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Connected Claims USA Virtual: Post Event Report



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Connected Claims USA Virtual: Post Event Report

Based on the speakers and delegates insights at the **Connected Claims USA Virtual 2020**

With insights from the Connected Claims USA Virtual presentations, including:

ERIC BRANDT, EVP Chief Claims Officer, **Allstate**

JONATHAN KALMAN, Founding Partner, **Eos Venture Partners**

JEANETTE WARD, Chief Operating Officer, **Texas Mutual Insurance Company**

LANCE ONDREJ, EVP Chief Claims Officer, **Germania Insurance**

CALVIN STRONG, Vice President, Claims Operations **MetLife Auto & Home**

MIKE FIATO, Chief Claims Officer, **Liberty Mutual**

RENEE CACCHILLO EVP Customer Experience, **Officer Safelite**

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Connected Claims USA Virtual 2020: A positive drive into the future

Not every industry can say its time is now, but for insurers the global COVID-19 pandemic has seen the industry really step up to the plate. The crisis has seen carriers across the USA accelerate innovation and partnership plans and adjust to the demands of remote working, all while supporting their millions of customers across the country.

The timing could not have been more appropriate for carriers to come together at Connected Claims USA in June 2020. In the eye of the pandemic storm, speakers were able to share their insights and experiences fresh from the front line. And, while the situation is challenging there are silver linings to be found. This year, because it was held virtually, over 10,000 insurance executives have been able to join the event, sharing insights to a wider audience than ever before.

Coping with the new normal

One striking difference, of course, is that the event came to viewers not from a Chicago conference center, but its speakers' home offices, reflecting the experience of millions of insurance employees and their customers up and down the country. The implications of what remote working means for the insurance industry was not far from their minds.

Eric Brandt, EVP Chief Claims Officer, Allstate explains: "The pendulum is swinging once again. It had been popular for years but digital innovators began to pull in their talent, unwinding remote work. Now, a global pandemic has forced companies to send their employees to work remotely. There's a renewed acceptance of telecommuting."

For policyholders, the work from home phenomenon presents other interesting challenges. Jonathan Kalman, Founding Partner, Eos Venture Partners, states: "Every company has talked about productivity going up with work from home. The implication is, what do you then do with the footprint. I'm curious to see how that goes. It has implications for adjusting. It's not exactly clear but I don't think the pendulum will go back to people being 100% in the office again."

But, insurance is a complex business and remote working involves more than just decamping to home with a laptop and a mobile. "Our investments in technology really paid off in the crisis response. We already had a work from home program and neat tools which made collaborating much easier. Agile teams working on projects are cranking work out just as if they were in the office," reveals Jeanette Ward, Chief Operating Officer, Texas Mutual Insurance Company

In a poll conducted during the event, more than half of respondents said they would be allowing most of their staff to work remotely even after the pandemic passes, with a further 12% planning to keep their whole workforce as telecommuters. But success is not guaranteed. Brandt adds that Ward's experience is down to the company having put in the preparation, stating that companies have to make sure their sourcing, selection, onboarding, training, quality and collaboration tools are all up to the task.

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Derek Roberti, VP of Technology, Cognigy, believes that it's those collaboration tools that are critical to a positive experience for both the employee and insurance customer. "Before COVID-19, the benefits we got from the office environment were from the organic, face-to-face dissemination of information. Now, we need better ways to communicate information across the organization, that can be even more effective than conversations in the office kitchen. What makes the employee-focused chatbot so interesting is that it makes information much easier to find. People can ask questions, like they would to their colleagues, and get fast, definitive answers in a way they couldn't before."

Roberti also points out that the natural language interface means conversational technologies are also a great way of finding out those unknown unknowns, the information you didn't realize you needed until someone asks for it. By collecting data on the questions people ask, you can build a much richer knowledge bank.

Becoming tech-enabled innovators

There can be no doubt that insurance is a tech-enabled sector, something that has dramatically accelerated during COVID-19. But just as carriers can suffer from being under-supported, there is such a thing as too much technology.

Ward adds: "After years and years of the IT team doing incredible work putting in this and that system, the end result is a lot of complexity. We realized we couldn't be really agile because the underlying systems were so complex. We had to start thinking smartly about what we invest in."

Thinking smartly is something Lance Ondrej, EVP Chief Claims Officer Germania Insurance, is clear about: "Companies are definitely adopting claims technology but the maturity level and integration varies widely. Most carriers are unable to pursue everything at one time."

He notes that companies have to be wary of buying into products that solve a symptom but not the root cause of their problems. They need to think deeply about where the origin of their issue is, and also make sure it links back to whether or not it has an impact on the customer.

And while technology is becoming much more legacy-friendly in terms of using Cloud, API and SaaS to integrate, Ondrej also warns against too much integration complacency. "Business units need to have reasonable expectations about time to implement and the corresponding time to uplift. Teams should be working shoulder to shoulder on these projects and make sure change management is happening along the way. A lot [of solutions] have an out of the box reporting tool. You have to be careful that you're comparing apples to apples."

Roberti notes that it's the carriers who are taking their time that are set up for success. "Insurance that is innovating intelligently [is doing it] in a way that looks at the big picture and sets them up for long-term success. They know the peril of every department choosing a different platform. They're thinking about standardization on technologies that provide value across the organization."

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Building an ecosystem

Increasingly, carriers are realizing they can't carry the whole innovation and agility process alone. This is nothing to do with any particular organizational insufficiencies per se, simply that it makes more sense to work with people who are the experts in their field.

Calvin Strong, Vice President, Claims Operations MetLife Auto & Home, says: "We need to strike up strategic partnerships and we need to continue complimentary partnerships with our vendors. [They] must have shared goals leading to top tier underwriting results."

Certainly, carriers are making innovation a priority, with 64% of those surveyed at the event claiming they already have a formal process for innovation in place. However, the majority of attendees also admitted they currently had, or were about to have, a talent gap and only fewer than a fifth believed this wasn't a problem. Partnerships are clearly one way of plugging that gap.

Mike Fiato, Chief Claims Officer, Liberty Mutual adds: "Big companies have started to channel their inner entrepreneur. The market wants low cost, simple, relevant and easy products. Part of that is the ecosystem, the other part is making sure you have the infrastructure to innovate." For Fiato, that model consists of Partner, Invest, Buy and Build. "You need to have an ecosystem that's broad enough to be holistic but also specific enough to pull one of these levers when it makes sense to do so."

Ward adds: "Now we have matured, we are partnering with others to scan the marketplace and look for those innovative ideas we can take advantage of. What was once an acute threat of insurtech, we now see as an opportunity to make ourselves better."

The journey towards touchless

For all the talk of technology, insurance has always been seen as a human-to-human business. The most significant interactions with clients are at times of distress and empathy, having often been seen as important as the skill to anticipate and mitigate risk accurately. And yet one of the most significant aims for carriers to date is how they can move their business towards a contactless claims environment.

For some, it has not necessarily been about accomplishing a 100% truly touchless end-to-end experience, but what is learned in the process of developing one. Brandt insists: "Many companies aspire to touchless claims. They're in our future but the question remains, how much can we learn and accomplish on the way? Companies that go all-in to full autonomy may lose the benefit from iterating in that level one and two space. Companies smart and humble enough to take on thin slices of the problem can accelerate more quickly."

There are, clearly, several scenarios where touchless does make absolute sense. Where the customer is inconvenienced rather more than they are upset and where it's a cut and dried case of loss and recompense. Fuss-free interactions are present in so many other industries, for the insurance sector not to follow suit would be foolhardy.

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“Touchless claims where they can go end-to-end becomes not only a win on the service side,” says Strong, “but also on loss adjustment expenses. I don’t believe all high touch will go away. Low touch claims is pretty much where we are today with routine claims, they are accelerated due to digital and electronic payments but people are still needed.”

“Advanced analytics and new data sources can enable true touchless claims. Minor home hail claims, for example, are three to five years out. Minor bodily injury claims is pushing out that five-year boundary. We’ve been working on no-touch medical claims for some time. There are still some enablers to perfect and we need industry support to make it truly end-to-end but we are very excited by the potential,” he adds.

Customers are ready for this, Roberti insists. “People care about clarity, efficiency and getting the value they are looking for, quickly. That’s why people love self service. But if people can’t find the information they need, they want to talk to someone, even if it’s 8pm on Saturday. Conversational interfaces give you the best of both worlds – 24/7 availability, instant response and the ability to speak in your own words on whatever channel you want to use.”

A future beyond COVID

While the impact of the pandemic’s arrival has been a short, sharp and in some cases devastating shock, carriers believe that its long-lasting implications will be altogether subtler. For people who are expecting to see a dramatic sea change in some behaviors or products, they will be disappointed.

“If you think about how we’ve managed and measured customer experience,” says Fiato, “some things are never going to change. People want explanations, prompt responses. There is always going to be the frequency severity dynamic. That won’t fundamentally change.”

What will be different, suggests Renee Cacchillo EVP Customer Experience Officer Safelite, is an acceleration in things carriers have perhaps only tentatively been exploring to date. “The biggest change will be around communication methods. Customers will want much more real time interaction and will expect we can answer their questions immediately. How do we make this easy?

Eos’ Kalman believes that it’s in bringing previously less digitally-native groups into the virtual fold that we will see some of the biggest changes. “Everyone today, regardless of age, is living online and in a mobile environment. There will be an acceleration and Millennials in particular will demand a 24/7 mobile experience. Independent of touchpoint, they will have to get information quickly.” No-one is going to want to wait in a phone queue again, he adds.

To carriers’ benefit, the crisis has given consumers the prod they needed to catch up with the companies’ innovations. “Sometimes, when you want customers to adopt new things, they don’t necessarily do it in the way or the frequency that you’d like. We’ve seen dramatic increases in people reporting losses online,” Fiato adds.

For Roberti, the ultimate benefit of the pandemic will be information insurers can gather about consumer behavior. “The crisis will give insurers concrete

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data about their customers as they organize their lives around virtual interactions. Once we emerge from COVID, we can take advantage of the fact that consumers have acclimated to this style of interaction and create customer experiences that match this new mindset.”

Across the presentations at Connected Claims USA Virtual, the tone was one of optimism, pragmatism and vision for the future. More than ever, insurance will prove to be a technology-enabled business that finds new ways to manage new risks while being there for customers, whenever, wherever they're needed.

With contributions from:



DEREK ROBERTI
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As the VP of Technology at Cognigy, Derek delivers insights and understanding of Conversational AI and Chatbots as the next level of Automation. For the past 15 years, Derek has focused on bringing innovation to the enterprise, a place where it doesn't easily fit. He uniquely combines a passion for technology with an honest dialog about its possibilities and limitations in real-world organizational contexts.

About Cognigy

Cognigy is a global leader in conversational AI automation. Its platform, Cognigy.AI, enables enterprises to automate customer and employee communications using intelligent voice- and chatbots.

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