, those are big inspection vendors, salvage vendor and subrogation vendors. Especially for the inspection vendor, I got to be honest, because you may not have subrogation, salvage on everything, but inspection vendors make sense from two standpoints.

If nobody is out there and you need to have somebody go down there and put hands on it to write up an inspection or if you need somebody as a comparative. You have somebody who's saying they have shingle damage, and their house is 100 years old. You know that shingle is probably from brand-new. But when they're giving you, they're giving you something for brand-new roofing.

You have to have somebody who is an expert come out there and give you something what are the depreciations. So you're paying what you owe. You're not giving someone something brand-new, you're applying depreciation appropriately.

Tegus Client

Okay. Are there any more that you could think of types of integration? Or like I guess out of the ones that you mentioned, what is the most valuable that's not already integrated into a claims system? Would it be what

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you mentioned in terms of subrogation and salvage?

Former Claims Manager of the Americas at Cover Genius

The inspection vendor. Because that is on physical damage claims, that's something that you're going to need nine out of ten times. Where with a liability scenario, then subrogation and salvage aren't even involved. So subrogation and salvage only pretty much for first-party claims, while inspection vendors can be used on any physical damage claims.

Tegus Client

And when you say inspection vendors, is it just contractors that go out to see? Are you also referring to vendors that provide like a digital AI type of assessment or estimate on the damage?

Former Claims Manager of the Americas at Cover Genius

Very good question. It all kind of depends on which vendor you use. Some of them have virtual options. They might have the ability to FaceTime with an individual, show me this. But there's always a situation where you need boots on the ground. A fire, total loss on the building.

You can't do that with the FaceTime. You need somebody to kind of go out there and be physically present. And then depending on which company use as well, there might be a contractor that goes out, but you have to be mindful of the contractors because there are certain steering laws that are in certain states that you can't direct a property owner to say you have to use this person to do the repair.

So we got to be careful with those outfits that use contractors. But like Crawford and AmerAdjust, they're just insurance inspectors. They go out there, they write the sheets and that's it. It is up to the property owner to decide whom they want to go to do the repair or even if they want to do the repair at all. They're not mandated to have their repair done.

Tegus Client

I see. And how does that work? Is that just having full time employees doing that work? Would that just be having full-time employees doing that work?

Former Claims Manager of the Americas at Cover Genius

Yes. I mean essentially, you would work off estimates that were submitted to you from the impacted parties, but you have to be mindful of your loss ratios if you can do that. Not to say that people are not honest, but people are not honest.

Tegus Client

Yes. Let's change gears a little bit. Could we talk about like vendor management in terms of adjusters having to issue payments out to vendors, having 1099 forms? Could you talk about what some of the hurdles are there in terms of the manual processes?

Former Claims Manager of the Americas at Cover Genius

The expense payments, you've got to be honest, as long as you get the W-9s in from folks and you make sure you have your tax ID numbers all squared away, and you have a panel of different vendors you use. That is the key. That is the key. You want to definitely kind of cultivate those relationships with vendors to assist.

Another vendor actually just coming up in mindset is like an FIU or a private investigator firm, too. That wouldn't take priority over the physical damage inspection, but those are good if you have any injury claims that you're going to be looking after because you probably want some surveillance done on folks and stuff like that.

For example, you might have somebody who says he has a back problem, and all of a sudden, you see that person in gymnastics class. So you want to be able to have that type of presence out there. So it comes down to just making sure you have the W-9s, and you have a repository on your claims system.

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You have a repository on your claims system, so you're able to save that information, whether it be the name of the company, the contact information, e-mail, phone number, contact name and the tax ID number. So when you make payments, you're able to appropriately have that value, that was difficult as you would think.

When it comes down to the outbound payments, a lot of them are going to request wires, which is not the smartest thing to do because with wires, depending on the financial institution, you have to pay like \$30 to \$35 per wire. If you can do like a direct deposit or through some other mean, even if it comes down to paper check, it is much cheaper on that of the insurance company.

Tegus Client

Okay. So you said part of the key is having like a panel of vendors and is that kind of table stakes? Would you say that a lot of insurance companies, do have that panel of vendors? And how does the company get to that point?

Former Claims Manager of the Americas at Cover Genius

So the bigger companies are going to have a presence. Just like we said before, I know I'm kind of saying ad nauseam, like at Travelers, if I needed somebody in the middle of Florida to look at something or I needed somebody in the middle of Nebraska to look at something, I can get somebody up, that's not a problem. But not all companies have that presence.

So it kind of comes down to if you have a tenured individual on your team from like a newer insurance company, that individual is probably coming with a Rolodex. Vendors that they've used before that they've vetted so they're going to bring those people on. Or it comes down to points that I have no problem saying is that when I was trying to find different vendors from my current system, it literally came down to a Google search. I went through a couple of different companies. I vetted them.

I reached out to them. If there was a certain industry I was looking out for like four or five different options, I'd have them demo their ability, their processes. Have to look over their SOX compliance to make sure that if we send them information that doesn't go down the wrong path. I'd ask for recommendations or referrals for their current customers, speak to them. And then I would make an informed decision on the best entity to start a partnership with. So it really comes down to just voice to voice. It's almost like a sales thing that you have to really have to gain comfortability with the company.

And working for the current company that we are now being a start-up small business. I mean, we cannot call ourselves a startup anymore. We've been around for five years and we went through a couple of rounds. But I find it refreshing to work with start-ups and smaller companies now because even that's what we catered to at Coterie. Our insurers are small business owners. So I'd like to work with smaller companies versus working with like Duck Creeks or the Guidewires of the world because I'm able to get a little bit more out of them, a little bit more for less, essentially. I'm a cheapskate, too. So when it comes down to those vendors. It makes it a little bit better. I'd be able to get a little more of a catered experience.

Tegus Client

Got you. What about in terms of having to pay a vendor that's like not in your network, let's say, a policyholder has their favorite Bob's Auto Shop, they're not in your network? And you said as long as you have like your W-9s and tax IDs, it sounds like there may be like some compliance checks as well, like the issue of a payment to a vendor. Could you talk about what that manual process looks like?

Former Claims Manager of the Americas at Cover Genius

So a vendor or like an expense payment is different than what you were speaking about in terms of a person going to that individual for a repair or anything like that. So a vendor or an expense payment would be when the insurance company needs something done. While the repair is when the impacted party needs something done. So if I have a claim where I send out a vendor to do a physical inspection to write up a sheet, when I make that payment to that inspection vendor, it's going to be an expense payment with a tax ID.

But let's say I have a situation where I have it insured who has a damaged car and they take it to a body

shop. That is not the same scenario. A claim payment does not carry a tax ID and expense payment does.

Tegus Client

Okay. So a claim payment carries what then?

Former Claims Manager of the Americas at Cover Genius

You've really would be working with a vendor in that situation. Now if the insured was asking, "Oh, do you have somebody in mind?" You can offer out certain suggestions or recommendations. But once again, you have to be mindful of steering. For example, back at Travelers, when I worked in the auto section, we had a couple of body shops that we worked with what I call preferred auto repair program, where we actually had Travelers appraisers sitting in those body shops and they would look at the sheets. Our cars would have got priority over other cars when they're getting repaired.

And then there was a lifetime guarantee on the repairs from the insurance company. That was like the direct auto repair program. But let's say you wanted your own body shop, you had Tom's Auto Body that you've been using for 40 years. You can use them. You just wouldn't have those same guarantees that you would have with the direct auto repair program. If you wanted to get Tom's Auto Body and a part of the auto repair program, they would have to go through a stringent due diligence compliance program and process to confirm that they were able to be a part of that program because they weren't just going to just side with anybody.

They had to make sure they were up on their time frame, make sure that they had the certain regulatory equipment, making sure they had their proper inspections, just to say the least, specifically looking down at like an auto body shop perspective.

Tegus Client

So in the case that the policyholder goes to their long preferred auto body shop, are there any challenges in issuing a payment for an insurance company issuing a payment to that body shop?

Former Claims Manager of the Americas at Cover Genius

No, because they have an estimate in hand. They have an agreed price in hand. So either the appraiser went to the body shop or the appraiser went to the car, they saw what was needed. They wrote up that estimate and then the check that is paid is going to be the exact amount that's going to be that estimate.

Now obviously, there's always something called supplements when it comes to auto damage. Since we are going down that path. So if somebody gets hit in the rear, you might find damage enough that you're looking at now. But when their car is brought to the body shop and torn down, there might be supplemental damage.

There might be extra damage behind the scenes. There might be some part price differences, maybe I couldn't find an LKQ bumper. I have to find a Recon bumper or an OEM. So there's certain supplements, but that only comes into play when their vehicle goes to the body shop and is actually torn down. But the estimate is what we're kind of working on. So there really isn't any issue there. Most of all body shops will work on, "Oh, you have an estimate, cool." I'll work off of this estimate. If I have anything additional reach out to the adjuster and I'll add a supplement on to it. Not a problem.

Tegus Client

Okay. And is there any sort of like gathering form, 1099s?

Former Claims Manager of the Americas at Cover Genius

Only when you're using expense or vendor payments is when they're looking for the W-9s for the tax ID information. Remember, that is for when the insurance company has sent out a vendor or an expert specifically as a part of the investigation.

Tegus Client

Got you. And is there a complexity around that gathering like 1099?

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Former Claims Manager of the Americas at Cover Genius

No, because if that vendor wants to get paid, they're going to give you whatever you want. So no, there's no issues on that. We actually went through an initiative recently. Where we gathered a whole bunch of W-9s to make sure we have that on our repository. But no, there really isn't any issue. The companies are quick to respond because they don't want to get into trouble with the Federal Government either, so.

Tegus Client

Okay. And then if we could just like jump into medical records processing, could you tell me just in terms of getting medical records for like whether it's like auto or home or anything like that? Can you tell me a bit about that process and what pain points may be there?

Former Claims Manager of the Americas at Cover Genius

Highly regulated there. So obviously, you need an authorization for medical records from the injured party from the EIP. EIP is acronym for eligible injured party. So you want to make sure you have the authorization for medical records. And then you want to make sure that it is a blanket authorization for medical records.

You don't want to have it exclusively to one medical provider. For example, if I had a person who was in auto accident, I know they went to the emergency room, they went to the ortho and they went to the chiropractor. For me to have the authorization for medical records exclusively from the emergency room that they help me when I'm trying to find the record for the ortho and the chiropractor.

So that's the very first step. We want to make sure you have a blanket authorization for medical records. After that, you should be able to secure anything that you can in terms of any of the medical documentation and the SOAP notes. SOAP is subjective, objective, assessment, plan. I have a wife who is in the medical field. So all this nerd stuff comes to me very easily. But so you want to make sure you get all of those notes and documentation because not only from a first-party standpoint because first-party, you're just paying the medical bill. So you want to make sure everything is good there.

But from a third-party liability standpoint, those medical records and notes are very keen because you want to see if the level of care has stopped or if the level of care is going to be continuing for a long period of time. Did they lose a limb? Was there some type of dismemberment or loss of services? Who was this individual in their life cycle? Are they a 23-year-old med student about to be entering a residency or an 85-year-old retiree who worked in a library.

So that actually comes into play as well when you're looking at it from a liability standpoint. Also from a medical standpoint, you want to have different vendors to use for peer reviews and IMEs. IME is that acronym for independent medical examination.

So even from a nurse review standpoint because you would have an appropriate company that you can send medical record result and say, "Hey, does this level of care makes sense? Is there something that I'm missing? Is there something that is superfluous?" You want to make sure that you have that as well. And then IME and the peer review come into play to help stop a level of care when it comes to first-party coverage.

Tegus Client

So within these things that you mentioned, receiving authorization, securing documents, transmitting documents for review. Are there like systems outside of your claim system that you are integrating with? Or is it a manual process? Or are there any pain points within just the information going from one place to the other?

Former Claims Manager of the Americas at Cover Genius

There probably is one out there. I haven't encountered one in my watch that does in a technological way of getting the information over to somebody and me as a customer to that vendor seeing the process kind of work your path. I have never met that individual and that entity. I know companies that can do the process, and I know companies that can do the actual medical review, but I don't know of one company that does it all.

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Tegus Client

So how does it look internally to do those things? Is that a fairly manual process?

Former Claims Manager of the Americas at Cover Genius

Yes, because it's better to have the company that actually does the medical review more so than the company that can do the automation side of it. Because when it comes down to it, I need that nurse or that doctor to be able to look at this record and say, is this good? Is this appropriate care? So I need that individual to get that information over to me. So right now, it's manual. I put the package together, I email it over to the nerds to take a look at.

They give it to the appropriate person. If I need to have a phone conversation with that person, I can. If not, they'll just send me their opinion in their final report and then I can take it from there in terms of the settlement with that individual.

Tegus Client

Okay. Is that a time-consuming process for adjusters because like to get the record, do it in an authorized way? I would think that you can't just like standard email because of like HIPAA compliance, right?

Former Claims Manager of the Americas at Cover Genius

Correct, make sure that it is an encrypted e-mail service, but not even to the point of getting it and sending it over, it's getting it. Getting it from the actual medical providers. The three big industries that have seen a crazy technological advancement over the past 20 to 25 years is banking, insurance and medical.

But as all of the medical technological advancements that happened, it's still a person who takes their sweet time to get you the information that you need. So it just takes a long time to get the medical record and to make sure to get everything because you might get a bill, but you may not get the notes.

You might get the notes, not the bill, you might need medical records. You might need a referral. It's a lot. And then you have a whole thing of Medicare reporting, too, that you have to look at if somebody they're recipient of Medicare, you have to make sure that they get it properly reported to as well.

Tegus Client

Okay. In terms of if we could now talk about a slightly different topic, which is integrating with outside services. Have you had any experience or considerations in terms of using like a low-code tool to help you orchestrate any sort of integrations? Does that resonate with you at all?

Former Claims Manager of the Americas at Cover Genius

Beyond my wisdom, I am not on that kind of data DNA side. So I don't see those. I could tell you that open API is something that is talked about a lot. I was actually at the Connected Claims event in Illinois. I actually had a couple of speaking parts there a couple of months ago.

And open API is the thing. Because there's a lot of things or system or programs that companies have that they're not going to break from. And these newer vendors that want to work with these companies want to find ways to work within. So open API is the biggest thing. So it's going to be very difficult for you to find places that they use low code or that are even going to be beneficial. But once again, I don't want to go down the rabbit hole there because that's outside of my level of expertise.

Tegus Client

Okay. And like an open API really enables claims systems to integrate and it seems like we have quite a bit of experience with claims systems in general. Now when it comes down to implementing an integration, could you speak about that in general, like in terms of the hurdles? Or if there are any tools that you may have come across that could help that?

Former Claims Manager of the Americas at Cover Genius

I mean I've been involved in a couple of integration conversations. But when it comes down to it, you need a

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data person that works for your side. Then you need a data person that works for the other side. Because if you have two claims people talking to each other, it's going to be somebody speaking Spanish and somebody speaking Portuguese.

They're not going to be able to follow. So you need a data person on each side to be able to have those conversations in terms of can this integration take place? What is the SOP? How long is it going to take from implementation? Where is the support? So if there is a situation you have any outages, any blackouts, any type of system issues, upgrades, et cetera. Where is your support and do you have a specific support person? You want to make sure to meet all of those people way before you sign on the data line. Is there any companies or tools out there to assist with that? It all depends on what it is.

But for the most part, a lot of these vendors do all of their integration in-house because there might be start-ups just like anybody. They may not have a huge amount of money to use. So when it comes down to it, they're probably going to have data folks in there. A lot of these start-ups, I even see they start with one to two people. The CEO and then the CTO, because that person is going to be the person that's going to be writing code, writing the APIs and finding ways to integrate with different companies and stuff like that. So that's what it comes down to.

Tegus Client

Got you. To summarize once again. What are like the lowest-hanging fruit, the biggest bang for the buck automations for claims?

Former Claims Manager of the Americas at Cover Genius

Claim system. If you can find the claim system that would lessen the amount of vendors you have to use for your daily claim activity that is what you want. There are only a couple of companies that do it all and do it all well. So if you can find that, that's great. If not, no problem, but then you need to find a claim system that can integrate with those outside folks as soon as possible.

The four big ones, three that we spoke about and the claims system will be the other one. The three would be the FNOL, how you get the claims, the telephony or texting or e-mail capability. How you communicate with the impacted parties. And then the payment system, how you resolve these claims with indemnification.

Tegus Client

And these can-do-it-all claim systems, can you talk about them a bit more? Like does it satisfy enough of a customer's needs? And do you also see those kind of growing in demand in the market?

Former Claims Manager of the Americas at Cover Genius

Yes, I do, especially from the impacted party standpoint because a lot of these companies are going to have the visibility from the impacted party even from the agent. So they can kind of follow the claims process throughout. I know at the beginning of our conversation, we were talking about the edification of the impacted parties.

So like you order a pizza from Domino's, you go to the pizza tracker. You can find out that ABC is making your pizza. ABC is putting your pizza in the oven, ABC driving the pizza to you. Having something that equivalent from the claims process. So I can say, "Oh, the adjuster received my documentation. Oh, the adjuster is reviewing it. Oh, the adjuster made a decision. Oh, the adjuster made a payment." That will lessen the communications of the folks reaching out saying, "What's going on with my claim and what's the status?"

Which will free up the claims folk to be able to make a stronger decision because they won't have to be Bell Atlantic. But they want to have to be Bell Atlantic kind of doing all of this chasing with the phone and such. And then also what I was stating about before about the text messaging capability because, I mean, you like myself, I don't know you, but I'm pretty sure you text a lot, just like everybody does.

The texting capability makes it so much easier. Because I'm able to text somebody and get a response a lot quicker and then calling somebody or emailing somebody, depending on who the individual is, obviously.

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That's what it comes down to.

Tegus Client

These all-in-one claim systems, do they also provide sort of pizza tracker claims tracker like a user interface for the policyholders?

Former Claims Manager of the Americas at Cover Genius

I know that Origami had something kind of like it. I do not know about Five Sigma, but I wouldn't put it past the Five Sigma has all of those.

Tegus Client

Okay. And then in terms of like the text messaging capability, is that something where an adjuster can send text messages through the system? Or is there an ability to automate text messages as well, for instance. Like when event A happens, then this text message is fired off. Once the automatic check is issued and a text message is sent or like if the payment is processed. Is there ways of building business logic into like the communication there?

Former Claims Manager of the Americas at Cover Genius

Guaranteed. And Five Sigma has something like that. So when you say like, oh, the context that they made, the claim is in investigation phase, that fires off a text message to the impacted party, letting them know X. "Oh, the claim has been resolved. The decision has been made."

That is event B, that fires off a text to the impacted parties. So I mean that is a guarantee in terms of now, once again, you're edifying the customer, keeping them involved in their process, and they're not going to bug you. Because they know exactly what's going on, you know what I mean, but then it can also shoot you in the foot. So you don't want to inform them overly so because if they're getting a note on Monday, Tuesday, Wednesday, Thursday and then on Friday, Saturday, they're calling you. So you want to make sure that it gives them just enough to keep them on the stream.

Tegus Client

That makes sense. This was very helpful. Thank you for taking the time to speak with me today. I appreciate it. Have a nice day.

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