

Insurance claims foundations

Meet claims management

The lifecycle of most claims has six stages:



FNOL (First notice of loss): Claims Management provides prebuilt flows in the form of OmniScripts, for use quickly and easily to create and update claims.

The Digital Insurance Platform provides a comprehensive and integrated experience for the policyholder. They can view a snapshot of all their open and closed claims, can also start a claim and submit information and documentation.

Segmentation/Assignment: segment the claim and assign the claim to the appropriate handling resource. the modeler defines characteristics and rules to automatically segment and assign claims.

Workload Management: break the claim into different tasks and then prioritize, monitor, and resolve them. Claims supervisors can design action plan templates for different claim types.

Investigation/Documentation: investigate and determine the amount of loss or damages covered by the policy. A central location to manage all claim participants, contact information, and itemized loss information.

Financials/Adjudication: pay or deny claims after comparing the specifics of the claim to the benefit or coverage requirements of the policy. Adjusters manage claim coverages and reserve adjustments using a single financials user interface. They can issue loss and expense payments with a holistic view of financial activity.

Closure: track the time to closure on a claim as a key performance metric. Claims Management provides prebuilt processes for automatically closing claim coverages.

The Claims Management Solution

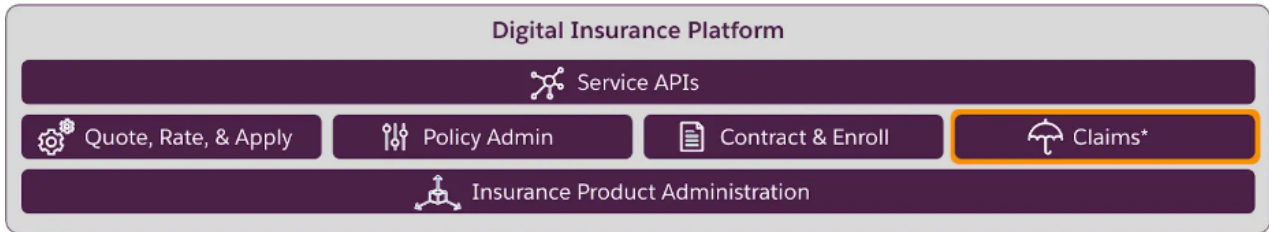
- Provides a fully digital guided omnichannel experience across web, mobile, contact center, and chat. It's all managed with little or no code.
- Reduce manual interventions by automating high-frequency processes at each stage of the claims lifecycle.
- Integrated Data, Customer Centricity: the solution gives accurate real-time data.

Claims Management integrates with the other parts of the Digital Insurance Platform including:

The Service APIs eliminate the need for custom programming with a range of out-of-the-box services to handle common claims-management tasks, such as creating a claim, opening claim coverages, ...

Policy Admin: manages the entire policy lifecycle, including quoting, issuance, endorsement, billing, renewals, and commissions. Fully integrates with Claims Management, contains all the information about a policy.

Insurance Product Administration: drives agile insurance product development, policy rating...



Get to Know Claims Management

Key players

Claimant: who experiences the loss and reports a claim. Want to:

- Provide all the information through **a simple and guided user experience**.
- **Track the claim's progress** and easily upload information.
- Submit an appeal request for a claim payment if they disagree with the original claim.

Claims adjuster: assesses, adjusts, and processes claims. They **need an automated process**.

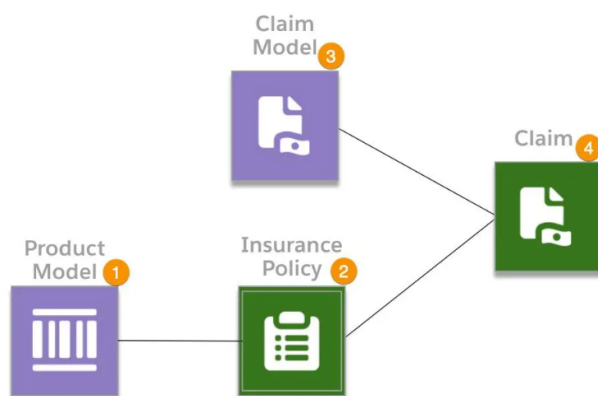
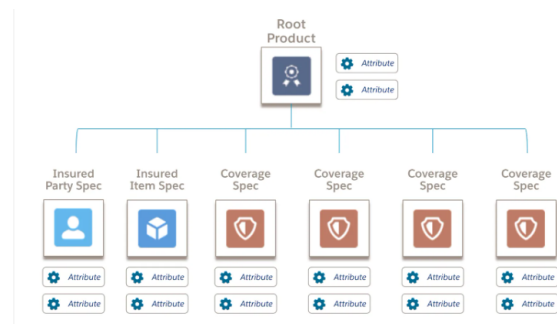
Claims supervisor: reviews and approves adjustments to claims. **They need a deep, flexible claims platform with dashboards and reports**.

Product administrator: is responsible for modeling claims, from designing product specs, terms, calculations, and rules. **The data models for the claim and policy are closely linked**.

Omnistudio developer: configures the actual models, ratings, and workflows.

Explore Claims Product Modeling

When modeling an insurance product, you create it as a root product with coverage specs, insured party specs, and insured item specs. Attributes define each spec.



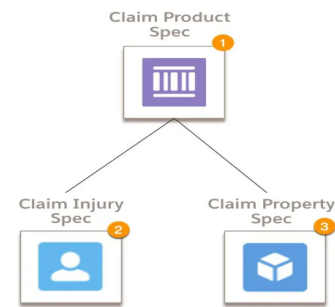
The product model (1) forms the basis for a given insurance policy (2).

This insurance policy then combines with the claim model (3) to define a specific claim record (4). This record contains all the policy information relevant to the claim (from the policy record). The claim also contains details about the property and injuries involved in the claim (from the claim model).

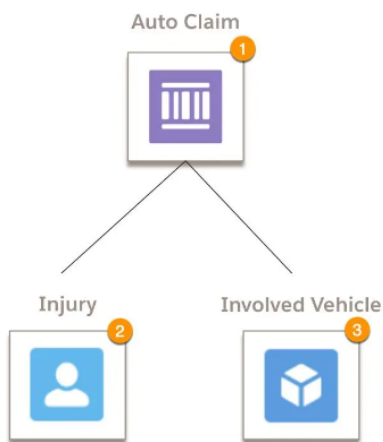
So, **to understand claims, you need to understand both: the product model and the claim model**.

Claim Specs and Attributes

A claim product model describes the property and injuries involved in the claim (and the rules). Claim Injury Spec (2) defines the injuries incurred by a person, and Claim Property Spec (3) defines the damage to a property.



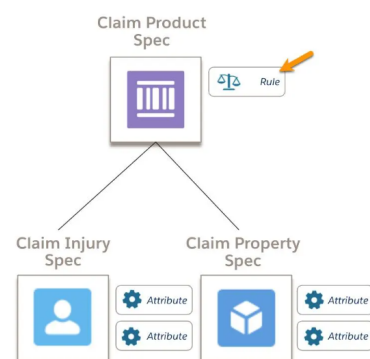
Let's see a simple claim product model for an auto claim:



The Auto Claim (1) contains: a claim Injury (2) spec (that stores information about injuries) and a claim Involved Vehicle (3) spec (that stores information about damages to involved vehicles). During the FNOL, the claims system collects information about the accident with **automatic services that populate the relevant information.**

Claim Rules

Product rules are a way to **automate critical aspects of the claim process**. They automatically trigger actions. You set conditions that move the claim to different states. Claim product rules usually reference attributes.



In the example this rule sets conditions for automatically opening a Rental Car coverage:

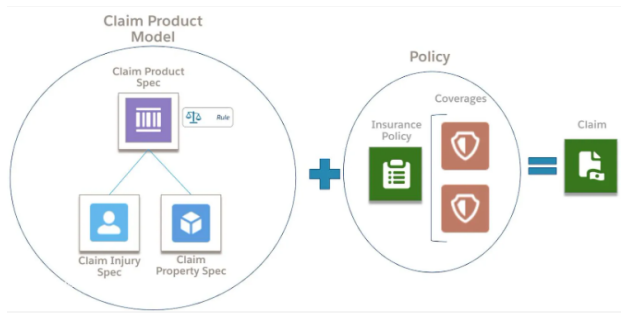
	* Name	* Applicable Type	* Transition Name	Action
1	Open Rental Car Coverage	Claim	Draft > Open	Open Rental Car
Expression		Message		
autoClaimInvolvedVehicle.claimDrivable = 'no'		Open Rental Car Coverage		

During the FNOL, a service evaluates whether the claimDrivable attribute is set to no.

- If true, the Rental Car claim coverage automatically opens, and the claim transitions from draft to open.
- If false, the claim coverage doesn't open, and the claim doesn't transition.

Modeling Policies to Support Claims

Claims use the claim product model and the policy together, so you need to make holistic modeling decisions.



When modeling the product, you create coverage specs that define what the policy can actually cover.

This close integration between the policy and claim allow to design coverage considering the claims process, especially when it comes to policy terms, such as limits and deductibles.

Power Attributes

Some terms may apply for each incident, for each person, or across all claims. To support these varied requirements, Claims Management employs power attributes. They are like regular attributes with properties that control how they work during claims:

Limit	Maximum amount the insurer pays for a covered loss.
Deductible	Amount claimant must pay out of pocket before the plan pays benefits.
Copay	Predetermined amount the claimant pays for an eligible coverage.
Coinsurance	Percentage the claimant pays for overall cost of coverage.
Out-of-pocket max.	Maximum amount of cost sharing policyholder is responsible for.

During the financials and adjudication stage, the claims system automatically applies the appropriate logic. If a claimed amount exceeds a limit threshold, then the system prevents the payment.

The flexibility and simplicity of attribute class saves time and reduces human error.

Attribute Scope: allows the claims-management system to handle sophisticated term configurations:

Scope	How does it apply?	Example
Policy	Across all claims on a policy	An annual deductible.
Policy Coverage	Across all claims on a specific policy coverage	A visit limit that applies to each policy participant
Claim	Across a single claim	A bodily injury limit for each claim

Claim Coverage	Across a single claim coverage	A bodily injury limit for each person
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Dag into de First Notice of Loss

Is the first contact a policyholder has with a claims system. It's important to provide a simple user experience. Claims Management comes equipped with pre built FNOL flows for different lines of business:

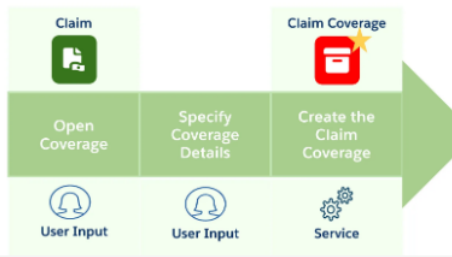


Get policy data	A service retrieves information about the policy, policyholder, and the insured items.
Enter basic loss details	The claimant enters information: the vehicle involved, the time of the accident, the type of damage.
Verify coverage	A service verifies whether the claimant is eligible to file the claim.
Add additional loss details	The claimant adds more information about the incident: details of the damage, other involved vehicles, witnesses, and police reports.
Create the claim	A service creates the claim record.
Evaluate rules	Evaluates rules on the claim. If true, then predefined actions and state transitions automatically trigger.

After creating the Claim, the system automatically assigns the claim to a claims adjuster.

Learn How to Manage a Claim

Using skills-based routing tools of Financial Services Cloud, claims supervisors assign each claim to the right adjuster. The flow to open claim coverages is:



After opening a claim coverage, the logical next step for the adjuster is to add loss and expense payment details.



As a final step, the adjuster pays the claim. The services do all the hard work; the claims adjuster simply selects the appropriate loss and expense payment details:



Transform Insurance with Claims Management

Here a list of important items:

- Claimant experience: interact with guided, omnichannel first notice of loss (FNOL).
- Claims adjuster experience: manage all claims in a central location, with dashboards that add visibility.
- Automation: evaluate rules to identify applicable coverages for the loss and to verify coverage. Assign a claim to the right person. Consume data through API.
- Claims financials: manages coverages, payments, authority, approvals and financial summaries.

See [Claims Management with the Insurance Data Model](#).