



## Active claims management with Workflow and DMS

“Business Process Reengineering”. It was under this label that HDI, a German insurance company, redefined its claims department several years ago. The goals were an active claims management with a comfortable customer service and short, transparent processes. Employees within the administrative department should be enabled to react directly to customer requests. With the usual paper-pile-processing method, this was not possible. Achieving these goals required the introduction of an electronic archiving system. Therefore an electronic registry file was developed on the basis of COSA DM and COSA BPM that to this day seeks its equal within the German insurance industry.

In its automotive department alone, the Northern German insurance company HDI processes some 400.000 claims per year. Almost half of these claims are reported by telephone. In order to offer customers a first-class service, several consulting firms were contracted to conduct a full business process reengineering.

One result of this analysis was a shift in responsibilities: administration employees should be able not only to process their assigned claims, but also to react competently and comprehensively in any type of event, be it phone calls, faxes or mails. “In the

event of an accident our clients expect immediate help. Nothing is worse than having to say ‘Sorry, but I just can’t find your file at the moment.’” says Hans Joachim Koch, Head of the Claims Division in Stuttgart. However, in order to provide any binding information, the corresponding employee needs all decision-critical data from the customer file.

Today, employees can access an electronic claims file including all relevant documents directly from their PC. The customer service team has the most current data at their fingertips – and can provide clients with the information they need. “To our understanding, claims settlement is a service business. The new solution allows us accessing all required data immediately. Now we can offer our customers service packages that exceed simply reimbursing the incurred damage by far”, says Hans Joachim Koch.

### **Archiving color photos with expert quality**

As a first step, detailed requirements specifications were developed in order to achieve the best document management solution possible. One of the imperative pre-requisites was the scanning of color photographs. Numerous specialists for document management and electronic archiving were contacted. In the end, the deci-

sion was taken in favor of a standardized product named COSA BPM provided by BPS-Solutions GmbH. What finally was to tip the scales was the convincing description of the support that could be expected. Having developed a prototype, the solution was piloted in the Stuttgart branch office in April 1998. Since then, active claims management has been standard procedure at the office’s 32 work stations. After successfully piloting the system, it was rolled out to ten further locations. In early 2002, Hanover was the last office to be linked to the system which today connects 560 users.

Nowadays, incoming mail is scanned directly at HDI’s service department. Expert photos are, of course, scanned in color. A high-duty scanner produces black-and-white and color images simultaneously at a sufficiently high speed. A color and a binary image are created per second. The control software shows the images on the screen during scanning so that a preliminary check of the scanning results can be made at this early stage.

### **Indexing incoming mail**

While monitoring the quality of the scanned images, the employees decide if a picture must be stored in color or in black-and-white. Indexing also comprises the allocation of a file reference number and the sender. In-



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coming mail is either attributed to a previously known process via COSA BPM or recognized and created as a new incident. At the next workstation, a mouse-click classifies documents into types, such as "appraisal", "police report" or "invoice". While distributing the information, the workflow system automatically takes substitute arrangements, workload balancing, priorities and special expertise allocations into account. Incoming mail is available immediately after indexing, so that employees are able to make decisions based on the most current information at any time.

If a customer reports an accident by telephone, the employee records the claim in the claims management software Compass. As this software solution has been integrated via DDE, the data is automatically transferred to COSA BPM. By the end of the phone call, the claim has been created in the system and all corresponding mail that may be received is automatically assigned to this incident.

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Immediately after indexing, all documents that have been identified as expert appraisals or cost estimates are automatically transferred to the electronic inbox of the technical department. Internal assessors then compare the claims reports with the scanned color photographs of the accidents.

Further mail is transferred to the claims department, as are the documents that have been verified by assessors. Employees complete the files, check if, for example, the damage was covered by the insurance at all or re-

quest police reports for larger accidents. All consecutive correspondence is added directly to the electronic files.

## All events on one screen

On their 24-inch screen, the users see the image viewer on the left-hand side. On the right-hand side, there is the desktop with the corresponding claims file. On the desktop, the work scenario is created. The Workflow system's user interface organizes file processing e.g. by giving high-priority files preferential treatment or by monitoring interrupted processes. Just as would be the case with a paper file, its electronic counterpart is divided into registers and sub-registers according to factual aspects. The correspondence history provides a comprehensive chronological overview. Notes made by an employee as well as automatically generated entries ("forwarded by... on...") are accessible under the Journal register. The lower half of the right-hand side of the screen is reserved for individual applications that the employee may need, such as the claims management program Compass.

The electronic file is created in an event-based way. The insurance company's legacy system classifies documents by segments within the automotive insurance department, e.g. comprehensive or limited insurance. In COSA BPM, however, the damage itself is the event by which a claim is classified. The corresponding departments are then associated with this event later on, i.e. the customer service agent may check if different levels of coverage is applicable.

## Cost-savings through successful roll-out

The evaluation of the pilot was extremely positive: by rolling out the system to all German branch offices, HDI achieved considerable cost-savings. The main benefit, however, is the significant increase in the quality of work. Both, management and employees are very satisfied with the new solution. 'Today everybody has fully embraced the idea that the electronic file is the tool for active claims management', is Hans Joachim Koch's conclusion on the new system. An absolute prerequisite for the development of top-class customer service, as is required for claims management, is a technically advanced apparatus. Only then, it is possible to attend to customers' needs competently the very moment they report their accident from the roadside telephone. All additional services, such as wrecking service, garage and car rental, can now be provided right then and there.

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