



Claim Performance Monitoring

6.0

17 December 2009

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Lesson objectives

- ▶ By the end of this lesson, you should be able to:
 - Discuss the four main areas of claim performance monitoring
 - Administer the claim metrics

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

► Business user view

- Claim summary view
- High-risk indicators
- Claim health metrics
- Aggregate claim metric reports

► Administration of metrics

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Claim performance monitoring overview

- ▶ Helps supervisors focus on claims requiring attention
 - Claim summary view
 - Highlights high-risk indicators
 - Gathers claim health metrics and summarizes at claim level
 - Provides aggregate claim metric reports

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It is common for an adjuster to have a couple of hundred open claims at any given time. With supervisors managing an average of 8-12 adjusters, supervisors are responsible for a book of claims in the thousands. ClaimCenter helps supervisors hone in on which claims require their attention, and provides them with tools to quickly diagnose what's going on in a claim.

The claim summary view provides the user a general sense of the health of a claim and highlights the areas of a claim that need attention, without the need to search the claims file for data that may be scattered across numerous screens.

There are metrics and attributes on a claim that adjusters look for and the values they consider healthy or out of bounds. ClaimCenter automates this process by first calculating these metrics at the claim level and consolidating them into a single view on the claim file. This is the first step towards pursuing an information driven claims management strategy.

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Claim summary view - headline

The screenshot shows the Guidewire ClaimCenter interface. The top navigation bar includes Desktop, Search, Address Book, Claim (235-53-365870), and Vacation. Below the bar, status information is displayed: Pol: 54-123456, Ins: Ray Newton, DoL: 05/30/2009, St: Open, Adj: Andy Applegate (Auto1 - TeamA). The main area is titled 'Summary' with tabs for Summary, Claim Status, and Key Metrics. A red box highlights the 'Basics' section, which shows the claim has been open for 13 days and details the accident (insured hit another party's car on the front passenger side while making a left turn). It also includes a pie chart of financials (Incurred \$18,400.00, Paid \$2,000.00) and risk indicators (In litigation, Currently flagged). Another red box highlights the 'Exposures' section, which lists four entries: Vehicle (Collision, Ray Newton, Andy Applegate), Med Pay (Medical payments, Stan Newton, Andy Applegate), Vehicle (Liability - Property damage, Bo Simpson, Andy Applegate), and Bodily Injury (Liability - Auto bodily injury, Bo Simpson, Carla Levitt). At the bottom, there are 'Loss Details' and 'Latest Notes (1 - 3 of 3)'.

- ▶ Provides quick picture of overall claim condition

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The claim headline is visible at the top of the Summary screen. It focuses attention on essential information such as:

- How long has the claim been open?
- How much does the claim cost?
- Is this a high risk claim?

Claim summary view – info bar

Guidewire ClaimCenter

Desktop | Search | Address Book | Claim (235-53-365870) | Vacation

Pol: 54-123456 | Ins: Ray Newton | DoL: 05/30/2009 | St: Open | Adj: Andy Applegate (Auto1 - TeamA)

Actions

Summary

Workplan
Loss Details
Exposures
Parties Involved
Policy
Financials
Notes
Documents
Plan of Action
Litigation
History
Calendar

Summary | Claim Status | Key Metrics

Basics

Open 13 days
Insured hit other party's car on the front passenger side while making a left turn.

Financials

Incurred	\$18,400.00
Paid	\$2,000.00

Risk Indicators

In litigation
Currently flagged

Exposures

#	Type	Coverage	Claimant	Adjuster
1	Vehicle	Collision	Ray Newton	Andy Applegate
2	Med Pay	Medical payments	Stan Newton	Andy Applegate
3	Vehicle	Liability - Property damage	Bo Simpson	Andy Applegate
4	Bodily Injury	Liability - Auto bodily injury	Bo Simpson	Carla Levitt

Loss Details

Latest Notes (1 - 3 of 3)

- ▶ Risk indicators stay visible throughout claim file

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Risk indicators are highlighted in the info bar, which is always visible in the claim file so that the user has a quick glimpse of the risk profile of the claim

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High-risk indicators

High-Risk Indicators

Litigation	
Litigation Status	In litigation
Litigation Identified	06/11/2009
Days after FNOL	12
First Notice Suit	
Next Trial Date	
Fatalities	
Fatalities?	(None)
Large Loss	
Large Loss?	(None)
Net Total Incurred	\$18,400.00
Coverage in Question	
Coverage in Question?	(None)
SIU	
SIU Status	(None)
SIU Score	0
Referred to SIU team?	No
Flag Details	
Flagged	Currently flagged
Date Flagged	
Reason for Flag	Overdue, high-priority activity

Claim Status

General Status	High-Risk Indicators
Line of Business	Litigation
Claim Segment	In litigation
Claim Strategy	Auto - mid complexity
Incident Only?	Auto - Fast Track
Claim Status	Open
Date Reported	05/30/2009 12:00 AM
Create Date	06/11/2009
Days Open	13
Primary Adjuster	Andy Aggregate
Primary Group	Auto1 - TeamA
Special Claim Permission	
Claim Validation Level	Ability to pay
Subrogation Status	
Salvage Status	
Other Recoverable Status	
Reinsurance Reportable?	
Reinsurance Edit Reason	
Storage	
Date Shipped to Storage	
Storage Location State	

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- ▶ Help identify claims in need of more attention
- ▶ New indicators can be configured

On the Claim Status screen link from the Summary page, you can see a collection of attributes that Guidewire considers to be high-risk indicators. These fields have been assembled in one place for easier one-stop viewing of the claim risks.

Several high-risk indicators are available in the ClaimCenter base application, including fatality, litigation, and large loss.

When high-risk indicators are triggered, their icons appear in the info bar as well.

New high-risk indicators can be configured, but that is beyond the scope of this training. You can find information on this in the ClaimCenter Configuration Guide under the topic *Configuring Claim Health Metrics*.

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Claim health metrics

The screenshot shows the Guidewire ClaimCenter interface with the title 'Claim (235-53-365870)' selected in the top navigation bar. The left sidebar has links for 'Actions', 'Summary', 'Workplan', 'Loss Details', and 'Exposures'. The main content area is titled 'Claim Health Metrics' and contains several sections: 'Overall Claim Metrics' (Days Open: 13, 12; Initial Contact with Insured (Days): 10, 2), 'Claim Activity' (Days Since Last View - Adjuster: 0, Supervisor: N/A; Activities Past Due Date: 2, 2; Open Escalated Activities: 0, 3; Number of Escalated Activities: 0, 3; % of Escalated Activities: 0%), and 'Claim Financials' (Net Total Incurred: \$18,400.00, Total Paid: \$2,000.00; Incurred Loss Costs as % of Net Total Incurred: 84%, 55%; Paid Loss Costs as % of Total Paid: 55%, 55%; Time to First Loss Payment (Days): 10; Number of Reserve Changes: 0; % Reserve Change from Initial Reserve: 0%). At the bottom, there's an 'Exposures' section listing '(1) 1st Party Vehicle - Ray Newton - Collision 1997 Saturn SL (1HGJ465 / California)' and '1st Party Physical Damage - Low Complexity'. A status bar at the bottom indicates 'Days Open: 0'.

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The Claim Health Metrics screen shows how this claim and its exposures are performing against target values for the metrics that have been defined for this instance of ClaimCenter. Rating values give immediate visual feedback about the performance of the claim with regard to business expectations for each individual metric. Green checkmark = on target, yellow exclamation point = at risk, red x = requires attention.

New claim health metrics can be configured, but that is beyond the scope of this training. You can find information on this in the ClaimCenter Configuration Guide under the topic *Configuring Claim Health Metrics*.

Claim health metric fields

- ▶ **Value** is the calculated value of this metric for this entity
- ▶ **Target/Service Level** is the target business value set for this metric by the administrator
- ▶ **Status** is how this entity performs against the target values set by the administrator for this metric

Claim Health Metrics			
Summary Claim Status Claim Health Metrics			
High Severity	Attribute	Value	Target/Service Level
Overall Claim Metrics			
Days Open		13	12
Initial Contact with Insured (Days)		10	2

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Claim health metric statuses are re-evaluated at the end of pre-update rules. Time-based metrics are also evaluated when a user views the Claim Health Metrics screen.

The metric target values (as defined by an administrator) are stored on the claim/exposure itself as a temporal snapshot, at the time the entity is created . This means that changes to the administration data will not affect the metric targets for this entity.

This entity's current metric statuses (not the calculated value of the metric) are also stored on the entity, whenever metrics are re-evaluated. This is for efficiency of reporting.

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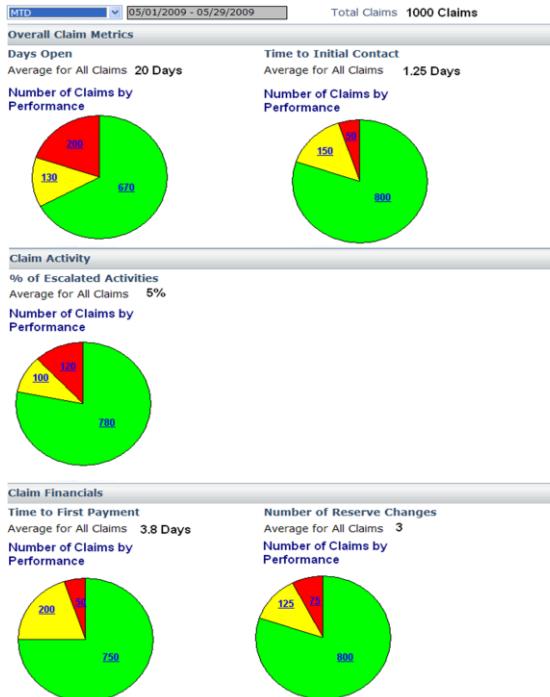
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Aggregate claim metric reports

- ▶ Summary reports collect aggregate claim metric information into visual representations
- ▶ Available from the reporting tab



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A user with the "View Report Tab" permission can access these reports.

Creating new aggregate claim metric reports will be covered in a separate reporting class. These reports will be managed in a manner different from other standard INETSoft reports.

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Administering metrics

The screenshot shows the Guidewire ClaimCenter administration interface. The top navigation bar includes links for Desktop, Search, Team, Dashboard, Administration, Address Book, Claim, and Vacation. The left sidebar lists various administrative tasks such as Search For Users, Activity Patterns, Attributes, Catastrophes, Authority Limit Profile, Roles, Regions, Holidays, Event Messages, Script Parameters, Workflows, Import/Export Data, Report Admin, Security Zones, Coverage Verification, WC Parameters, Reinsurance Threshold, ICD Codes, and Metrics & Thresholds. The main content area is titled "Metrics & Thresholds" and shows a table for "Overall Claim Metrics". The table includes columns for Attribute, Units, Target/Service Level, and status indicators (yellow exclamation point and red X). It lists metrics like Days Open, High Severity, and Initial Contact with Insured (Days). Below this is a section for "Claim Activity" with metrics like Days Since Last View - Adjuster and Days Since Last View - Supervisor. The final section is "Claim Financials" with metrics like Net Total Incurred and Paid Loss Costs as % of Total Paid.

Each metric can have values for target level, yellow (at risk) status, and red (requires attention) status

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A user with the "Manage Metric Limits" permission can edit the claim health metrics target values from the Administration tab. The "Metrics & Thresholds" link will display the administration screen. There are separate cards for metric limits for claims and exposures, and a third tab for large loss thresholds (which is visible on the high-risk indicators section of the claim summary.)

Metric values can be assigned for desired target service level, yellow (exclamation point) status, and red (x) status. Red level is used for highlighting claims that need attention. Yellow level is for warnings, and customers might decide to have yellow values be either above or below the target values (either warning that you are slightly above the target, or warning that you are approaching the target.)

To run your existing claims against newly set claim health metrics, you run a batch process.

Metric granularity

Metrics & Thresholds	
Edit	Policy Type: Personal auto
Claim Metric Limits	
Attribute	BOP Commercial auto Commercial property Farmowner's General liability Homeowner's Inland marine Personal auto
Overall Claim Metric	Days Open High Severity Initial Contact with Insured
Claim Activity	Personal travel Professional liability Workers' comp

- ▶ Metrics are first assigned target values at the Policy Type level
- ▶ Target values can be more granularly assigned by tiers

Attribute	Units	Target/Service Level	!	X
Overall Claim Metrics				
Days Open	Days	10	8	12
High Seve	Days	12	10	15
Initial Contact with Insured (Days)	Days	2	1	4

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Assigning metric target values is done per policy type. All policy types have the same metrics, but may have different target values associated with them.

Additionally, it may be desired to have different target values for a particular metric within a specific policy type. ClaimCenter allows this by the concept of tiers. Tiers are a way to have further granularity within the policy type. For example, in the screenshot above, the "Days Open" metric on the Personal Auto policy type has default values of 10/8/12, but for High Severity claims, the values are 12/10/15. If tier-specific target values are not set, the tier inherits the default targets for that metric. In the example above, low and medium severity claims have the default 10/8/12 values for "Days Open" since they have not been overridden.

Lesson objectives review

You should now be able to:

- Discuss the four main areas of claim performance monitoring
- Administer the claim metrics

Review questions

1. What are the four areas that make up claim performance monitoring?
2. How can you achieve additional granularity for your claim health metrics?
3. What claim performance monitoring information is visible from any part of the claim file?
4. Where can you find all of the high-risk indicators for a given claim?

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Answers

1. Claim summary (the headline and info bar), claim health metrics, high-risk indicators, aggregate claim metric reports.
2. Have metrics broken down by policy types and tiers.
3. The info bar is always visible, and it shows high-risk indicators that apply to this claim.
4. On the Claim Status screen.

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