

# Technology gets an upgrade in claims management

Speakers at the Virtual Asia Insurance Claims Summit in February spoke of the many challenges facing insurers and how technology will be the game changer for insurance claims management in the future.

By Jimmy John



The COVID-19 pandemic put immense pressure on insurers, faced with a high volume of claims across multiple lines and with the ultimate cost still largely uncertain. The scope of claims is unprecedented, leaving potential room for a backlash against insurers refusing to pay and leading to a large number of disputes.

## Maintaining services during the pandemic

Belfor Asia complex loss director Guido Gavio said that in spite of the humanitarian crisis from the coronavirus, it continued to serve clients, partners and communities around the world. “Based on the experience and lessons learnt from the SARS outbreak 17 years ago, we started to rethink our operations as early as January 2020,” he said.



Mr Guido Gavio

The company, which relies heavily

on in-person interactions and site visits at customers’ properties, had to take a number of critical steps to protect its personnel and used its global network to cover maximum territory. The company also adopted technology in greater measure including video conferencing and adjusted its services to the changed situation and customer needs.

## Claims from business interruption

Speaking on the business impact caused by the COVID-19 pandemic Forensic Solutions litigation support director David Ferrier said that the underlying principle for a business interruption (BI) claim is to place the insured in the same position they would have been in but for the loss. He highlighted that the assessment of BI claims depends on the specific policy and requires a level of



Mr David Ferrier

expertise. “Is the incident that caused the BI included in the policy? To know this, we have to review the policy for specific clauses that impact the assessment and also confirm the period of loss,” he said.

## Spike in medical claims fraud

The Asia Pacific region currently has the highest percentage of medical claims fraud. RGAX digital innovation lead Wenyu Ji and RGA chief medical officer, global health Steve Woh said that the average claim per size for medical insurance is small, but the total claim from health portfolios is massive due to the high frequency of claims.



Mr Wenyu Ji



Mr Steve Woh

Insurers must limit their fraud identification efforts to large cases,

leaving a potentially sizable number of unidentified frauds within the claims received. According to its 2017 global claims fraud survey, only 24% of medical claims are examined for fraud – the majority is in life and mortality benefits. In contrast, the highest frequency of claims is in health and medical benefits, which represents only 4% of the claims examined. Further, the claims adjudication process is still heavily reliant on human review and is time consuming.

### Geospatial technology and AI for claims management

Geospatial Insight business development David Launders highlighted how geospatial technology backed by AI will benefit the future of claims. “Challenges can be mitigated



Mr David Launders

through the use of geospatial imagery combined with AI which can generate more detailed evidence at far greater speed and less cost,” he said.

He also spoke of the company’s (Re)Act product which is an end-to-end CAT response solution that helps to settle claims quickly. “This geospatial innovation can mitigate the impact of a natural disaster when claims evidence is needed as quickly as possible,” he said.

AXA climate head of CYMO Huu-An Pham said that the sharp increase in Nat CAT events over the last 20 years has impacted the global insurance industry.



Mr Huu-An Pha

“Geospatial imagery is like pure data and it brings value to the industry,” he said.

Geospatial Insight CEO Dave Fox said that, in the past, satellite imagery was expensive but over the past decade hundreds of satellites have been launched that can provide information. The use of drones as commercial tools has exploded and can be mobilised to gather data. “AI is extracting meaningful information from the images and insurers will now have information on damages and severity and conduct loss estimation remotely,” he said.

### COVID-19 to accelerate digital claims

SureClaim co-founder and CEO Anuj Jindal said that the COVID-19 pandemic has led to more and more customers in the Indian market buying insurance digitally. He highlighted that the claims process and decisions are not as consistent, due to poor collaboration and lack of digital tools for employees.



Mr Anuj Jindal

“As purchase behaviour shifts to digital, it is critical for insurers to deliver similar post-purchase experience through digital claims,” he said. Technology, he said, can be scaled faster, operated within restrictions and involve lower costs in an uncertain economy.

### Lines of business most heavily impacted by COVID-19

Fenchurch Law partner Aaron le Marquer gave an overview of the different lines of businesses that were directly and indirectly impacted by COVID-19. The pandemic, he said, has directly impacted event cancellation, BI, environmental and employer liability/public liability and indirectly impacted PI, D&O, trade credit, political risk, product liability and recall and W&I.



Mr Aaron le Marquer

### Marine insurance claims

Marine Judge CEO Soto Skinitis said that only 48% of marine claims managers are satisfied with the insurance claims process with many managers looking to switch to underwriters offering InsurTech solutions.



Mr Soto Skinitis

A survey revealed that there is a lot of dissatisfaction amongst those managing marine insurance claims and technology is important to solving many of their issues. “AI and automation can reduce the amount of time and cost it takes to settle marine insurance claims by half,” he said.

He added that increasing claims volumes across the maritime sector has resulted in companies increasingly adopting digitisation in the marine claims and insurance marketplace. The global marine market is under threat due to outdated practices and changing weather patterns.

The marine insurance industry worldwide paid out claims amounting to \$29bn in 2020 and this is expected to rise substantially in the future.

### Claims critical for industry image

Speaking at a panel discussion on how claims can boost the image of the industry Fenchurch Law managing partner David Pryce said that the insurance markets work best when there is a three-way set of commercial relationships and this includes between the policyholder and broker, policyholder and insurer and insurer and broker.



Mr David Pryce

DocDoc co-founder and CEO Cole Sirucek said that insurers of the future are going to be the ones who market their policies very clearly and when there is a claim there cannot be any ambiguity. “Insurers need to be dynamic in terms of technology, skill sets, data and social media,” he said.



Mr Cole Sirucek

Aon director, technical excellence, broking commercial risk solutions Grant Pilkington said that markets are today facing heavy criticism and reputational damage as a result to their response to the pandemic.



Mr Grant Pilkington

“The spotlight is on the industry though the overall perception is that they have collectively done a very good job,” he said. He feels that industry needs to show that it is capable of accurately assessing the potential exposure using reliable and accurate claims data and predictive modelling tools. ▀