

Accenture Claim Components

Achieving high performance in claims


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Driving distinctive claims capabilities

It is no surprise that most insurers have responded to the adverse market conditions by intensifying their quest for cost savings. Nor is it a surprise—given the inevitability of a recovery—that many have recognized that a downturn in the business cycle is a timely opportunity to re-equip and reposition for the upturn.

The Accenture High Performance Business research program¹ has analyzed the attributes, strategies and behaviors that characterize those organizations that consistently outperform their peers. We have learned that insurers who achieve high performance do cut their costs when the market contracts. But they also take proactive steps that enable them to grow rapidly when the turnaround comes, increasing the gap between themselves and their less agile competitors.

Claims offers abundant potential for both cost savings and competitive advantage. A key finding of our *Unlocking the Value in Claims*² survey is that the majority of insurers are not capitalizing fully on the benefits of advanced claims technology and fall short of achieving best practices—with obvious cost and service implications.

What is more, initiatives to improve claims efficiency and effectiveness often take the form of piecemeal, un-coordinated interventions. These are prone to under-deliver on the expected cost savings, and can even have the effect of reducing service levels—causing erosion of reputation and loss of market share.

At Accenture, we have repeatedly demonstrated that it is possible to reduce the cost of the claims operation, and simultaneously improve growth, by adopting a holistic approach to optimization. This implies, firstly, that the transformation addresses all of the four pillars of a distinctive claims capability:

- Claims segmentation
- Information access and management
- Human performance
- Organizational effectiveness

Secondly, it recognizes that no claims system, on its own, can deliver the high performance that insurers seek. Advanced software applications can provide the sophisticated functionality that a distinctive claims capability demands. However, a total solution includes the deep understanding of insurance claims processes, and the competent implementation, integration, change management and support capabilities that are needed to fulfil the potential of the claims system.

Backed by Accenture Software, an organization dedicated to developing differentiated software-based solutions, Accenture Claim Components is the engine that drives just such a holistic, comprehensive approach. Accenture Claim Components can help insurers balance their immediate need to reduce claims costs, with their equally important desire to reposition for the upturn.

Greater efficiency and growth



Insurers who achieve high performance have recognized that claims represent a significant opportunity for cost reduction, as well as service improvement, sustainable growth and profitability.

A comprehensive approach to claims optimization results in a claims function characterized by:

- Competitive customer service.
- A data-driven claims life cycle.
- Lower settlement costs and an improvement in claims outcomes.
- A lower unit cost per claim.
- Reduced IT costs.
- Reinvention of the role of the claims professional.
- The creation and fostering of an outcomes-focused culture.
- Greater control by the business over processes and content through user configuration consoles.

Accenture Claim Components makes this possible, serving as the engine of a new operating model that supports the entire claims organization.

The system provides a unique set of capabilities that include:

- Straight-through claims processing.
- Claims handler and supervisor dashboards.
- Claims desktop and financials.
- Claims pattern analysis.
- Claims task assistant.
- Dynamic data capture.
- An agent and customer self-service portal.
- A vendor management capability.
- Management of automated forms and correspondence.
- Mobile integration.

Accenture Claim Components raises the performance of claims handlers through configurable, highly refined business rules and automated handling—all of which support the variations inherent in the global insurance industry, without adding complexity. The system helps the handler gather and process information (from staff, customers, producers and vendors) in a more efficient and effective manner.

As a consequence, Accenture Claim Components facilitates highly consistent claims execution practices, helping claims organizations to reduce claims loss costs and loss adjustment expenses. In addition, claims and enterprise leadership have real-time access to claim status resulting in improved products, better handling of results, and enhanced customer service.

Sustainable advantage

"We chose to work with Accenture because of their industry knowledge and their claim components solution, which enables us to harness the power of Web technologies more quickly and efficiently than any other approach."

Jim Knight, CIO, Chubb

Accenture Claim Components has sophisticated functionality that translates into a sustainable competitive advantage.

Quantified gains

Accenture Claim Components gives insurers better control over claim costs, handling expenses and customer service. The results have been significant. Using Accenture Claim Components as the enabler of a new claims operating model, carriers can achieve as much as a 3 to 5 percent improvement in the combined ratio and up to a 15 percent reduction in settlement costs.

Dynamically driven

Accenture Claim Components is event-driven and rules-based. As the claims professional, customer, agent or vendor updates claims data, the Web-enabled system reacts

immediately. It tracks more than 150 events and 500 attributes, driving repeated segmentation and claims evaluation.

With every change, there is dynamic constant evaluation. Claims assignment, task management and automated processing are triggered by business transactions (e.g. "Submit new claim, make payment and show claim history") to help the handler manage the outcome and compliance of the claim. Accenture Claim Components supports dynamic segmentation to the extent the carrier desires.

Service-oriented Architecture

The component-based business services facilitate deployment in Service-oriented Architecture (SOA) scenarios. SOA has been inherent in Accenture Claim Components for many years. It

enables multi-channel access, multi-deployment configurations, and integration into enterprise architectures without forcing changes to existing investments. The service-oriented design of our business process components is grounded in strong integration design principles. Our success has depended on our ability to integrate with heterogeneous environments using various technologies and approaches. Accenture Claim Components services can be exposed to external systems through SOA design patterns and/or Web services, and can interact with external services through direct application programming interface (API), MQ, or Web service calls.

The system also provides event-based and point-to-point integration. Events published by business transactions drive application behavior. The same events can trigger external or add-on processes. The system's event publishing





service enables external systems to invoke Accenture Claim Components functions. Business services can be utilized in portal and enterprise service bus (ESB) scenarios with no modification. Because our system has well-defined encapsulated components and services, insurers can maximize reuse and minimize maintenance of information.

Configurable for diverse use

Accenture Claim Components has been designed to be configurable through architecture and business end-user tools for several business functions. For example, business rules and performer profiles (e.g., financial authority, assignment rules and security) are maintained through a set of security-controlled "librarians." The architecture's runtime services

can deliver configurable display literals, valid values, error messages, and multi-language and multi-currency capabilities. The system also has dynamic data capture—delivered through our application's conversational architecture (reflexive question and answer) and maintained through our conversational librarian.

Minimized risk

The component-based design of Accenture Claim Components makes phased implementation a practical option, helping to minimize the risk associated with large-scale system replacements and migrations. The solution is built for easy configuration of processes as they mature. As you grow your business, Accenture Claim Components grows with you.

Enhanced customer experience

The ability to view the total claim at any given moment minimizes processing delays and inefficiencies, and leads to quicker resolution and increased customer satisfaction. The SOA-based delivery of customer information services the carrier's customer portals for greater levels of self-service and satisfaction.

Finally, a centralized view of the customer (and of any party of the claim) is afforded to facilitate activities such as large account handling, fraud detection and vendor performance monitoring.

Accenture Claim Components features



Claims desktop

The desktop is a Web-enabled workstation that allows the claims professional to view and update claims data and to manage the relationship of any individual or organization to the claim. In addition, the claims desktop provides task management capabilities and utilities for functions such as claim file notes, claim file history, claim search, and forms and correspondence.

Claims pattern analysis

This component supports and optimizes the claims handling process by identifying claims with similar attributes and matching them to the appropriate pattern. Individual claims patterns (developed based on claims experience, best practices and ongoing performance results) enable tailored business strategies, processes and practices to be consistently applied to individual

claims. The detailed results are stored in a repository for future analysis. The results are sent to other components to trigger actions appropriate to the matched claims pattern.

Claims task assistant

The task assistant generates an automated list of actions that need to be performed on a claim, based on the events that have taken place on that claim as well as its characteristics.

Claims task assistant helps institutionalize best practices throughout the organization and allows work to be shared by enabling multiple claims handlers to work on a claim, and by recognizing that certain tasks should be automatically routed to certain performers. Routing is determined by the work to be performed (e.g., recovery handler or supervisor), enabling proactive and collaborative claim handling.

First Notice of Loss (FNOL)

FNOL is responsible for capturing loss data and delivering it directly into Accenture Claim Components data model. The application supports users who take personal lines auto and homeowners losses over the phone. It makes use of a number of the other desktop components to deliver the FNOL functionality.

Web portal

The latest version of Accenture Claim Components has been enhanced with support for portal architecture that enables insurers to offer an online self-service facility to their agents, brokers and customers, allowing them to report their losses and to view the status of their claims.

Claims folder

A basic repository for all information about a claim, the claims folder is the place where claims handlers document the claim and can inquire about its real-time status. More than one person can use the claims folder simultaneously, which fosters collaboration across the Web.

Claims contacts

A repository for all names, addresses, phone numbers, e-mail addresses, alerts, and other information that applies to people or organizations involved in a claim. The centralization of data allows companies to manage vendors and track customer service promises. The application also supports the management of claims logistics, and can help reduce the confusion and cost associated with mail processing, telephone traffic and file maintenance. The claims contacts feature provides the foundation for fraud detection and vendor management components.

Claims utilities

This set of functions enables the user to communicate with parties involved with a claim, and to document actions taken or other information about a claim. Claims utilities includes forms and correspondence, file notes, claim history, organization and claim search.

Claims financials

This set of components manages all of the financial transactions necessary to replace existing legacy claims systems. This includes reserving, payments, recoveries, transaction authority, statistical coding, the transfer of transactions across claims, and the administrative functions required for financial processing such as stop/void processing and transaction corrections. In addition, claims financials provides the capability to electronically receive and process re-priced medical invoices. It fully supports multi-currency processing for a single claim.

Claims reserving

Automatic and manual setting of reserves for a particular loss is supported by this set of functions. Claims reserving includes the ability, on demand, to set, change, close, and reopen reserves.

Claims payments and receipt processing

These capabilities allow the user to enter, edit, save, delete and post payments and receipts within a claim as well as across claims. They are presented in a standardized metaphor that guides the user through the processing of payment and recovery transactions. Various payment methods are supported, including manual and electronic checks, internal chargebacks and electronic funds transfer.

Claims financial utilities

These utilities provide a set of administrative functions that support the core financial processing: payment, reserve, and recovery processing. They allow the user to accurately link loss and premium information as well as to correct transactions that were improperly categorized. The component includes such features as authority, financial transfer and financial log.

Claims architecture

The architecture component incorporates Microsoft's .NET Framework technology, which allows clients to scale environments to support thousands of claims adjusters. This architecture was developed in close collaboration with Microsoft and Avanade,* and is one hundred percent .NET compliant solution for Accenture Claim Components development. It represents the next generation of Web-based architectures—advancing the best practices, architecture principles and guidelines that enable predictability, scalability, maintainability and flexibility. It provides an open

architecture ready for multi-channel support and intra- and inter-company integration through Web services and standard XML interfaces. This is a powerful tool that supports all aspects of our clients' businesses.

KPIs, dashboards and operational reporting

These components offer a real-time view of claims performance and claims personnel performance in easy-to-understand visual formats. The dashboards and reports are configurable by user and support detailed drill-down capability for further information on several KPIs. The drill-down functionality enables supervisors to manage their teams, claims handlers to manage their caseloads, and claims leadership to monitor performance and trends over any period of time, across the organization or for specified focus areas.

Partner integration framework

This framework responds to the need to integrate a variety of vendor offerings across the life cycle of claims processing. It provides the infrastructure for the application to integrate seamlessly with external trading partners (e.g., fraud detection) and the carrier's internal systems (e.g., policy, legacy claims, data warehouses, underwriting). These pre-built interfaces allow easy integration with FNOL products as well as claims search/fraud detection products. The partner integration framework also provides the tools, processes and methodology for assembling new interfaces and modifying existing interfaces.

Accenture Claim Components is a complete end-to-end system that offers easy user functionality, event-based claim handling engines, and powerful tools to customize claims processing.

*Avanade is a joint venture between Accenture and Microsoft.

Why Accenture?



"We believe a high-performing claims system is one of the critical paths to customer satisfaction, growth and profitability. We chose this technology for its scalability and innovative design as well as its track record in the industry."

Paul Stachura, Chief Claims Officer, Fireman's Fund

Accenture is a pioneer of advanced claims capabilities. Accenture has 30 years' experience in the insurance industry with a dedicated business, Accenture Software, focusing on developing differentiated software-based solutions. We develop superior software grounded in High Performance Business research and backed by Accenture innovation. The Accenture Software team consists of 1,800 people globally.*

Indeed, we have worked with many of the world's leading insurers and for the past 10 years have invested in, developed and enhanced our software. Today it embeds the industry's best practices and defines the current state of claims excellence.

Accenture Claim Components is a market-leading claims system that is described by Celent³ as "a very good and comprehensive core claims solution."

And the director of Novarica's Insurance practice, Matthew Josefowicz, said of the solution: "Of the Novarica ACE Rankings⁴ published so far on claims solutions, Accenture received the highest average total mark and the highest rating for overall customer satisfaction."

Notwithstanding the widely acknowledged superiority of the solution, what truly differentiates it from other systems is the fact that it is a part of a broader, holistic solution which includes:

- Accenture's deep experience of the insurance business.

- The expertise of 10,000 insurance practitioners with extensive knowledge of insurance processes, systems integration, optimized sourcing and IT.
- A suite of complementary software assets in supporting functions such as policy administration, underwriting, product manufacturing, marketing and distribution, and finance and accounting.
- A vast global delivery network comprising 80,000 professionals in some 50 countries and a proven set of standard, proprietary tools and methodologies.
- Accenture's ability to form lasting relationships that not only assist in meeting the expectations of the solution, but that foster ongoing innovation and improvement.

*As of February 1, 2010.



Together these capabilities support a comprehensive solution with the proven ability to optimize the claims function—delivering significant cost reductions, enhanced customer service, and offering a strong foundation for sustained growth.

Accenture Claim Components received a “Strong Positive”—the highest possible rating given—in Gartner’s June 2009 “MarketScope for North American Property and Casualty Insurance Claims Administration Systems.”⁵



"Accenture's ongoing investment in Accenture Claim Components enables us to continuously enhance our operations and thus deliver world-class claims services."

Phil Sibilias, Senior VP: Claims, OneBeacon Insurance Group



At a glance

Accenture Claim Components:

- Supports the full range of Property & Casualty lines of business and claims types.
- Is employed by 21 clients worldwide, including one client reporting 32,000 users.
- Is licensed for 26 countries.
- Is used by more than 65,000 claims professionals worldwide.
- Manages 40 million claims a year.

Achieving high performance

The economic crisis and subsequent market slowdown are at the top of many organizations' business agendas today. This does not mean, however, that the insurer's response should be entirely defensive. Those insurers producing consistently superior returns across earlier business cycles are again showing the way. They recognize that markets under stress, while demanding short-term measures such as cost reduction, also represent a rare opportunity to reposition for longer-term market-share gain, revenue growth and profitability.

There are few areas within the average property and casualty insurance business that offer the potential for performance improvement than in the area of claims. Most claims operations, by insurers' own admission, fall short of the recognized leading practices. More importantly, the enhancement of the claims function has a direct and significant impact on costs—through better customer service—and sales growth.

Accenture Claim Components, together with the support services, assets and infrastructure that make up our total claims solution, have a long track record of helping insurers optimize their claims capability. To find out how you could benefit from a comprehensive approach to claims transformation, visit www.accenture.com/claims.

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About Accenture Software

Accenture Software combines deep technology acumen with industry knowledge to develop market-leading software products. A dedicated global organization, Accenture Software offers innovative software-based solutions and the unmatched skills of experienced professionals to enable organizations to meet their business goals and achieve high performance.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 181,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$21.58 billion for the fiscal year ended Aug. 31, 2009. Its home page is www.accenture.com.

