



Exposures

6.0

17 December 2009

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Lesson Objectives

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

- Describe the primary information tracked in an exposure
- Create exposures

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.”

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Lesson Outline

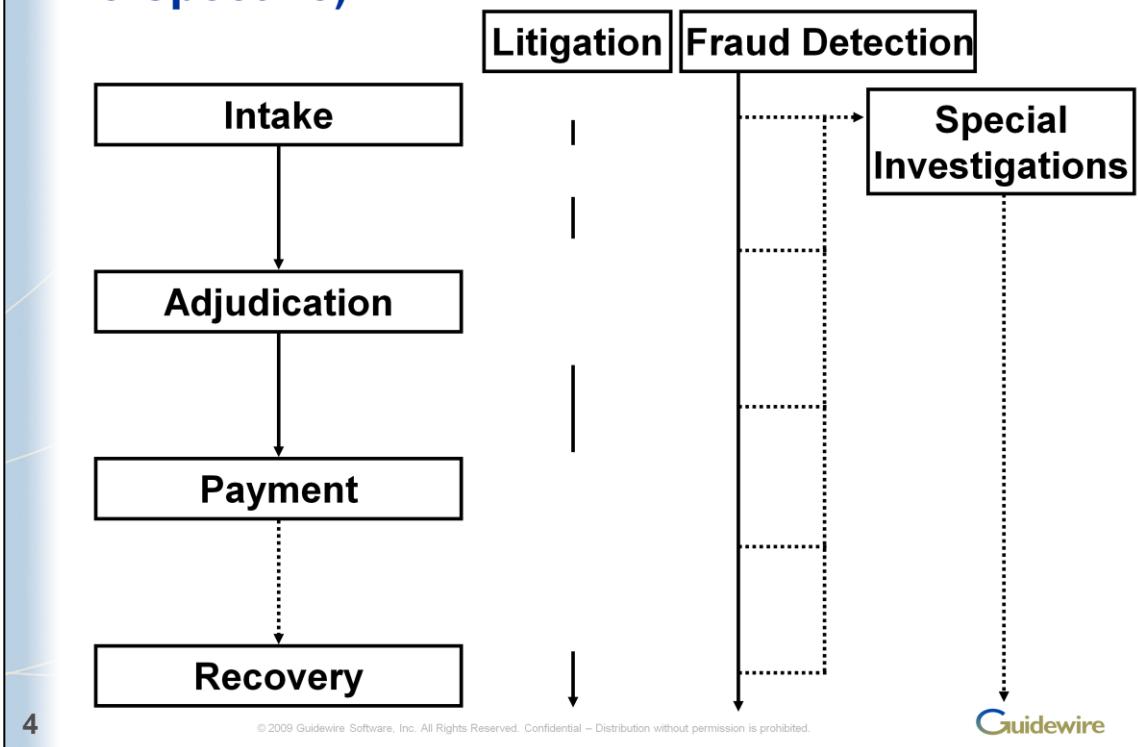
- ▶ Review of the Claims Process
- ▶ Exposure Basics
- ▶ Creating Exposures

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Review: The Claims Process (Business Perspective)



During intake, the carrier is informed of a potentially covered loss. For auto and property claims, this is often referred to as First Notice of Loss (FNOL). For workers' comp claims, this is also known as First Report of Injury (FROI) or First Notice of Injury (F NOI).

Adjudication is the process of determining if you are going to pay a claim, and if so, how much you are going to pay.

Once the loss has been assessed and the payment has been approved, the carrier can provide the payments to the claimants. The payment phase involves creating, approving, and issuing the checks. In some cases, the carrier may also attempt to recover funds paid to the claimant by obtaining money from a third party's carrier if the third party was at fault (which is known as "subrogation") or by taking possession of a significantly damaged property and selling all or parts of it to a third party (which is known as "salvage").

Litigation is an umbrella term for several activities which involve the resolution of disputes.

Fraud detection refers to the activities around detecting claim activity that is indicative of fraud and could warrant further investigation. This is typically a process which is ongoing throughout every portion of the claims process.

If a claim is considered to be suspicious, then it is referred to the special investigations unit. They will investigate the activity and determine the validity of claim. Their investigation runs parallel to the normal claim processing.

Previous Lessons Covered Intake Process



segment: normal



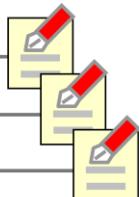
Isabel Harkin

claimants

insured



workplan



3rd-party claimant

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The claim is created during the intake process by a CSR or adjuster through the new claim wizard. The user who creates the claim must specify the relevant policy and the claimants. They also typically detail as much information about the loss, including the incidents, as possible.

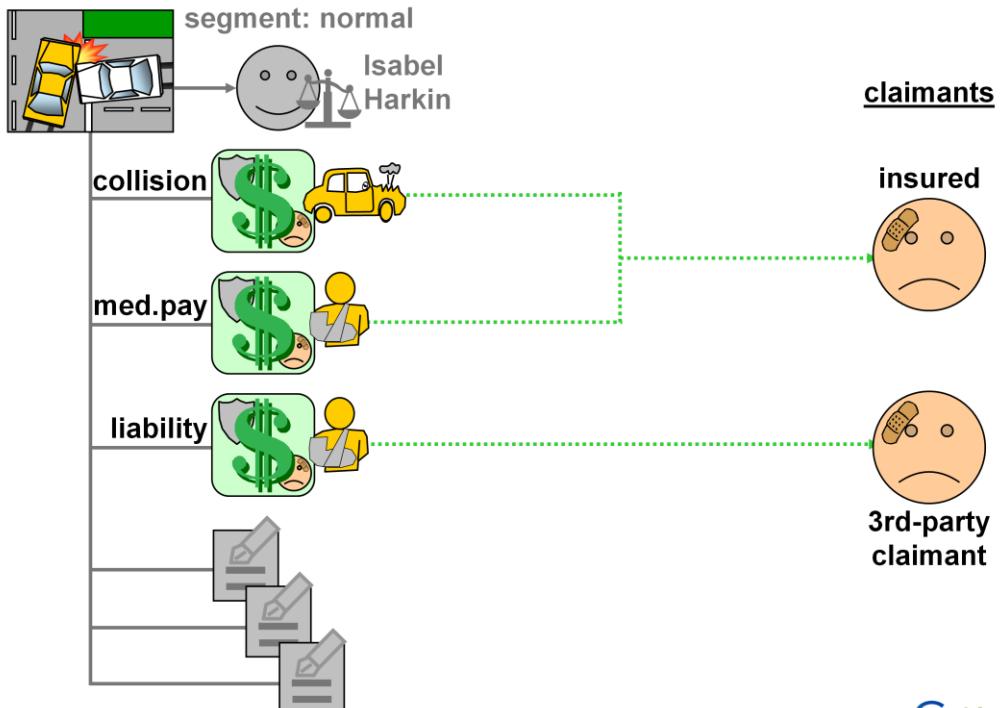
In the example above, the claim is an auto claim in which the insured hit a 3rd party. The insured is at fault, has incurred vehicle damage, and has suffered an injury. The 3rd party's car was not damaged, but the 3rd party suffered a minor concussion.

Once the claim is created, ClaimCenter business rules segment the claim, which is the act of classifying the claim (for example as a "fast track", "normal" or "complex" claim) so that the right strategies can be used to process the claim. The business rules also assign an owner to the claim and create a series of activities known as the workplan which identify work that must be done to process the claim. All of this is referred to as "claim set-up".

In the example above, the claim is considered to be normal (it is more complex than just a broken windshield, but not so complex that it involved a death). It is assigned to Dana Evans and activities are created for the workplan.

The process of creating a claim was covered in the "Claim Intake" section of the course.

This Lesson: Exposures



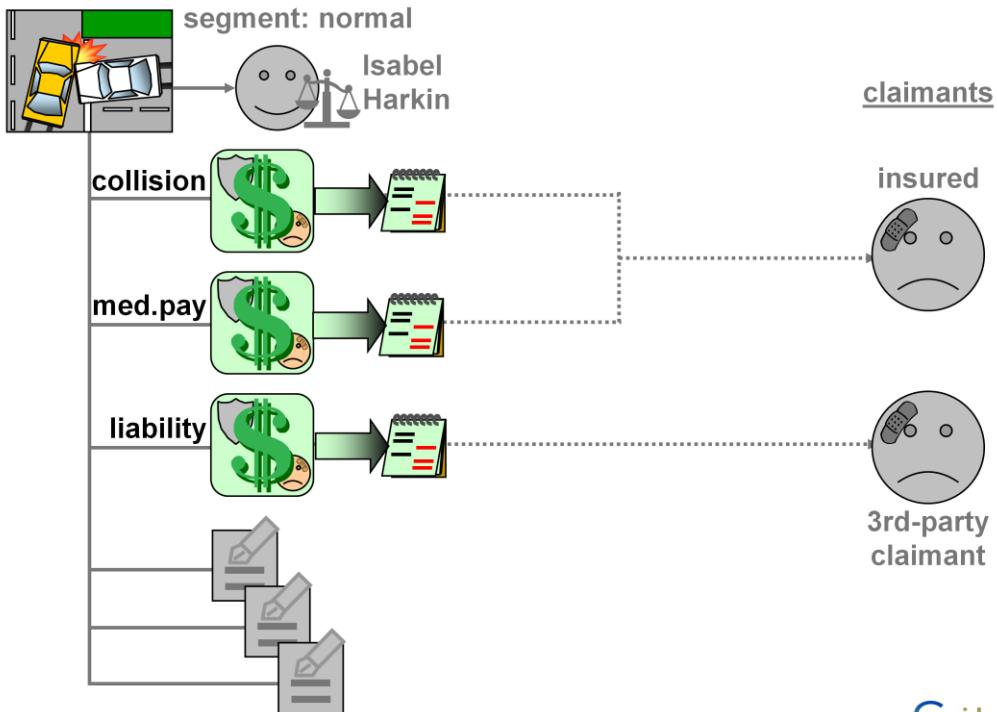
Once the decision to pay on the claim has been made, exposures are created. Each exposure tracks a potential payment from a single coverage to a single claimant.

Exposures can be created automatically by business rules. (This is often done for workers' comp claims, and when it is done, it usually occurs along with claim setup.) Exposures can also be created manually by adjusters.

In the example above, three exposures are required: one to indemnify the insured for damage done to his car, one to indemnify the insured for the medical bills related to his injury, and one to indemnify the 3rd party for her concussion.

This lesson of this section focuses on the manual creation of exposures.

Lesson 2: Reserves

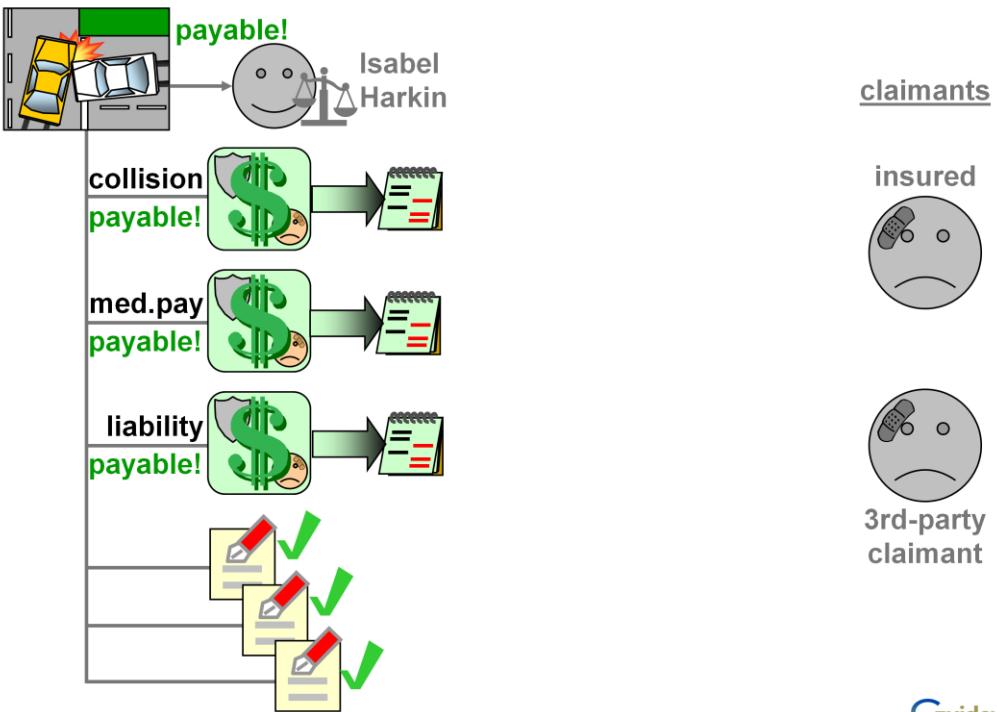


A reserve line is an amount of money set aside for expected payments related to a given exposure. An exposure can have multiple reserve lines, which occurs if there will be two or more payments from the exposure and the carrier wants to track the money separately. For example, the collision coverage exposure will require an indemnification payment to the insured (to fix the damage done to the car) as well as an expense payment to the auto inspector vendor (for the auto inspection).

Reserve lines can be created automatically by business rules. (This is often done for all exposures, and when it is done, it usually occurs when the exposure is set up.) Reserve lines can also be created manually by adjusters.

The second lesson in this section focuses on how to create manual reserves and how to review reserves.

Lesson 3: Adjudicating Claims



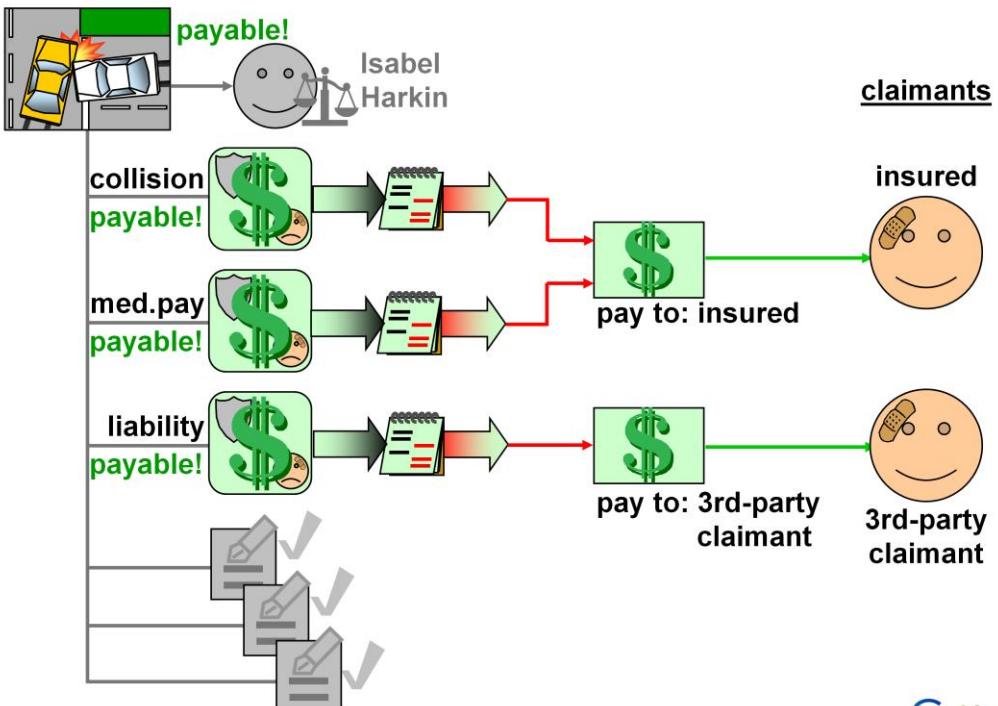
Most or all of the work to be done on the claim is detailed in the workplan activities. Once reserves have been created, those activities are completed.

The claim and each of its exposure has a maturity level, often referred to as a validation level. Typically, the final level is "ability to pay". When a claim is at ability to pay, checks can be written for it. When an exposure is at ability to pay, the money in its reserve line(s) can be used for checks. Gaining the ability to write checks against a claim and use the reserve lines of its exposures is a prerequisite to making payments.

In many cases, the claim and its exposures become payable as a natural result of the completion of all of the activities. However, the two are not required to be functionally connected. Therefore, it is possible that all activities could be complete and yet the claim or one of its exposures is not payable. (It is also possible that a claim and all of its exposures are payable, but there are still open activities.)

The third lesson focuses on various tools that can be used during claim adjudication. These tools can assist in the completion of activities as well as in bringing the claim and its exposures to the status of being payable.

Lesson 4: Payments



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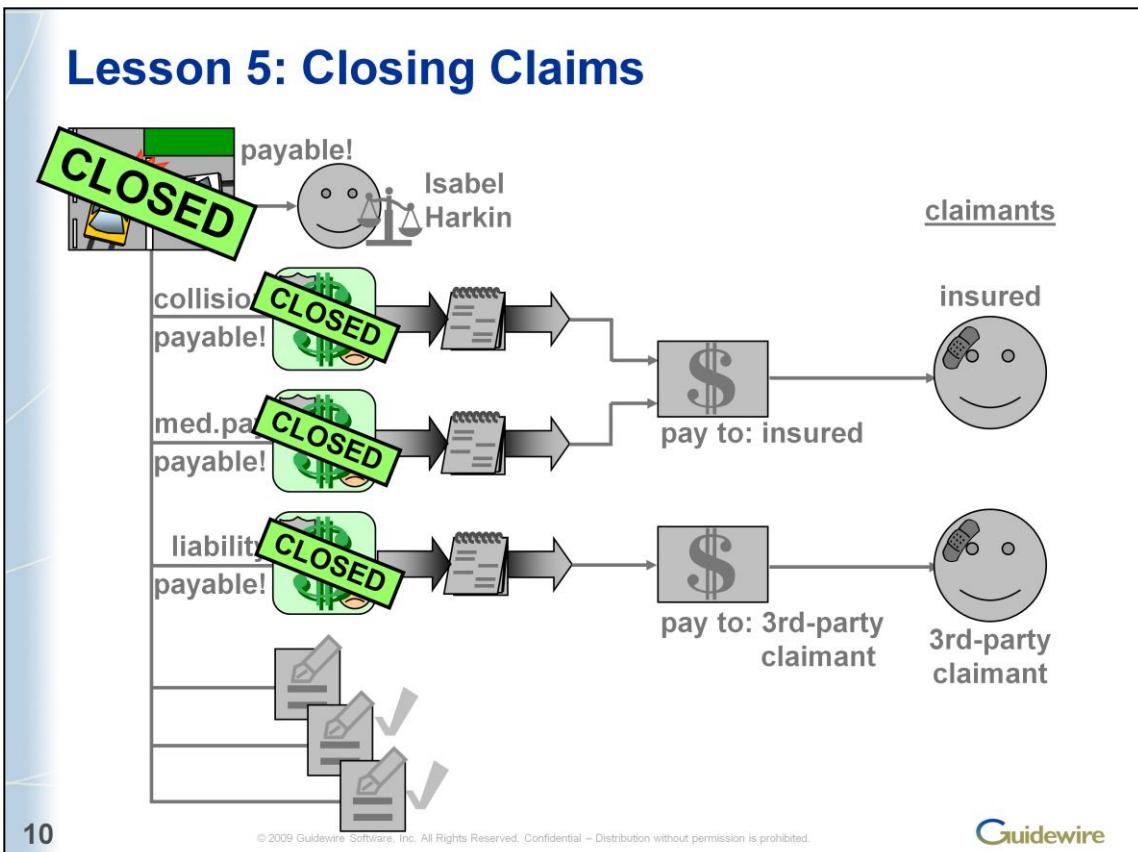
Once the claim and its exposures are payable, payments can be created.

Money is transferred from the carrier to the payees through checks. Each check gets its money from one or more reserve lines.

In the example above, there are two checks. The first check is payable to the insured. It is for his collision loss and medical payments. Consequently, the check gets its money from two reserve lines from two different exposures. The second check is payable to the 3rd party. The money comes from the third exposure's reserve line.

The fourth lesson focuses on payments.

Lesson 5: Closing Claims

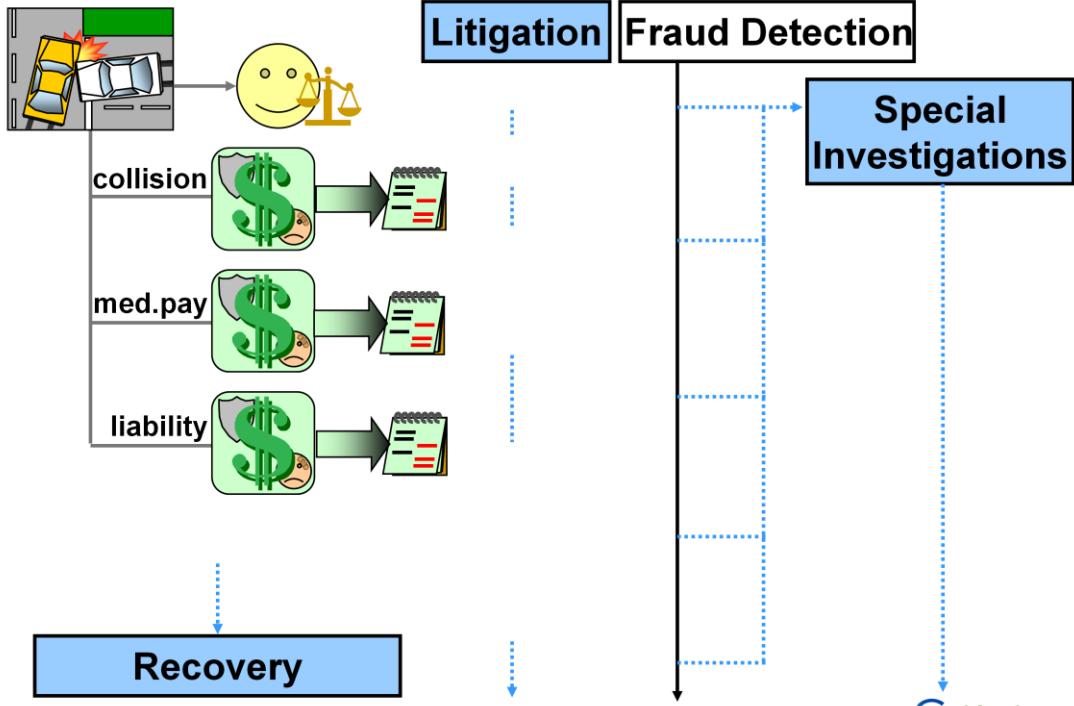


When the financial obligation associated to an exposure has been satisfied, the exposure can be closed. If an exposure results in one payment, then the exposure is typically closed when that one payment is made. If an exposure results in multiple payments (which could occur if there is a recurring payment, possibly for ongoing medical treatment), then the exposure is typically closed when the final payment is made.

When all of the activities are complete, all the payments have been made, and all the exposures are closed, the claim can be closed. In some cases, a claim may be closed as soon as the payment is made (and the last indemnification exposure is closed). In other cases, the claim may remain open beyond the last payment (possibly because the claim involves recovery which is taking place after the last payment, or possibly because there is lingering activity work to complete, such as verification that legal documents have been filed with the appropriate government agency).

The fifth lesson discusses closing exposures and claims.

Lesson 6: Specialized Claims Processes



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Specialized claims processes are the processes that happen with only some 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.

The final lesson of the section covers these specialized claim processes.

Lesson Outline

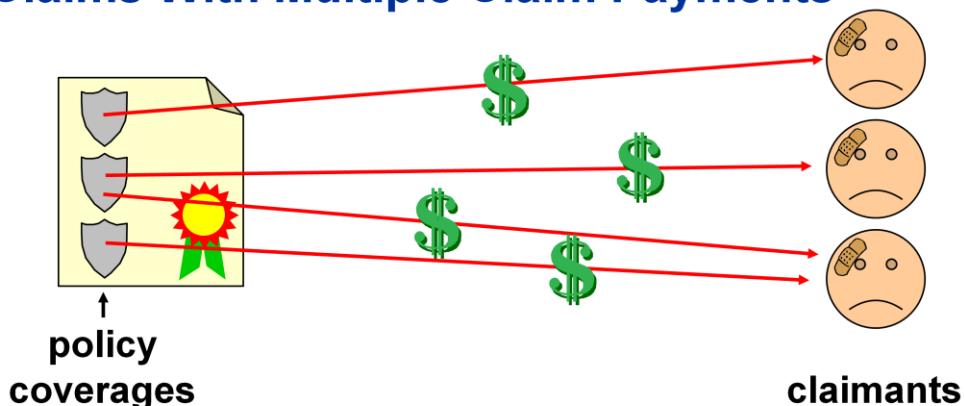
- ▶ Review of the Claims Process
- ▶ Exposure Basics
- ▶ Creating Exposures

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Claims With Multiple Claim Payments



- ▶ For many claims, a single case of loss involves:
 - More than one coverage
 - More than one claimant
- ▶ Claims systems need mechanism for tracking progress of each possible claim payment

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In property and casualty insurance, the goal is to restore a policyholder to the same financial position after the loss as he was in prior to the loss (without allowing the policyholder to profit from the loss). An example of a single incident of loss with more than one coverage and more than one claimant would be driver Larry Gamney who hit another car driven by Judy Rand with her son Carl in the passenger seat. Both cars had body damage and Carl suffered whiplash.

Assuming that the insured is Larry Gamney, the coverages involved are:

- Collision (covering damage to the insured's car (the damage to Larry Gamney's car))
- Liability - property damage (covering damage to a third-party car (the damage to Judy Rand's car))
- Liability - bodily injury (covering bodily injury done to a third party (Carl Rand's whiplash))

The claimants involved are:

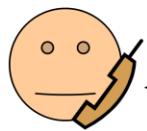
- Larry Gamney
- Judy Rand
- Carl Rand

Exposures

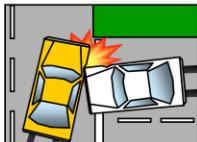


- ▶ An exposure is an object associated to a claim which is used to track potential payments from a claim
 - Every exposure is linked to one coverage (where the money is "coming from") and one claimant (where the money is going to)

Example: Claim with Multiple Exposures



Larry Gamney was driving and hit Judy Rand's car. Both cars were damaged, and Judy's son Carl suffered whiplash.



Claim 000-00-000605

Type: Auto



Coverage: collision

Claimant: Larry Gamney



Coverage: liability – property damage

Claimant: Judy Rand



Coverage: liability – auto bodily injury

Claimant: Carl Rand

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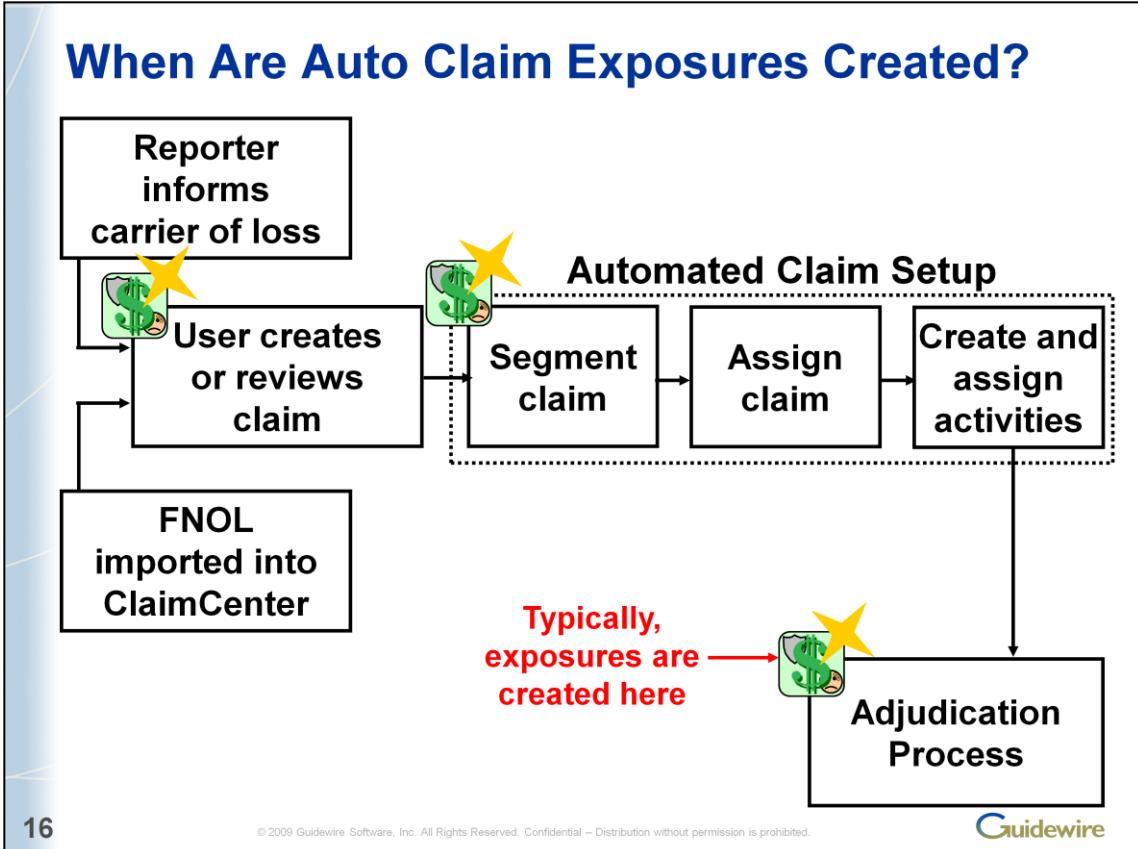
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In this claim, Larry Gamney was driving his car and hit Judy Rand's car while Judy was driving. Damage was done to both cars, and Judy's son Carl suffered an injury. This claim might result in three payments:

- A payment to Larry Gamney to repair his car. (This is covered by his collision coverage.)
- A payment to Judy Rand to repair her car. (This is covered by Larry Gamney's liability - property damage coverage. Keep in mind that collision coverage typically covers only damage to the policy holder's vehicles. Damage done to third-party vehicles is typically covered by a separate coverage.)
- A payment to either Judy Rand or the medical provider of Carl Rand on behalf to pay for the medical bills incurred as a result of his injury. (Keep in mind that the exposure tracks a payment for a loss suffered by the claimant, but the payee of the payment is not always the claimant himself/herself. The payment could go to an individual representing the claimant (such as a parent when a minor is injured). The payment could also go to a vendor who made the claimant whole again (such as an auto shop which repaired collision damage or a medical facility that treated an injury.)

Because there are three possible payments, the claim has three exposures.

When Are Auto Claim Exposures Created?

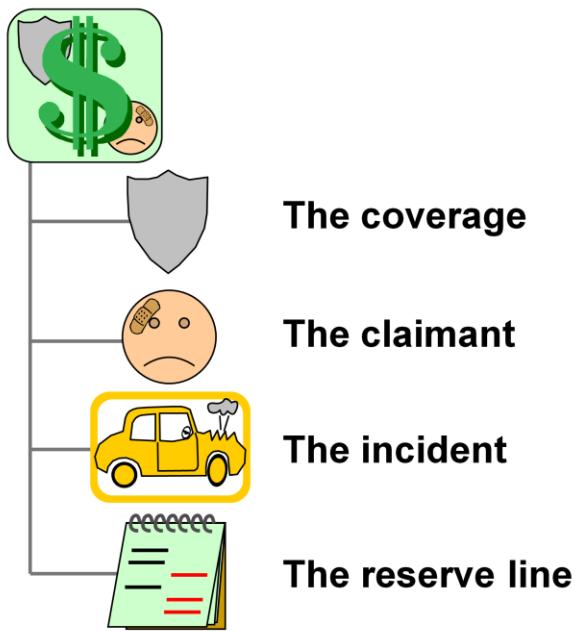


Exposures can be created manually during the New Claim wizard. This typically happens only if the user entering the claim is an adjuster who is able to create the exposures at the same time.

Exposures can also be created automatically by rules. This happens when business rules can assume the need for an exposure based on information provided in the new claim wizard. In workers' comp claims, it is common practice to have the exposures created automatically during the "pre-setup" phase of claim setup (which occurs prior to segmentation). In Auto, a rule can be written such that if the loss cause is "collision", ClaimCenter creates an exposure associated with the insured as the claimant and the collision coverage. (However, this is not common practice for auto claims.)

Logically speaking, exposures are part of the adjudication process. In most cases, exposures are created after the claim has been created and assigned.

The Primary Elements of an Exposure



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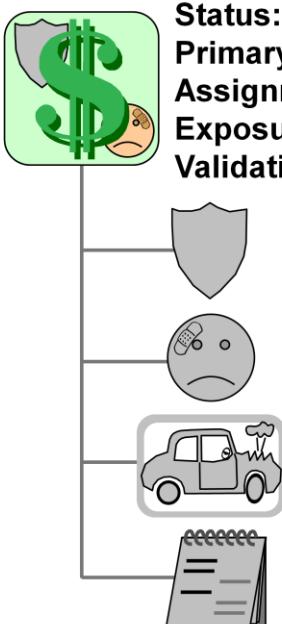
There are four primary elements of information within an exposure:

- The coverage from the policy that (possibly) covers the loss
- The claimant to whom payment will be made
- The incident, which is the item which was lost or damaged
- The reserve line, which is the money set aside to make the payment

When an exposure is created, the user must specify the coverage, the claimant, and the incident.

An exposure is closed when the associated payment is made (or the associated final payment if a single exposure results in multiple payments, such as a medical exposure which must cover an ongoing series of 20 physical therapy sessions). The adjudication process is essentially the process of moving all of your exposures to payment. During adjudication, additional information may be gathered about the item lost or damaged. (For example, information about the specific damage done to an auto may be collected.) This information is used to establish an assessment of the loss. (For example, an auto repair shop reviews the damage and identifies the money needed to repair the car.) This information is used to complete the payment. (For example, if an auto repair shop assesses the damage at \$1200 and the assessment is approved, then the carrier may issue a check for \$1200.)

Important Attributes of an Exposure



Status: Open
Primary Adjuster: Isabel Harkin
Assignment Group: LA Auto Adjusters
Exposure Type: Vehicle damage
Validation Level: New loss completion

► Exposures also have:

- A status (open or closed)
- An assigned user and group
- An exposure type
- A validation level

An exposure's status can be set to open or closed. An open exposure is an exposure that is still progressing through the adjudication phase or that still has payments remaining on it (if multiple recurring payments are being made, such as for a series of physical therapy sessions). A closed exposure is one in which the final payment has been made. A closed exposure can be reopened by a user who has permission to do this.

An exposure is assigned to a group and a user in that group. The user is responsible for adjudicating the exposure (gathering the required information, determining the amount to pay, and then issuing the payment). It is common for an exposure to be owned by the same user who owns the claim, although there are cases where the exposure owner and the claim owner are different users. (This occurs most often when the exposure requires specialized knowledge, such as an exposure based on a liability coverage where death was involved.)

The exposure's group may influence which other users have the ability to act on the exposure. (For example, ClaimCenter can be configured so that users in the owner's group can see and/or edit the exposure.) This type of access is controlled by access control lists (ACLs) and is discussed in detail in the "Access Control Lists" lesson.

Exposure types and validation levels are discussed on the next slides.

One Detail View Per Coverage Is Unwieldy



Collision DV



Collision

**Liability – Vehicle
Property Damage DV**



**Liability – Vehicle
Property Damage**

**Comprehensive –
Fire Damage DV**



**Comprehensive –
Fire Damage**

**Auto Bodily
Injury DV**



Auto Bodily Injury

**Liability Injury
DV**



Liability Injury

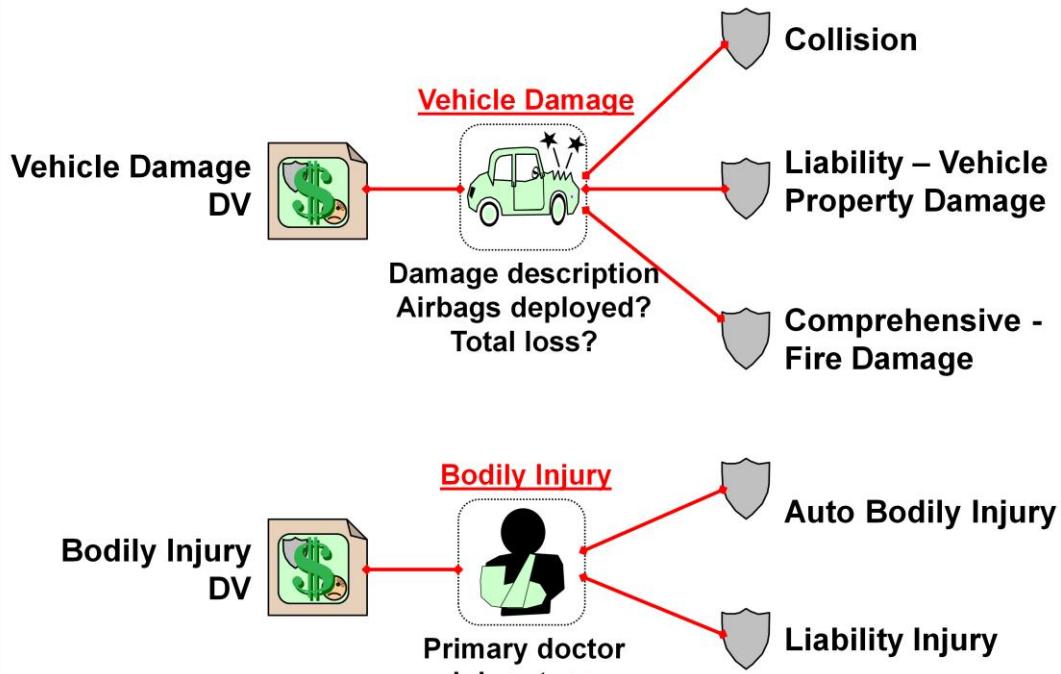
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A carrier offers hundreds of coverages. When processing a claim, the adjuster needs to gather information relevant to the coverage. But, it would be impossible to develop a detail view for each coverage. This could lead to having hundred of detail views.

Exposure Types



An exposure type is a set of information to gather about a loss. Each exposure type is mapped to one or more coverages, and each exposure type is used by a single detail view. This reduces the number of detail views needed to a manageable amount, and it improves business efficiency by letting adjusters capture similar sets of data across different coverages in the same way.

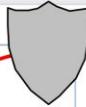
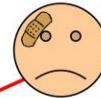
For example, a "Vehicle Damage" exposure type would include a set of information to gather about a damaged vehicle (reflected by the incident type), such as a description of the damage, whether or not airbags had been deployed, and whether or not the car was a total loss. The Collision, Comprehensive - Weather Damage, and Comprehensive - Fire Damage coverages could all be tied to a single exposure type - Vehicle Damage - because all three coverages require the same basic information about the damage to the vehicle.

In some cases, an exposure type may be used by a single coverage. For example, Towing and Labor coverage may be the only coverage tied to a Towing and Labor exposure type because no other coverage requires the specific set of information that this coverage does.

Example: Vehicle Damage Exposure DV

(1) 1st Party Vehicle - Larry Gamney ([Up to Exposures](#))

[Edit](#) [Assign](#) [Close Exposure](#)

Details		Total Loss Calculator	ISO										
Exposure <p>Loss Party Insured's loss Primary Coverage Collision </p> <p>Coverage Subtype Collision - Vehicle Damage Coverage 2001 Honda Civic (1HGJ465 / California) Adjuster Isabel Harkin Group LA Auto Adjusters Status Open Create Date 05/22/2008 Validation Level New loss completion </p>													
Coding <p>Segment Auto - mid complexity Handling Strategy Unknown Jurisdiction State California</p>													
Other Carrier Involvement <p>Other Coverage Details Insurer Policy # Comments</p>													
Financials <table> <tr> <td>Remaining Reserves</td> <td>\$3,000.00</td> </tr> <tr> <td>Future Payments</td> <td>-</td> </tr> <tr> <td>Total Paid</td> <td>-</td> </tr> <tr> <td>Total Recoveries</td> <td>-</td> </tr> <tr> <td>Net Total Incurred</td> <td>\$3,000.00 </td> </tr> </table>				Remaining Reserves	\$3,000.00	Future Payments	-	Total Paid	-	Total Recoveries	-	Net Total Incurred	\$3,000.00 
Remaining Reserves	\$3,000.00												
Future Payments	-												
Total Paid	-												
Total Recoveries	-												
Net Total Incurred	\$3,000.00 												
Claimant <p>Claimant Larry Gamney </p> <p>Type Insured Contact Prohibited? No Primary Phone 626-473-9576 Address 23465 97 St. #3D, Carson, CA 91357</p>													
Incident Overview <p>Vehicle 2001 Honda Civic (1HGJ465 / California) </p> <p>Driver Description Operable? Loss Estimate</p>													

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In the example above:

- The coverage is collision.
- The claimant is Larry Gamney.
- The incident is a 1990 Mazda 626.
- The additional information includes details about other carriers involved in the event. (This would typically be used to capture information about the insurance carrier of the driver of the other car and/or other people who experienced a loss, such as pedestrians or passengers in the insured's car who are not covered on the insured's policy.)

Example: Bodily Injury Exposure DV

(3) 3rd Party Bodily Injury - Carl Rand ([Up to Exposures](#))

Edit Assign Close Exposure Create Reserve

Details ISO

Exposure

Loss Party	Third-party liability	
Primary Coverage	Liability - Auto bodily injury	
Coverage Subtype	Liability - Auto bodily injury - Bodily Injury Damage	
Coverage	2001 Honda Civic (1HGJ465 / California)	
Adjuster	Isabel Harkin	
Group	LA Auto Adjusters	
Status	Open	
Create Date	05/22/2008	
Validation Level	New loss completion	

Claimant

Claimant	Carl Rand	
Type	Occupant of other vehicle	
Contact Prohibited?	No	
Primary Phone		
Address		

Injury Incident Overview

Injury	Carl Rand, Moderate Strain <input checked="" type="checkbox"/>	
Injured Person	Carl Rand	
Severity	Moderate	
Description	Whiplash	

Coding

Segment	Auto - mid complexity
Handling Strategy	Unknown
Jurisdiction State	California

Other Carrier Involvement

Other Coverage Info	
Details	Insurer Policy # Cont

Financials

Remaining Reserves	\$1,500.00	
Future Payments	-	
Total Paid	-	
Total Recoveries	-	
Net Total Incurred	\$1,500.00	

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In the example above:

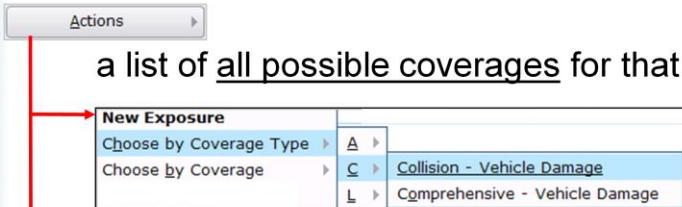
- The coverage is liability - auto bodily injury.
- The claimant is Carl Rand.
- The incident is a neck strain.
- The additional information includes details about other carriers involved in the event.

Lesson Outline

- ▶ Review of the Claims Process
- ▶ Auto Exposure Basics
- ▶ Creating Exposures

Choosing the Coverage

- ▶ First select the coverage
 - From the Menu Actions button, ClaimCenter will display



...or a list of covered objects on this policy



The base application allows for exposures to be created from either method. There is a menu directly off of the New Exposure page action which has two choices: "Choose by Coverage" (which then displays the options shown in the bottom screenshot above) and "Choose by Coverage Type" (which then displays the options shown in the top screenshot above).

When creating exposures by the "Choose by Coverage Type" option (which is shown in the top screenshot), ClaimCenter lists all coverages for the claim's type of policy. These coverages may or may not actually be on the policy selected at the start of the claim wizard. In some cases, users need this option because the policy system may be unavailable or because the policy is not up-to-date and the adjuster wanted to allow for adding coverages that the customer believes her or she has.

When creating exposures by the "Choose by Coverage" option (which is shown in the bottom screenshot), ClaimCenter lists all the coverages known to be on the policy. These coverages can also be seen off of one of the Claim file's Policy screens.

Note that the five coverages listed on the Vehicles Details card match the coverages listed in the New Exposure menu.

Coverages and Sub-Coverages

Coverages	Sub-Coverages
<u>Liability - Property damage</u>	<u>Liability - Property Damage - Vehicle</u>
<u>Comprehensive - Vehicle Dam</u>	<u>Liability - Property Damage - Property</u>
<u>Medical payments - MedPay</u>	
<u>Liability - Auto bodily injury - Bodily Injury Damage</u>	
<u>Collision - Vehicle Damage</u>	

- ▶ Some coverages have "sub-coverages"
 - This occurs when policy has a coverage (such as comprehensive) which includes several types of losses which must be tracked in different ways

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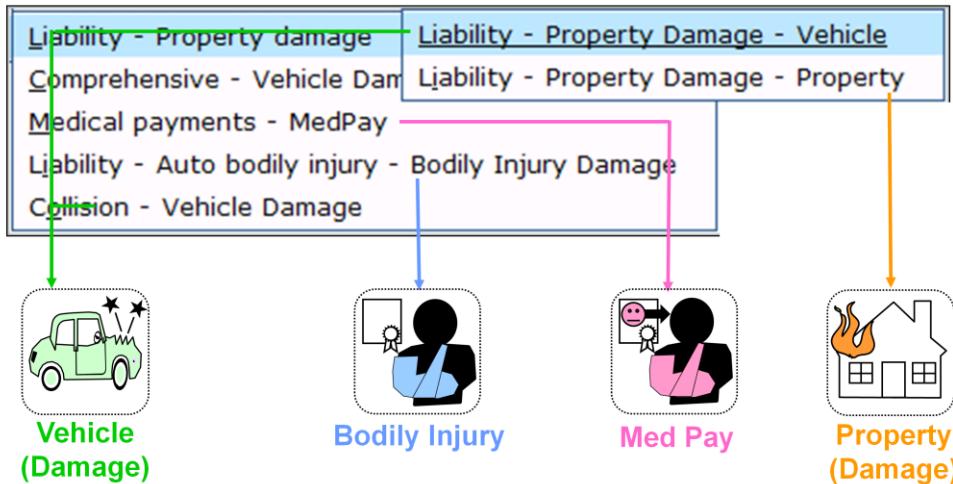
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In the example above, there are four coverages without sub-coverages (Comprehensive - Vehicle Damage, Liability – Bodily Injury Damage, Medical payments, and Collision – Vehicle Damage). These are coverages which cover only a single type of loss from a financial perspective. The claims process always tracks claims against any of these coverages in the same way.

The example above also includes a coverage with sub-coverages: Liability – Property Damage. This coverage has two sub-coverages (Vehicle Damage and Property Damage) because the information that must be gathered for each type of loss is substantially different. (For example, the information gathered for a property damage loss would include descriptions of the type of real property – not vehicles.) The sub-coverages allow ClaimCenter to navigate to a screen appropriate for the given type of loss.

Coverages and Exposure Types



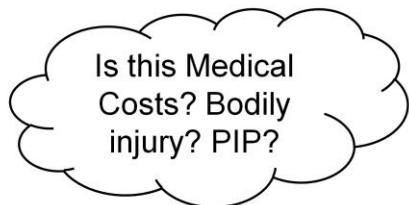
- ▶ Each coverage and sub-coverage maps to exposure type
 - Exposure type determines detail view to use and information to collect to adjudicate exposure

Roughly speaking, the four exposure types listed above track the following information:

- Vehicle (damage) - Location of and damage done to the vehicle (such as whether the airbags were deployed)
- Property (damage) – Description of the real property damaged by the insured vehicle
- Med Pay - Information about an injury done to a person listed on the policy (such as the primary doctor)
- Bodily Injury - Information about an injury done to a third party (such as the primary doctor as well as insurance provider and policy number)

The Med Pay coverage and Bodily Injury coverages are tied to separate exposure types. However, in the base product, these exposure types are virtually identical to each other – although separate exposure types makes it simple to enable the capture of additional and unique data fields.

Coverage Verification



- ▶ **Coverage verification** is a set of configurable rules that indicate selected coverage is inappropriate based on:
 - Cause of loss
 - Collision when loss cause is "Theft"
 - Other existing exposures
 - Comprehensive when collision exposure already exists
 - Fault rating
 - Liability when fault is with third party

Mistakes in coverage selection can be costly to insurers. ClaimCenter defines (configurable) rules that warn the user about inappropriate or invalid coverage selections for new exposures.

Coverage Verification Warning Messages

The screenshot shows a software interface titled "New Exposure - Vehicle". At the top, there are "Update" and "Cancel" buttons. Below them is an alert bar containing two yellow warning messages: "Warning: This exposure's coverage is not expected due to the claim's Loss Cause, Collision with motor vehicle." and "Warning: This exposure's coverage conflicts with at least one other existing exposure, Collision - Vehicle Damage." To the right of the alert bar, there is a vertical sidebar with the heading "Other Carrier Ir" and "Other Coverage Details". The main form area contains sections for "Exposure" with fields for "Loss Party" (set to "Insured's loss"), "Primary Coverage" (set to "Comprehensive"), "Coverage Subtype" (set to "Comprehensive - Vehicle Damage"), "Coverage" (set to "<none selected>"), and "Statistical Line" (set to "<none selected>").

- ▶ ClaimCenter warns the user against the inappropriate selection by generating error messages in an alert bar
 - End users can hide them by clicking the "x" on the right end

Defining Coverage Verification Rules

Warning: This exposure's coverage conflicts with at least one other existing exposure, Collision - Vehicle Damage.

The screenshot shows the Guidewire ClaimCenter interface. The left sidebar has a 'Coverage Verification' link, which is highlighted with a blue box and has a red arrow pointing to it. The main content area displays a table titled 'Incompatible New Exposure (1 - 15 of 39)'. The table has columns for 'Policy Type', 'Invalid Coverage For New Exposure', and 'Coverage of Existing Exposure'. The 'Collision' row is highlighted with a red border. The table data is as follows:

Policy Type	Invalid Coverage For New Exposure	Coverage of Existing Exposure
Personal auto	Additional PIP	Medical payments
Personal auto	Collision	Comprehensive
Personal auto	Comprehensive	Collision
Personal auto	Comprehensive	Comprehensive General liability
Personal auto	Comprehensive	Liability - Auto bodily injury

► Rules are easily defined by a business analyst

► Rules can be changed in real time in response to changing business requirements

New Vehicle Damage Exposure DV

New Exposure - Vehicle

Exposure

Loss Party	Insured's loss
Primary Coverage	Collision
Coverage Subtype	Collision - Vehicle Damage
Coverage	2001 Honda Civic (1HGJ465 / California)

Claimant

Claimant	* Larry Gamney
Type	* Insured

Contact Prohibited? Yes No

Primary Phone 626-473-9576

Address 23465 97 St. #3D, Carson, CA 91357

Other Carrier Involvement

Other Coverage Yes No

Details

Incident Overview

Vehicle	* 2001 Honda Civic (1HGJ465 / California)
Driver	Larry Gamney
Description	Side impact and front hood damage

Loss Estimate


A yellow cartoon-style car with a front-end smash icon.

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In the example above:

- The coverage is collision.
- The claimant is Larry Gamney.
- The incident is a 2001 Honda Civic.
- The additional information includes details about other carriers involved in the event. (This would typically be used to capture information about the insurance carrier of the driver of the other car and/or other people who experienced a loss, such as pedestrians or passengers in the insured's car who are not covered on the insured's policy.)

New Bodily Injury Exposure DV

New Exposure - Bodily Injury

Update Cancel

Exposure

Loss Party: Third-party liability
Primary Coverage: Liability - Auto bodily injury
Coverage Subtype: Liability - Auto bodily injury - Bodily Injury Damage
Coverage: 2001 Honda Civic (1HGJ465 / California)

Claimant

Claimant: Carl Rand
Type: <none selected>
Contact Prohibited? Yes No
Primary Phone
Address
Alternate Contact: <none selected>

Injury Incident Overview

Injury: Carl Rand, Moderate Strain
Injured Person: Carl Rand
Severity: Moderate
Description: Whiplash

Coding
Jurisdiction State: California

Other Carrier Involvement
Other Coverage Info: Yes No
Details: Add Remove
* Insurer P.

The screenshot shows a software interface for creating a new bodily injury exposure. It includes sections for exposure details, claimant information, and injury incident overview. Various fields are populated with data, and icons are used to represent different types of information. Red arrows highlight specific fields: the 'Loss Party' dropdown, the 'Claimant' dropdown, and the 'Injury' dropdown. The 'Loss Party' field is associated with a shield icon, the 'Claimant' field with a sad face icon, and the 'Injury' field with a person icon.

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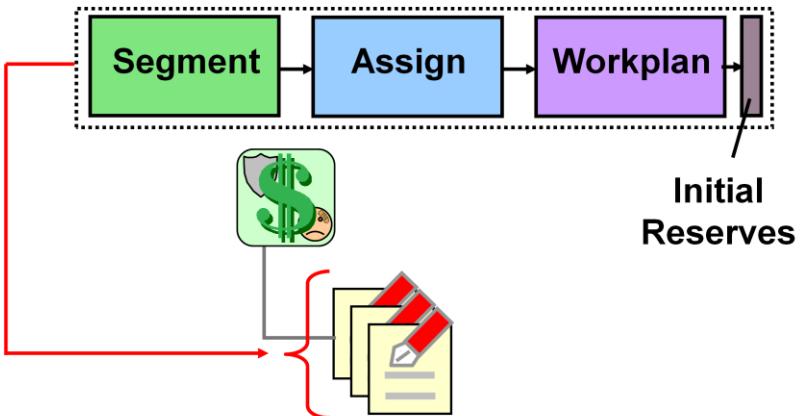
Guidewire

In the example above:

- The coverage is liability - auto bodily injury.
- The claimant is Carl Rand.
- The incident is a Carl Rand's neck strain.
- The additional information includes details about other carriers involved in the event.

Exposure Setup

Exposure Setup



- ▶ Immediately after creation, exposure goes through setup
 - Segmented
 - Assigned to a group and user
 - Exposure-specific activities created and assigned
 - Initial reserves created

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Recall that whenever a claim is created, it goes through an automatic setup process which consists of three high-level stages:

- The claim is segmented (it is classified so that the system knows what strategy to adopt when executing automatic adjudication logic).
- The claim is assigned to a group and user.
- The claim's workplan (a series of activities for adjudicating the claim) is generated, and the activities in the workplan are assigned.

Whenever an exposure is created, it also goes through an automatic setup process which consists of the same three high-level stages, plus one additional stage:

- The exposure is segmented (it is classified so that the system knows what strategy to adopt when executing automatic adjudication logic).
- The exposure is assigned to a group and user.
- The exposure's workplan (a series of activities for adjudicating the exposure) is generated, and the activities in the workplan are assigned.
- Initial reserves are created for the exposure, if possible. This occurs when business rules can use the existing information to arrive at a reasonable dollar amount for the initial reserve.

If an exposure is created during the new claim wizard, then the rules are executed in this order:

- First exposures are segmented, and then the claim is segmented. (This is because the claim segment may be based on the segments of its exposures.)
- Then, the claim is assigned and then the exposures are assigned. (This is because, in most cases, an exposure is simply assigned to the claim owner.)
- Finally, the claim workplan activities are created and assigned, and then the exposure workplan activities are created and assigned. (This order is somewhat arbitrary, as neither process typically influences the other.)

Validating Exposures

The screenshot shows the ClaimCenter software interface. The left sidebar has a tree view with nodes like Summary, Workplan, Loss Details, Exposures (selected), Parties Involved, Policy, Financials, Notes, Documents, Plan of Action, Litigation, History, FNOL Snapshot, and Calendar. The main content area has tabs for Actions, (1) 1st Party Vehicle - Mark Henderson (Up to Exposures), Edit, Assign, Close Exposure, Create Reserve, Details, Total Loss Calculator, and ISO. The Details tab is active. It shows exposure details: Loss Party (Insured's loss), Primary Coverage (Collision), Coverage Subtype (Collision - Vehicle Damage), Coverage (1998 Jaguar XJ6 (7FDG745 / California)), Adjuster (Betty Baker), Group (Auto1 - TeamA), Status (Open), Create Date (05/22/2008), Validation Level (New loss completion). It also shows claimant details: Claimant (Mark Henderson), Type (Insured), Contact Prohibited? (No), Primary Phone (626-473-9576), Address (85 Circle Rd, West Lake Village, CA 91145). Coding sections show Segment (Auto - I), Handling Strategy (Unknown), Jurisdiction State (California). Other Carrier Involvement shows Other Coverage (Yes). Financials show Remaining Reserves (\$3,000), Future Payments (-), Total Paid (-), Total Recoveries (-), and Net Total Incurred (\$3,000). Incident Overview shows the vehicle as a 1998 Jaguar XJ6 (7FDG745 / California). The Validation Results section at the bottom has a 'Validation Results' tab, a 'Clear' button, and two items: 'Warning' (yellow yield sign icon) 'Other Coverage : Please provide information about claimant's other coverage.' and 'Error' (red arrow icon) 'Vehicle : Vehicle incident description must not be empty.'

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Recall that ClaimCenter contains a set of rules that define the data that must be present within a claim in order for it to be considered a valid "new loss" claim. These rules are run at the end of the new claim wizard.

ClaimCenter also has a set of rules that define the data that must be present within an exposure for the exposure to be considered a valid "new loss" exposure. These rules are also run any time an exposure is created.

Each rule can produce one of two possible results:

- The rule could warn the user of a certain situation. The situation does not need to be attended to immediately, but at some point in the future it will prevent the claim from moving forward within its life cycle. Validation warnings appear in the Validation Results screen with a yellow yield sign icon.
- The rule could throw an error. If an error is thrown, the claim cannot be saved until the error is fixed. Validation errors appear in the Validation Results screen with a red arrow icon.

If an exposure has no warnings or errors, then the exposure is immediately saved and the Validation Results screen is not displayed.

If an exposure has only warnings, then the user only needs to click the Finish button a second time. Upon the second click, the exposure is saved. The Validation Results screen remains visible until the user clicks the Clear button. (You do not need to clear the validation results to save the exposure or vice versa.)

If an exposure has errors (or warnings and errors), then the exposure cannot be saved. The issues causing the errors must be attended to, or the new exposure must be canceled.

Viewing Existing Exposures

The screenshot shows the Guidewire software interface for viewing exposures. On the left, there's a sidebar with various actions like Summary, Workplan, Loss Details, Exposures, etc. The main area has a table titled 'Exposures' with columns for Type, Coverage, and Claimant. One row shows '1 Vehicle' under Type, 'Collision' under Coverage, and 'Larry Gamney' under Claimant. A red box highlights this row. Another red box highlights the '1 Vehicle' link in the main list. A red arrow points from the highlighted link to a detailed view window titled '(1) 1st Party Vehicle - Larry Gamney'. This window contains sections for Exposure (with details like Loss Party, Primary Coverage, Coverage Subtype, etc.) and Claimant (with details like Name). The Guidewire logo is in the bottom right corner.

Type	Coverage	Claimant
1 Vehicle	Collision	Larry Gamney
2 Vehicle	Liability - Property damage	Judy Rand
3 Bodily Injury	Liability - Auto bodily injury	Carl Rand

(1) 1st Party Vehicle - Larry Gamney (Up to Exposures)

[Edit](#) [Assign](#) [Close Exposure](#) [Create Reserve](#)

[Details](#) [Total Loss Calculator](#) [ISO](#)

Exposure

Loss Party	Insured's loss
Primary Coverage	Collision
Coverage Subtype	Collision - Vehicle Damage
Coverage	2001 Honda Civic (1HGJ465 / California)
Adjuster	Isabel Harkin
Group	LA Auto Adjusters
Status	Open
Create Date	05/22/2008
Validation Level	Ability to pay

Claimant

Claimant	Larry Gamney
----------	------------------------------

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Once created, exposures are listed on both the Summary screen and in the Exposures list. Clicking the link in the Type column of either list takes you to detailed information about the exposure.

Lesson Objectives Review

You should now be able to:

- Describe the primary information tracked in an exposure
- Create exposures

Review Questions

1. What are the four primary elements of information in an exposure?
2. Of those elements, which must you specify when you create an exposure?
3. What is an exposure type? Why would exposures associated to two different coverages have the same exposure type?
4. What is measured by an exposure's validation level?
5. What three high-level things occur during exposure setup?

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Answers

1. The coverage, the claimant, the incident, the reserve line.
2. The coverage, the claimant, and the incident.
3. An exposure type is a group of fields or set of information that must be gathered for an exposure. Two exposures from different coverages may have the same exposure type if the information needed for both coverages is the same (such as vehicle damage covered by collision and by comprehensive).
4. The exposure's maturity (or how close it is to being at "ability to pay").
5. Segmentation, assignment, and creation and assignment of workplan activities.

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