



## Specialized Claim Processes

6.0

7 October 2009

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## Lesson Objectives

By the end of this lesson, you should be able to:

- Describe ClaimCenter functionality relevant to recovery
- Describe ClaimCenter functionality relevant to litigation
- Describe ClaimCenter functionality relevant to fraud detection

This lesson uses the notes section for additional explanation and information.  
To view the notes in PowerPoint, choose View→Normal or View→Notes Page.  
If you choose to print the notes for the lesson, be sure to select "Print hidden slides."

2

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## Lesson Outline

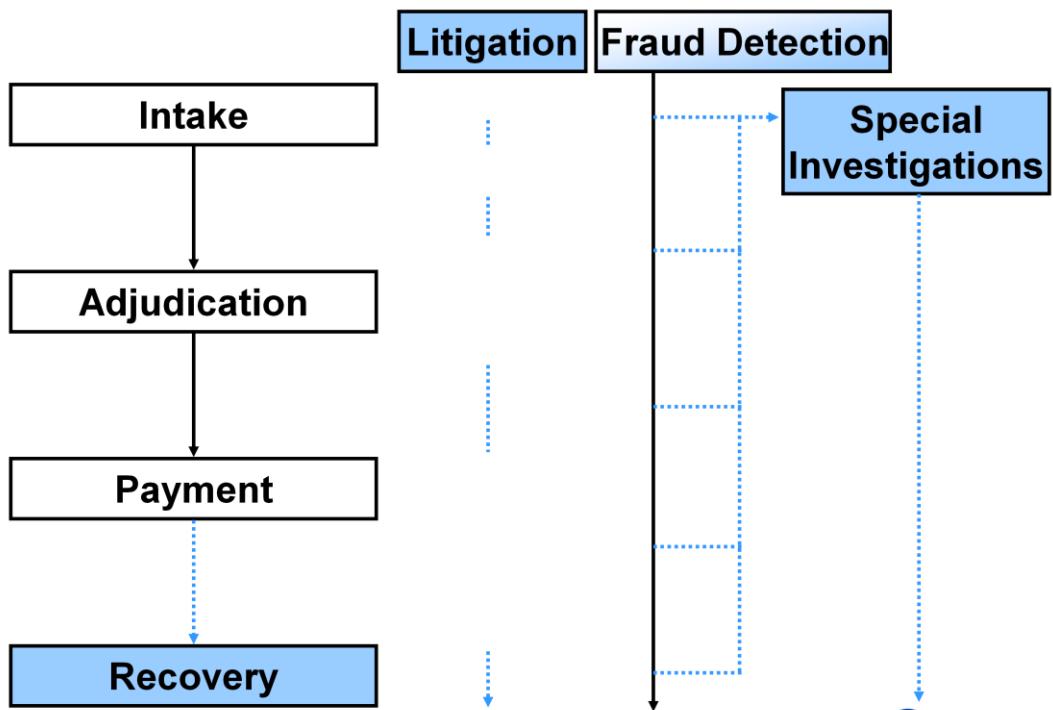
- ▶ Recovery
- ▶ Litigation
- ▶ Fraud Detection

3

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## Review: Specialized Claims Processes



4

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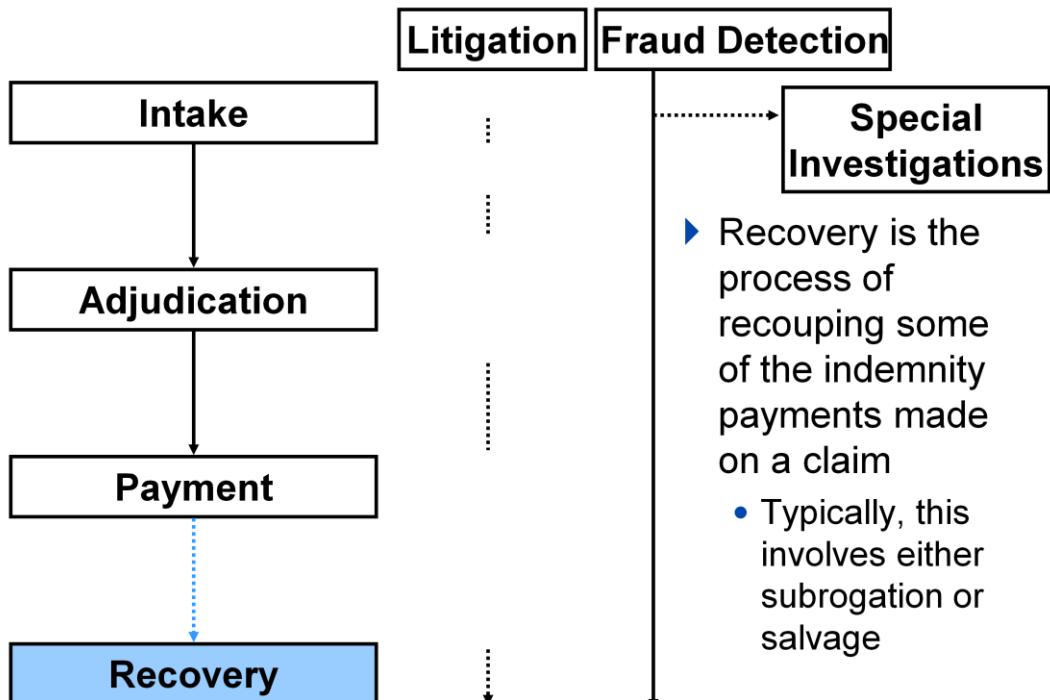
It can be helpful to think of the different phases in two categories: fundamental (those that happen with most if not all claims) and specialized (those that happen with only some claims).

Intake, Discovery/Investigation, Loss Assessment, and Payment can be thought of as fundamental. For a claim which has one payment and goes through the normal claims process, all four of these phases will occur. Similarly, fraud detection is an ongoing process throughout the entire claims process for all claims. Recovery is a specialized process which is relevant only for claims where there is a recovery opportunity. Claims without property that is considered a total loss and without third parties who are at fault and do not have insurance may have no recovery opportunities.

Litigation is a specialized process which is relevant only for claims where there is a dispute between parties which needs to be resolved.

Special Investigations is a specialized process which is relevant only for claims which are considered potentially fraudulent.

## Recovery

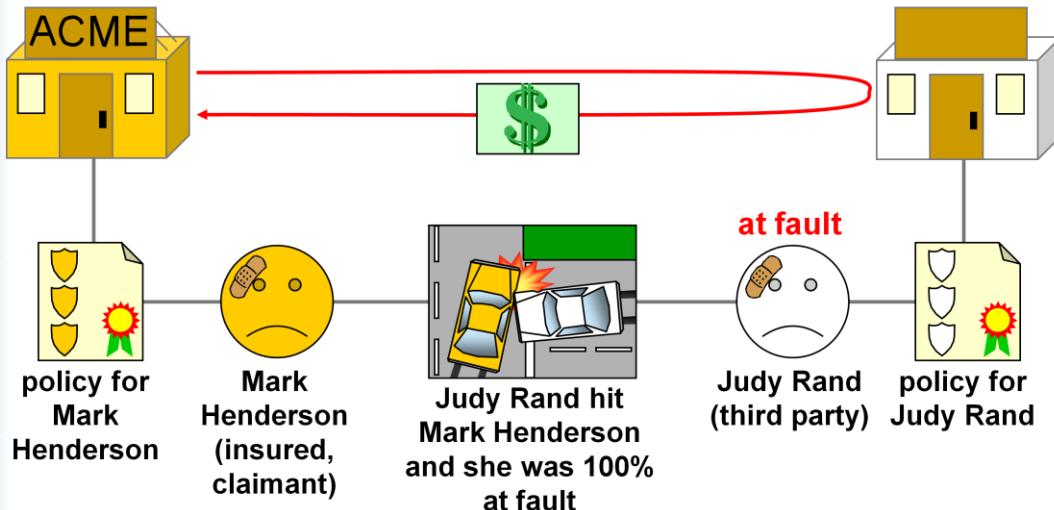


5

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## Subrogation



- ▶ Subrogation is the act of retrieving money from the carrier of a third party when that third party is responsible for the loss

6

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Some exposure types, such as the auto line of business's "vehicle damage", have an array of "other carrier info". This array is used to gather information about the insurance carrier of the policies held by other drivers. This information is used for subrogation.

# Accessing Subrogation Screens

The screenshot shows three panels. The left panel is a sidebar with a blue header 'Loss Details' and a red dotted box around 'Subrogation'. The middle panel is another sidebar with 'Subrogation' highlighted in a blue box. The right panel is a detailed view of 'Loss Details' with sections for General, Loss Details, and Fault Rating, all enclosed in a red box.

General	
Loss Type	Auto
Line of Business	Auto
Primary Adjuster	<a href="#">Betty Baker</a>
Primary Group	Auto1 - TeamB
Catastrophe	
Claim Segment	Auto - mid complexity
Claim Strategy	Unknown
Special Claim Permission	
Description	Hit by TP vehicle at intersection.

Loss Details	
Loss Cause	Collision with motor vehicle
Fault Rating	Other party at fault

- ▶ The menu action to perform subrogation tracking is visible if a Third Party has been determined to be at fault

## Subrogation General Screen

<b>Subrogation General</b>   Responsible Party Detail   Financials																
<b>Edit</b>																
<b>General</b> Fault Other party at fault Subrogation Status Open Externally Owned? No	<b>Responsible Parties</b> <b>New</b> <table border="1"><thead><tr><th>Party</th><th>Government Involved?</th><th>Liability %</th><th>Classification</th><th>Strategy</th></tr></thead><tbody><tr><td>Judy Rand</td><td>No</td><td>100.0% Insured</td><td>Pursue against Insurer</td><td></td></tr><tr><td>Total:</td><td></td><td>100.0%</td><td></td><td></td></tr></tbody></table>	Party	Government Involved?	Liability %	Classification	Strategy	Judy Rand	No	100.0% Insured	Pursue against Insurer		Total:		100.0%		
Party	Government Involved?	Liability %	Classification	Strategy												
Judy Rand	No	100.0% Insured	Pursue against Insurer													
Total:		100.0%														
<b>Referral</b> Refer to Subro? No	<b>Statute of Limitations</b> <table border="1"><thead><tr><th>Type</th><th>Jurisdiction State</th><th>Description</th><th>Statute Deadline</th></tr></thead><tbody><tr><td>Damage</td><td>California</td><td>File within 6 months of loss</td><td>10/23/2008</td></tr></tbody></table>	Type	Jurisdiction State	Description	Statute Deadline	Damage	California	File within 6 months of loss	10/23/2008							
Type	Jurisdiction State	Description	Statute Deadline													
Damage	California	File within 6 months of loss	10/23/2008													
<b>Subrogation-related Notes</b>																

- ▶ The General screen is used to identify:
  - The responsible parties and the subrogation strategy for each
  - Any relevant statutes of limitations

## Subrogation Responsible Parties Screen

Subrogation  
General | Responsible Party Detail | Financials

New Remove

Responsible Party	Liability %	Expected Recovery %	Classification	Strategy
Judy Rand	100.0%	50.0%	Insured	Pursue against Insurer
Total:	100.0%	50.0%		

Detail for: Judy Rand Edit

<b>Responsible Party</b>	<b>Recoveries</b>
Name <u>Judy Rand</u>	Total Amount Recovered
Primary Phone 415-505-4321	Total Claim Costs Recovered via Subroga
Address	Scheduled Payment
Liability % 100.0%	Applicable?
Expected Recovery % 50.0%	
<b>Plan of Actions</b>	
Classification Insured	
Strategy Pursue against Insurer	
Government Involved? No	
<b>Primary Contact</b>	
Name <u>Judy Rand</u>	
Relationship to Responsible Party Self	
Primary Phone 415-505-4321	
Address	
<b>Insurer Information</b>	
Insurer <u>Foundation Insurance</u>	
Primary Phone	
Primary Contact <u>Donna West</u>	

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- ▶ The Responsible Parties screen tracks information by contact
- ▶ Its behavior is similar to the Parties Involved screen



## Subrogation Financials Screen

**Subrogation**  
General | Responsible Party Detail | **Financials**

[Edit](#)

Note: All financial amounts and percentages below only consider Claim Costs and not Expenses.

**By Responsible Parties**

Party	Liability %	Expected Recovery %	Subro Recovery	Actual % Recovered
Judy Rand	100.0%	50.0%	\$1,500.00	35.0%
Total:	100.0%	50.0%	\$1,500.00	35.0%

**By Reserve Lines**

Claim Cost Reserve Lines	Paid	Net Paid (excluding Subro Recovery)	Subro Recovery	Actual % Recovered
(1) 1st Party Vehicle - Mark Henderson; Claim Cost/Auto body	\$4,200.00	\$4,200.00	\$1,500.00	35.0%
Total:	\$4,200.00	\$4,200.00	\$1,500.00	35.0%

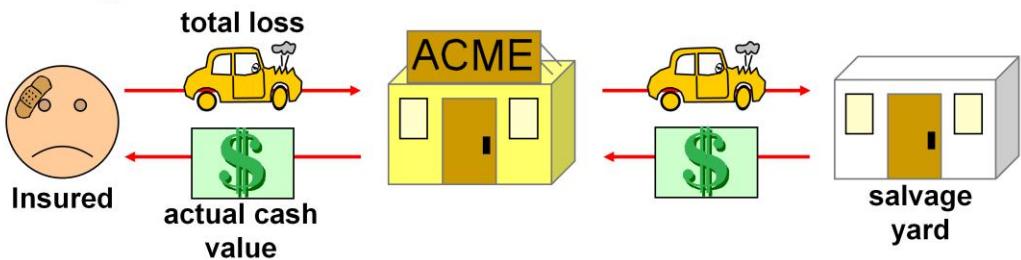
- ▶ The Financials screen tracks expected and actual recoveries by party and reserve line
- ▶ Payments received are automatically reflected

10

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## Salvage



- ▶ Salvage is an act of recovery involving damaged property (typically vehicles that are a "total loss) in which the carrier:
  - Pays the insured for the full value of the property
  - Takes possession of the property
  - Recoups some of the money by selling the damaged property to someone else

The business to whom the carrier sells the property will presumably refurbish it or use it for spare parts.

## Accessing the Vehicle Salvage Card

- ▶ Available from the Exposure Detail screen
- ▶ If a vehicle is classified as a total loss, a Vehicle Salvage card becomes visible

(1) 1st Party Vehicle - Mark Henderson (Up to Exposures)

Edit Assign Create Reserve

Details Total Loss Calculator **Vehicle Salvage** ISO

Vehicle	
Year	1998
Make	Jaguar
Model	XJ6
Style	
Color	
VIN	6GYF54637HD641756
License Plate	7FDG745
Plate State	California
Total Loss Points	40
Total Loss? (Yes, if over 25)	Yes
Information about the vehicle	
Is the vehicle over 5 years old?	
Is the vehicle over 10 years old?	Yes

12

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A vehicle can be declared a total loss in one of two ways:

- The total loss field is manually set to "Yes" on the incident card.
- The total loss calculator is completed, and the value of the calculation is greater than the threshold value for total loss. (This automatically sets the Total Loss field on the incident card to yes.)

## Vehicle Salvage Card

- ▶ This card is used to track information about the vehicle salvage

(1) 1st Party Vehicle - Mark Henderson (Up to Exposures)	
<a href="#">Edit</a>	<a href="#">Assign</a>
<a href="#">Close Exposure</a>	<a href="#">Create Reserve</a>
<a href="#">Details</a> <a href="#">Total Loss Calculator</a> <a href="#">Vehicle Salvage</a> <a href="#">ISO</a>	
<b>Salvage Process</b>	
Total Loss?	Yes
Date Assigned to Salvage	05/29/2008
Salvage Service	<a href="#">M B Garage</a>
Date Recovered	05/31/2008
Date Sold	06/02/2008
<b>Salvage Financials</b>	
Sale Amount	\$950.00
Towing Fee	\$125.00
Storage Fee	\$50.00
Title Fees	
Prep Fees	
Net Recovery	\$775.00

13

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The net recovery is not calculated in the base configuration as of 5.0.0, but this could easily be configured to calculate the net recovery, as is shown in the screenshot.

## Lesson Outline

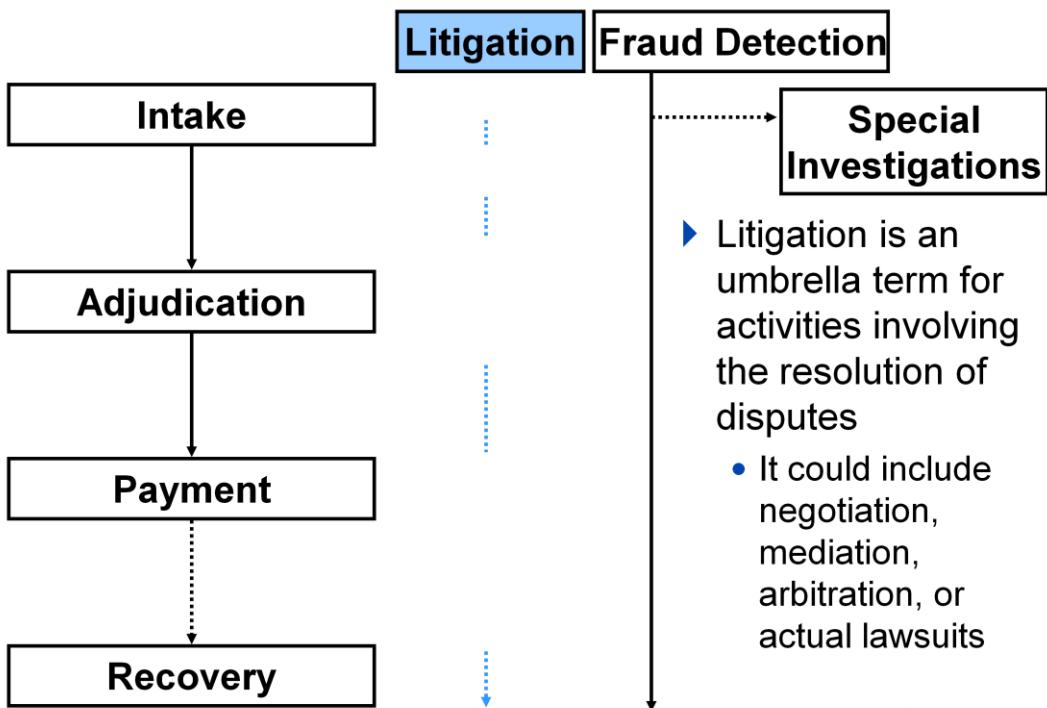
- ▶ Recovery
- ▶ Litigation
- ▶ Fraud Detection

14

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# Litigation



Negotiation is the back-and-forth discussion of how much loss occurred and how much indemnification is required. Mediation and arbitration involve the resolution of a dispute with the assistance of a third party without actually filing a law suit.

Litigation can occur during any or all of the other phases. For example, there may already be pending litigation at the time that the loss is reported to the carrier. A claim of this nature can be flagged as a "first notice suit" claim. However, when litigation is an issue, it is typically relevant only to certain phases of claims processing. (For example, the litigation may involve tasks in the Discovery/Investigation phase, but have no relevant activity during the Loss Assessment phase.)

## Litigation Issues

- ▶ Litigation affects only a small number of claims, but they tend to be the largest in dollar value
- ▶ For a given claim, the carrier may want to manage issues such as:
  - Is the claim associated to a (potential) lawsuit?
  - What activities must the carrier complete?
  - What events have occurred or will occur in the future?
  - Who are the parties involved (such as the lawyers and judge)?



16

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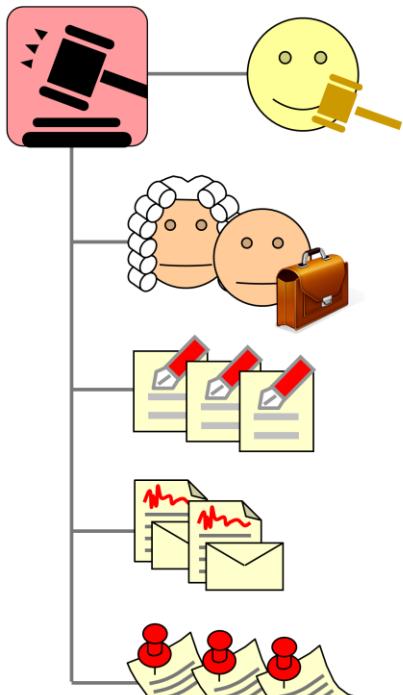
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A small number of claims go into litigation, but they tend to be the largest in dollar value. The most common type is claims where some third party is suing the insured (like in a medical malpractice case). Because the insurer will end up paying the settlement in the case of an unfavorable judgment, the insurer generally retains the right to conduct the defense. In a smaller number of cases, the insurer will be sued directly by the policyholder or a claimant. (This is what happened when the leaseholder of the World Trade Center sued several insurance companies, claiming they did not pay enough for his claim.) A subset of these first-party suits are "bad faith" lawsuits, in which the claimant alleges that the insurer did not handle his or her claim fairly; bad faith suits are an important reason why insurers want to have consistent claim handling practices and the ability to document what they do on a claim.

In most cases, the actual defense will be entrusted to an external defense attorney, often supervised by an internal attorney. In some cases the defense will be managed by an internal attorney.

In some cases, there may already be a lawsuit in progress at the point the claim is first reported to the carrier. This type of claim is known as a "first notice suit" claim.

## Matters



- ▶ A matter is a collection of information pertaining to a lawsuit or potential lawsuit
  - It has an owner
  - It can appear in the Calendar
  - Contacts, activities, documents and notes can be associated to it

## Creating Matters

The screenshot illustrates the process of creating a new matter. On the left, a vertical navigation menu is open under the 'Actions' tab, listing various claim management tasks. The 'Litigation' option is selected and highlighted in blue. A red arrow points from the 'Litigation' link down to the 'Matters' screen below. On the 'Matters' screen, there is a toolbar with buttons for 'Assign', 'Refresh', 'Close Matter', 'New Matter', and 'Calendar'. The 'New Matter' button is also highlighted with a red box and a red arrow pointing to it from the 'Litigation' link. To the right of the 'Matters' screen is the 'New Matter' detail view. This view contains several sections: 'General Details' (Matter Type set to 'Lawsuit', Name 'Judy Rand Lawsuit', Plaintiff 'Judy Rand', Defendant 'Mark Henderson', and a 'Related to Subrogation?' radio button set to 'Yes'), 'Litigation Details' (Court Type 'State' set to 'California', Court District 'California', Legal Specialty 'Motor vehicle liability', Primary Cause 'Negotiations at Impasse'), 'Primary Counsel' (Plaintiff Attorney, Plaintiff Law Firm, Defense Attorney, Defense Law Firm, all currently set to '<none selected>'), and an 'Owner' field set to 'Rick Ralston (Auto1 - TeamB)'. The 'New Matter' detail view has its own toolbar with 'Update' and 'Cancel' buttons.

18

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In the base application, there is a Litigation page link that can be used to display a list of matters related to the claim. The list includes a New Matter button. The New Matter button displays the matter detail view, where information about the matter can be detailed, including the plaintiff, defendant, and user who will own the matter.

## Matter Setup

- ▶ The matter is assigned to a user
  - ▶ Activities for the matter are created and assigned

# Matter Setup

- The matter is assigned to a user
- Activities for the matter are created and assigned

**Judy Rand Lawsuit (Up to Litigation)**

**Details**

Matter	
Name	Judy Rand Lawsuit
Case Number	102-25-18823
Owner	Rick Ralston
Group	Auto1 - TeamB
Type	Lawsuit
Plaintiff	Judy Rand
Defendant	Mark Henderson
Related to Subrogation?	Yes
Close Date	
Reason Reopened	
<b>Litigation Details</b>	
Court Type	State
Court District	California
Legal Specialty	Motor vehicle liability Negotiations at Impasse

Owner		Group	
		Rick Ralston	
		Auto1 - TeamB	
		Defense Attorney	Defense Law Firm

Planned Activities			
Due	Priority	Subject	Assigned To
06/18/2008	Urgent	Trial Date	Betty Baker
06/05/2008	High	Legal review	Rick Ralston
06/03/2008	Normal	Get a statement from witness	Betty Baker

**Trial Details**

Trial Date	06/18/2008 12:00
Trial Venue	
Room	
Judge	

**Additional Details**

Docket Number	
Filing Date	
Filed By	
Service Date	
Method Served	
Response Due	
Response Filed	
Ad Damnum?	
Punitive Damages?	

**Resolution**

Resolution	
Final Legal Cost	
Final Settlement Cost	
Final Settlement Date	

**Latest Notes**

Assigned To	Betty Baker
Comments	

Matter setup is nearly identical to claim or exposure setup. It consists of a series of rules which are executed after the object is created to determine how to process the object. For matters, the bulk of setup pertains to assigning the matter and creating any matter-specific activities.

## Matter Contacts

Primary Counsel

Plaintiff Attorney

Plaintiff Law Firm



- ▶ Typically, an existing contact must have a specific role to be associated to a matter
  - For example, only contacts with the role of "attorney" can be added as the plaintiff attorney
- ▶ Typically, any newly created contact will be created with a given role
  - For example, a new contact created from the Plaintiff Attorney field will inherently be given the role of "attorney"

20

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The role-sensitive nature of matter contacts is not unique to matters. This behavior can be used in any place in ContactCenter. For example, the base application Loss Details screen for auto includes a witnesses list. Any contact added to this list inherently has the role of witness.

# Matter Calendar

**Matter Calendar**

Litigation | My Calendar

Show : All Matters ▾ Activity : All Activity Type ▾ Type : Assigned To : Anyone (All Activities) ▾ Priority : All Priorities ▾

◀ June 2008 ▶

July 2008						August 2008					
30	1	2	3	4	5/6	28	29	30	31	1	2/3
7	8	9	10	11	12/13	4	5	6	7	8	9/10
14	15	16	17	18	19/20	11	12	13	14	15	16/17
21	22	23	24	25	26/27	18	19	20	21	22	23/24
28	29	30	31	1	2/3	25	26	27	28	29	30/31
Monday	Tuesday	Wednesday	Thursday	Friday	Sat/Sun						
May 26		27		28		29		30		31/June 1	
2	3	4	5	6	7/8						
1 : Witness state...		1 : Legal review									
9	10	11	12	13	14/15						
16	17	18	19	20	21/22						
		1 : Trial Date									
23	24	25	26	27	28/29						
30	July 1	2	3	4	5/6						

1 : Judy Rand Lawsuit

◀ June 2 - 8, 2008 ▶

Mon, Jun 2, 2008
– No Events –
Tue, Jun 3, 2008
• Judy Rand Lawsuit : Witness statement
Wed, Jun 4, 2008
– No Events –
Thu, Jun 5, 2008
• Judy Rand Lawsuit : Legal review
Fri, Jun 6, 2008
– No Events –
Sat, Jun 7, 2008
– No Events –
Sun, Jun 8, 2008
– No Events –

▶ View matter-related activities

- For current user
- Trial dates only

▶ Link to owned activities from calendar

21

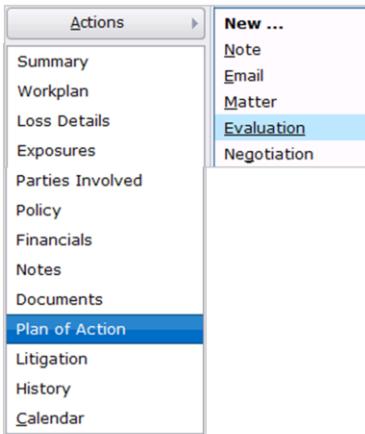
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Matters can appear in the calendar along with activities. The example above shows a trial date of November 26 for the Judy Rand lawsuit. (There are also a series of activities due on that date.)

## Plan of Action

- ▶ If the issue of who was at fault is disputed, the carrier can create a "plan of action" to track the financial expectation and resolution of the dispute
- ▶ The plan of action has two components
  - Evaluations
  - Negotiations



22

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For some claims, there isn't an initial agreement on who is at fault for the loss. This disagreement is an important claim issue because it must be resolved to determine who will pay what money and how, and it must be tracked carefully as it may involve or later lead to legal action.

For claims with disputed liability, the carrier often develops a "plan of action". This plan tracks the dispute as it is mediated, arbitrated, or litigated to some sort of agreement. A plan of action has two basic components: evaluations and negotiations.

An evaluation is an assessment of the financial liabilities and/or damage pertaining to a single aspect of loss. Typically, the first step in considering a plan is to evaluate the expected costs. New evaluations track the liability and damage assessments as the plan proceeds.

A negotiation is a single point of dispute that potentially involves some sort of payment. It includes the arguments made by both sides and the history of the demands, offers, or counter-offers made by both parties.

## Evaluations

- ▶ An evaluation is a “what-if” style worksheet to help assess the financial liability of a disputed aspect of the loss
- ▶ Total Value = Ins.Liability \* Damages (Economic + Punitive)

The screenshot shows the 'Evaluations' screen in the Guidewire ClaimCenter. At the top, there's a navigation bar with 'Evaluations' and 'Negotiations' tabs, and buttons for 'New Evaluation' and 'Delete'. Below the navigation is a table with one row, showing an evaluation named 'Office damage and injury' created on '06/02/2008 01:22 PM' with a total value of '\$11,000.00'. The main content area is titled 'Evaluation: Office damage and injury' and contains two sections: 'Liability Distribution' and 'Economic Damages'. The 'Liability Distribution' section includes fields for Name (Office damage and injury), Related To (none (Claim-level)), Insured Liability % (50), Claimant Liability %, and Other Liability %. The 'Economic Damages' section lists items like Hospital / ER (\$1,200.00), Treating Physician, Physical Therapy, Diagnostics (\$450.00), Medical Equipment, Future Medical, Claimant Out of Pocket (\$350.00), and Other, with a Total of \$2,000.00. To the right of these sections are two tables: 'Punitive Damages' and 'Total Value'. The 'Punitive Damages' table shows values for Low (\$14,000.00), High (\$25,000.00), and Likely (\$20,000.00). The 'Total Value' table shows values for Low (\$8,000.00), High (\$13,500.00), Likely (\$11,000.00), Total (\$11,000.00), Available Reserves (\$15,000.00), and Net Total Incurred (\$15,000.00).

23

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The basic formula for this evaluation worksheet is:

$$\text{(low/likely/high) total value} = \\ \text{insured liability \% ( economic damages + (low/likely/high) punitive damages )}$$

There is no direct tie between the financial figures here and those on the Financials summary screen, other than the reflection of the available reserves for the overall claim. However, ClaimCenter could be configured to have the two tied together. For example, whenever an evaluation is created, this could cause the creation of an automatic reserve transaction.

# Negotiations

**Negotiations**  
Evaluations | Negotiations

New Negotiation | Delete

Name	Date Created
G Johnson medical bills	06/02/2008 03:59 PM

**Negotiation: G Johnson medical bills**

**Edit**

<b>General</b>	
Name	G Johnson medical bills
Overall Liability Assessment	\$2,500.00
Maximum Offer	\$2,750.00
Target Offer	\$2,500.00
Rationale for Target Offer	Insured fault rating is 50%
Related To	none (Claim-level)
Negotiation Contact	

Defense Argument	Witness reports indicate Mr. Johnson was driving within the speed limit. Plaintiff claims Mark Henderson was walking across the street at an unsafe speed for a residential area.
Plaintiff Argument	Plaintiff claims Mark Henderson was walking across the street at an unsafe speed for a residential area.
Settlement Plan	Claimant will not pay more than \$2,500.00.
Alternative Settlement Plan	

**Negotiation Lines**

Date	Type	Amount	Notes
05/28/2008 04:00 PM	Rejection	\$5,000.00	Initial request from G Johnson
06/02/2008 04:04 PM	Counteroffer	\$2,500.00	

- ▶ A negotiation is a history of the offers and counter-offers related to one disputed aspect of the loss

24

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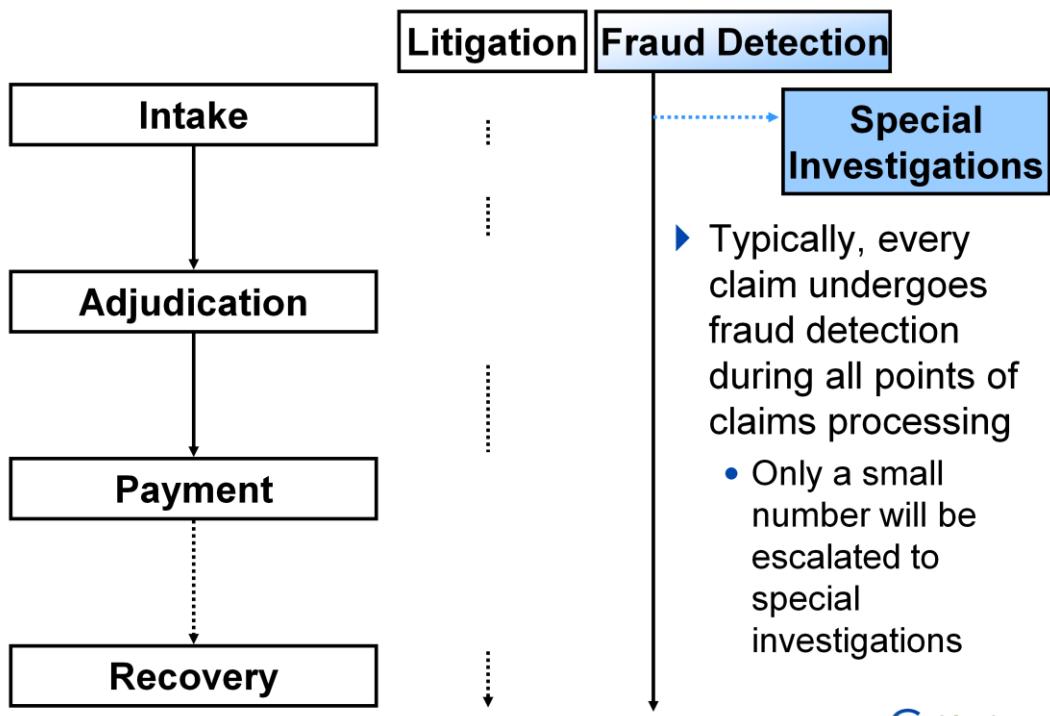
- ▶ Recovery
- ▶ Litigation
- ▶ Fraud Detection

25

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## Fraud Detection



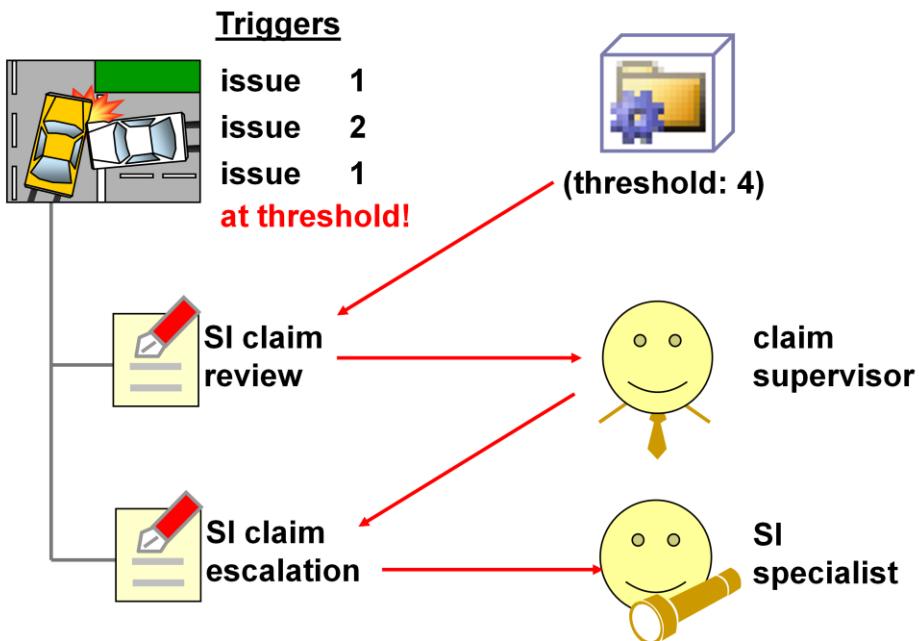
26

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Special investigations refers to the activities around determining if a claim is fraudulent or otherwise suspicious. This is typically a process which is ongoing throughout every portion of the claims process.

# The Base App. Fraud Detection Process



27

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The base application contains a process for fraud detection. It is described here, but keep in mind that this is a configurable feature.

A "fraud trigger" is something that occurs on a claim that could indicate fraudulent activity. For example, an auto claim whose cause is "theft" or a claim which is reported more than 30 days after the loss date could be fraud triggers. Every trigger also has an associated point value. Also, every claim has a list of triggers which have occurred on that claim. Initially, the list is empty.

(continued)

## The Base App. Fraud Detection Process



26

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## The Special Investigations Screen

Special Investigation Details	
Loss Details   Associations   <b>Special Investigation Details</b>	
<input type="button" value="Edit"/>	
<b>Section One - Possible fraud indicators detected</b>	
<input type="button" value="Description"/>	<input type="button" value="Additional Information"/>
More than 10 days elapsed between the Loss date and the date the claim was reported. None	
Does claimant refrain from using mail, fax or other traceable types of communication?	
<b>Section Two Score: 2</b>	
Total Score (Supervisor notified at 5 or above):	3
Supervisor Review Refer claim to SIU team	No

- ▶ In the base application, the Special Investigation Details screen is a screen link from the Loss Details menu link. It lists:
  - Manual and automatic triggers detected on the claim
  - The total point value for all triggers
  - Whether the claim is under review by the SIU team

# Automatic Fraud Triggers

## Section One - Possible fraud indicators detected

### Description

### Additional Information

More than 10 days elapsed between the Loss date and the date the claim was reported. None

Section One Score:

1

- ▶ Visible in Section One of the SIU screen
- ▶ Evaluated on a daily basis without user action
  - Different triggers are activated based on the age of the claim (in stages)
  - Each trigger is assigned a point value
  - Triggers are definable through rules configuration

Trigger	Point Value	Stage
More than <n> days elapsed between Claim loss date and reported date	1	1 – 5 days
Claim filed within <n> days of Policy inception	1	1 – 5 days
Claim is theft related	1	1 – 5 days
No police report or on-scene report is available for this claim	1	6 – 19 days

30

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The four automatic triggers are operational in the base configuration. When these conditions are true, they will be displayed in Section One. Otherwise they are not visible to the adjuster.

By configuring existing rules these triggers can be modified, removed or new ones added.

# Manual Fraud Triggers

- ▶ Visible in Section Two of the SIU screen
- ▶ Questions are answered
  - during the life of the claim
  - By the adjuster or anyone with edit permissions

Section Two - SIU Questionnaire	
<b>Auto SIU</b>	
Was vehicle stolen?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Was vehicle purchased outside of State?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Does the stolen vehicle have salvage title?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Has car had not been seen for some time prior to theft?	<input type="radio"/> Yes <input checked="" type="radio"/> No
How long since vehicle has been seen?	30-90 Days
Do neighbors, friends and relatives have knowledge of vehicle?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Do accounts of the accident by drivers, passengers and witnesses appear rehearsed or are conversely inconsistent?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Do appraisal photographs show only close-up view of the damage - but not enough of the car to identify make and model?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Does salvage or repair shop takes active interest in the claim?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Are two vehicles involved in accident?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Was the vehicle repaired before the claim was reported?	<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>General SIU</b>	
Does claim involve a settlement?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Does claim have discrepancies?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Does claim have issues related to injuries?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Is claimant experiencing financial problems?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Did the claimant present excessive documentation?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Is claimant is familiar with insurance claims terminology and procedures?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Does claimant refrain from using mail, fax or other traceable types of communication?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Section Two Score: 5	

31

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Manual fraud triggers are a configurable part of the ClaimCenter base application. In the base configuration, there are defined a set number of issues that a user can trigger manually (quick settlement, settle for less money, excessive documentation). A user can click the Edit button, set one of the questionnaire items to yes or no, and then save the change. This will increment or decrement the score. If a user sets to no an item previously set to yes, the issue remains listed in the trigger list but a new line is added indicating the concern has been removed.

This functionality acts in addition to the automatic triggers the system looks for (such as a long period of time between loss occurrence and loss reporting).

Manual triggers are always visible, but some will only be displayed based on the answers provided to topic questions.

## Triggering a Supervisor Review

**Special Investigation Details**  
Loss Details | Associations | **Special Investigation Details**

**Update** **Cancel**

**Section One - Possible fraud indicators detected**

Description	Additional Information
More than 10 days elapsed between the Loss date and the date the claim was reported.	None

**Section One Score:** 1

**Section Two Score:** 5

**Total Score (Supervisor notified at 5 or above):** 6

**Supervisor Review**  
Refer claim to SIU team

No

**Workplan (1 - 2 of 2)**

All open activities

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Due	Priority	Status	Subject	Exposures	Assigned To
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	06/05/2008	Urgent	Open	<a href="#">Special Investigation Claim Review</a>		Sue Smith

32

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When the special investigations score meets or exceeds the threshold (set to 5 in the base configuration), an activity is generated and sent to the claim supervisor.

Note at this point that the claim has not been escalated to the SIU team. It is simply under review by the supervisor.

## Escalating an Activity to the SI Team

**Special Investigation Details**  
Loss Details | Associations | Special Investigation Details

Total Score (Supervisor notified at 5 or above): 6

**Supervisor Review**  
Refer claim to SIU team

No  
<none selected>  
No  
Yes

Total Score (Supervisor notified at 5 or above): 6

**Supervisor Review**  
Refer claim to SIU team Yes  
Date referred to SIU team  
Supervisor Comment  
\* This claimant was involved in a su

**Planned Activities**

Due	Priority	Subject	Assigned To
06/05/2008	Urgent	Special Investigation Claim Review	Sue Smith
06/05/2008	Urgent	Special Investigation Claim Escalation	Thomas Edwards

33

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When a supervisor reviews a claim, he or she has the ability to modify the "Escalate" field. If he or she chooses to do so, then an additional field appears where he or she can add additional comments. Once updated, the claim is escalated to the SIU team, and

- A special investigation specialist is assigned to the claim.
- An activity is created and assigned to that user to let him or her know that the claim requires investigation.

## Claims Under Special Investigation

- ▶ When a claim is under investigation:
  - Claims processing typically continues as normal
  - ClaimCenter could have rules built into it to prevent a claim for being paid on if it is under investigation
- ▶ If a claim is determined to be fraudulent, the carrier may:
  - Take legal action against the claimant
  - Seek remuneration from the claimant if payments have already been made
  - Cancel the claimant's policy or indicate that the policy should not be renewed at the end of its current term (if the claimant is also the insured)
  - Note the claimant's name for possible future fraud activity

34

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ISO ClaimSearch is a database of past claims used by about 95% of insurance carriers in the United States. Carriers report claims to ISO, which stores them in the database. In exchange, they get "match reports" listing similar claims (same claimant, same vehicle identification number, and so on). These are used primarily for fraud detection.

ISO ClaimSearch aggregates at least three predecessor databases that are still sometimes referred to by their old names: PILR, Central Index Bureau, and NICB.

# ISO Reports

The screenshot shows a web-based application interface for ISO ClaimSearch. At the top, a blue header bar reads "ISO match report for (1) 1st Party Vehicle - Ray Newton Exposures". Below this is a table with various fields:

<b>Insurer</b>	Acme Insurance
Name	2121 S EL CAMINO REAL, SAN MATEO, CA,
Address	
Phone	+1-650-3579100
<b>Claim</b>	
Claim/Exposure Number	2355336587025
Loss Date	02/05/2008 12:00 AM
Policy Number	541234565
Policy Type	PAPP
<b>Match Details</b>	
Reasons for match	Name is similar, Address is similar
Date received	02/05/2008 12:00 AM

Below the table, there is a "Status" section with the following information:

Status	Sent
Date sent to ISO	02/03/2008 04:47 PM
Last response from ISO	02/04/2008 04:47 PM

At the bottom, there is a table with columns: Insurer, Insurer Phone, Claim/Exposure Number, LossDate, Policy Number, Received. The first row contains the data: Acme Insurance, +1-650-3579100, 2355336587025, 02/05/2008, 541234565, 02/05/2008 12:00 AM.

A red box highlights the "Acme Insurance" entry in the "Insurer" column of the bottom table, and a red arrow points from this box up towards the "Match Details" table.

- ▶ ISO ClaimSearch is a database external to all carriers
  - Carriers report claims to ISO and receive match reports which list similar claims, which can be used to identify the fraudulent filing of multiple claims for one loss

35

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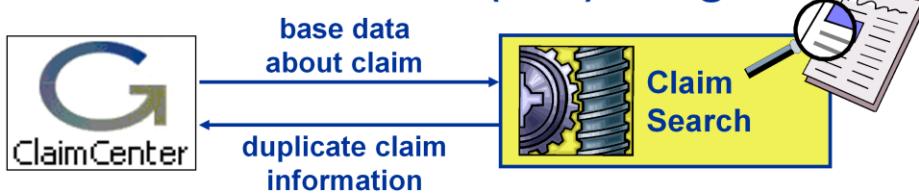
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ISO ClaimSearch aggregates at least three predecessor databases that are still sometimes referred to by their old names: PILR, Central Index Bureau, and NICB.

ISO, originally known as the Insurance Services Office, is now referred to only by the acronym.

## Insurance Services Office (ISO) Integration



- ▶ Nearly every instance of ClaimCenter has an integration point to ISO's Claim Search system
  - This system is a database of claims filed by carriers across the nation and is used to detect duplicate and fraudulent insurance claims
- ▶ Information exchange
  - ClaimCenter sends a specified base amount of information about the claim
  - ClaimCenter receives a response detailing any possible duplicate claims

36

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The effort around planning and configuring this integration point is typically minimal. Integration with ISO is commonplace, and ISO is a system which has been designed for the purpose of being integrated with claims processing systems.

There is only one ISO Claim Search database with which a given instance of ClaimCenter can be integrated.

## Lesson Objectives Review

You should now be able to:

- Describe ClaimCenter functionality relevant to recovery
- Describe ClaimCenter functionality relevant to litigation
- Describe ClaimCenter functionality relevant to fraud detection

There are no review questions for this lesson.

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