A Special SFG℠ Analyst's Take

Ensuring Quality Customer Service Performance
in the Global Insurance Segment

Written by Bill Pollock

Enabling InsurTech Organizations to Enhance your Customer's Experience and Boost their Bottom Line

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Putting Things Forward from the Perspective of the Global Insurance Industry

The results from research analyst firm, Strategies for Growth's 2018 Warranty Chain Management Benchmark Survey clearly reveal that insurance organizations that have either implemented a new warranty management solution or, at the very least, upgraded their existing solution, are now experiencing an average of up to 10% improvement in warranty claims processing times, as well as commensurate upticks in customer satisfaction and the overall customer experience.

As many of these implementations are now supported by state-of-the-art Artificial Intelligence (AI) technology, those organizations that have taken this path benefit twice – from both the improved functionality of their "new" warranty management systems, as well as the introduction of AI technology into their business operations.

ServicePower | A SPECIAL SFG℠ ANALYST'S TAKE

"The insurance segment will continue to be highly dependent on the introduction of new technology into their business operations and, as a result, will be searching for vendors and solutions that will ease their way into a digital world enabled by the Internet of Things (IoT), Artificial Intelligence (AI), Machine Learning (ML) and other new or emerging technologies."

This is an important factor as, according to IBISWorld, "Insurance claims handling, previously a labor intensive process, has been transformed over the past decade by the Insurance Claims Processing Software industry," and in order to remain competitive in this fast-growing market, these organizations, "seek to differentiate themselves in their competitive environments with products designed to streamline operations, reduce process complexity and costs, manage compliance with new regulations and increase customer satisfaction."

IBISWorld also forecasts that, "The next five years will bring fresh changes to the industry, including new business models and predictive analytics. Software publishers are expected to continue rapidly shifting toward cloud computing, a technology that will expand software capabilities on platforms previously limited by hardware. Furthermore, companies will strive to make data more accessible and are expected to invest heavily in new security measures. The shift will likely accelerate the adoption of new business models, such as software as a service."

Further, according to Deloitte, "by automating the claims processes alone, the U.S. insurance industry could potentially free up $54 million - $185 million hours annually, a potential cost savings of $1.7 billion - $8.9 billion" – another compelling incentive for insurance organizations to move to a more robust warranty management platform in support of their business operations.

Potential cost savings of
$1.7 - $8.9 BILLION

As such, the insurance segment will continue to be highly dependent on the introduction of new technology into their business operations and, as a result, will be searching for vendors and solutions that will ease their way into a digital world enabled by the Internet of Things (IoT), Artificial Intelligence (AI), Machine Learning (ML) and other new or emerging technologies that are now being embraced by the segment. However, this transformation will need to take place quickly in order to allow insurance providers to keep up with increasingly demanding customer requirements, as well as an intensifying competitive marketplace.

The Emergence of InsurTechs – and Their Evolving System Needs and Requirements

The National Association of Insurance Commissioners (NAIC) claims that, "The very nature of the business of insurance is transforming, driven by technological advancements and socio-economic trends. Emerging technologies – like big data, IoT, and mobile technology, AI, wearable devices and Blockchain – are revolutionizing the insurance industry and changing consumer expectations and preferences.

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"Consequently, technology-enabled innovations in the insurance industry, or the "InsurTechs," have emerged to offer simpler products and streamlined customer experience, catering to a growing generational shift toward millennials." NAIC goes on to say that, "InsurTech innovation is occurring across the entire insurance value chain – from distribution and marketing, product design, underwriting, claims management and balance-sheet management and across all lines of insurance – property and casualty, life and health."
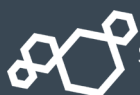
Further, "InsurTechs are catering to these [changing market patterns] by providing user-friendly platforms. Some InsurTechs combine digital ease with the human touch, often using technology such as AI, machine-learning and robotics. Other InsurTechs are using wearables and monitors to provide usage-based products integrated with customers' lives in a way not usually associated with insurance."

As a result, today's growing number of InsurTechs are looking for Field Service Management (FSM) and Warranty Management (WM) solutions that can meet the market's changing and evolving needs, build the appropriate technologies into their operating platforms (e.g., AI, machine learning, etc.), and provide their customers with an improved customer experience. This is why it is so important to select the right solution – and vendor – to meet all of the organization's needs, requirements, expectations and preferences.

"These solutions need to be faster, smarter, and must be built on a unified platform."

Key Things to Look for in a Field Service and Warranty Management Solution

Property and Casualty Insurance providers are increasingly evaluating InsurTech for efficiencies, savings and customer experience improvements due to both internal and external market factors, such as escalating underwriting losses, market pressures that are driving down net income, and potential declines in customer satisfaction and retention. What these organizations need are solutions that can be used to increase policy holder satisfaction and reduce costs – while also strengthening the company's overall financial picture.

These solutions need to be faster, smarter, and must be built on a unified platform, so the organization can expedite the first notice of loss process, reduce time to onsite, better enable adjusters, and automate the claims process to increase policy holder satisfaction. These solutions definitely make a positive contribution to the organization's bottom line.

The six primary factors to focus on when evaluating alternative Field Service Management (FSM) and Warranty Management (WM) solutions include:

1 Customer Engagement

By offering a customized portal to enable policy holders to log in with their policy number; upload photos; check their appraisal status; watch their adjuster in route; and communicate with them if needed; also, to provide relevant promotional messages during this key interaction opportunity.

2 Smart Scheduling

The ability to pair parameters such as skills, certifications, and geography with the latest in AI (for real-time scheduling) to ensure that the best adjuster is assigned at the least cost. This provides the opportunity to re-optimize schedules and routes in real-time to accommodate intra-day changes, improve on-time arrival, and complete more jobs per day, while decreasing total travel costs.

3 Mobile Tech Enablement

To ensure that adjusters arrive with the necessary assessment forms, photo capture capabilities, etc., and everything else they need to get the job done, with the goals of providing consistent quality service delivery, improved productivity, and increased completion rates at first visit. To proactively offer additional value-added coverage while onsite to generate "new" sales opportunities and drive additional revenue.

4 Claims Management

Providing end-to-end claims management, from rules configuration to payment.

    a. Automating the bulk of the claims process by being able to cull through data faster and more thoroughly to identify any anomalies and possible fraud situations; and to ensure that all legitimate claims are paid quickly.

5 Contractor Management

To facilitate better management of augmented staff during peak cyclical periods, catastrophes or other times of high volume.

    a. Enables companies to dynamically choose a contractor based on rank scores, credentials, crowd-sourced Better Business Bureau (BBB) information, and dynamic rules configuration.

    b. Confidently being able to book an appointment based on available time-slots, coupled with the ability to view the current job status and track overall progress.

6 Reporting & Analytics

The ability to use real-time business intelligence to truly understand current operations, feed metrics back into the operation, and fine-tune future operations;

    a. The ability to access workforce performance Key Performance Indicators (KPIs) and scorecards in real-time, from either mobile devices or the desktop, and share them both inside and outside the organization.

The many benefits of FSM and WM solutions

The best Field-Service Management and Workforce Management solutions will also be those that include additional functionalities, such as:

- Work order management
- Inventory
- Asset and contract management

Outsourced Managed Service

The main benefits that can be realized through the acquisition of "best fit" FSM and WM solutions are many, and quite compelling, as follows:

- Ability to expedite the first notice of loss process
- Reduction in total travel costs
- Quicker times to onsite arrival
- Increased assessments per day
- Diminished reliance on more costly body-shop assessments
- Reduction in the incidence of policy holders requiring rental cars
- Reduction in the amount of fraudulent claims
- Ability to generate/drive additional revenue
- Ability to expand interaction and relationships with policy holders
- Increased policy holder satisfaction during – and despite – an otherwise frustrating experience
- Improvement in the organization's Net Promoter Score (NPS), customer satisfaction ratings and, ultimately, customer retention

The ServicePower Solution for the InsurTech Industry

The InsurTech market is a particularly competitive industry, where insurers cannot realistically differentiate themselves based on price or coverage. As a result, areas such as cost reduction, improved productivity, and the ability to improve the overall customer experience represent the principal means for achieving the organization's customer satisfaction goals and maintaining policy-holder retention over the long term.

Basically, the ServicePower field-management platform is designed to address the fundamental challenges insurance providers face head-on. Accordingly, the main focus of the platform is on fixing the fundamental field service problems within the insurance Industry.

The ServicePower platform is currently being used by a majority of the major global insurance companies to ensure execution of the least costly and most timely business process from the First Notice of Loss (FNOL) to estimates, repairs and claim payments. The main components of the ServicePower platform include the following functionalities:

- Scheduling: through continuous optimization and utilization of innovative, pre-calculated travel times, decreases the cost of claim inspections and adjustments. Costs are reduced by ensuring the best field adjusters or inspectors are scheduled based on their skill set, knowledge of the geography and inspection location operating hours, as well as other key schedule parameters. It also ensures Service Level Agreement (SLA) compliance in instances where B2B or disaster claims must be handed in the most expedient way possible.

- ServicePower's Mobility solution, which can be used on any web-connected hand held device or GPS are designed to fully mobilize the organization's field teams. The system sends field technicians scheduled jobs, as well as intraday changes; while also facilitating all of the processes needed to handle policy holders – in real time.

However, ServicePower goes one step farther than its competition though its Operations software, by which insurers can provide a seamless customer experience, managing 3rd party vendors like automotive repair shops, windshield replacement companies and surveyors the same way employed field resources are managed. This results in decreased schedule costs and serves to delight policy holders with improved customer service.

Fixing fundamental field
SERVICE PROBLEMS

Service Power Warranty Claims Management

ServicePower's integrated Warranty Claims Management (WCM) solution is also critical to the organization's ability to support its InsurTech customers by providing:

- A real-time, configurable claim adjudication platform, which optimizes reserves and reduces costs, while eliminating fraud

- Manufacturers, administrators and retailers with the power to ensure that reserves are adequate to meet future service requirements, as well as being configurable to each organization's unique warranty requirements

- Automated adjudication, validation and audit logic for claims management

- The configurable logic required to automate claims adjudication, validation and auditing, which enables the team to focus only on exceptions, while accelerating payments to contractors

- Validating claims in real-time, thereby reducing the time contractors spend waiting on claims status and payment, while simultaneously identifying fraudulent activities and protecting reserves

ServicePowers' technology solutions benefit from 25+ years of experience working with the biggest brands to create configurable and customizable warranty management adjudication logic, which validates service rates, job information, manufacturing, parts, and contract information to ensure that only valid claims are eligible for payment.

By delivering the above functionalities, ServicePower Warranty Claim Management customers benefit from:

- Faster, smarter warranty claims management through a single, unified solution
- Automated warranty claims management
- Improved payment time and fraud prevention
- Reduced claims costs

Improve customer service

In addition, ServicePower's Warranty Claims Management Solution offers the following incentives to prospective users:

- Real-time adjudication, validation and audit logic
- Seamless RESTful integration to existing Enterprise Resource Planning (ERP), Customer Relationship
- Management (CRM) or FSM software
- Flexible rates logic improves upon existing on-boarding and claim processing
- Software-as-a-Service (SaaS) deployment improves response, scalability and redundancy
- Ability to integrate parts distributor, BOM, registration and contract data
- Affords configurable, customizable logic to meet unique business requirements
- Ability to provide real-time feedback to actuaries, operations and contractors e-Insurance segment is one of the oldest industry segments around;

Additionally, ServicePower's Warranty Management solution was developed with Obligors to best manage warranty claims.

Some of the functionalities and technologies associated with Field Service Management (FSM) and Warranty Management (WM) may be "new" to many organizations comprising this fast-growing segment. That is why it is so important to select the right vendor and solution to manage the organization's day-to-day business operations.

Hopefully, the guidelines presented in this Analyst's Take paper have provided a path forward for what to look for in an acquired solution – and how embracing some of these new technologies will ultimately be beneficial to the organization – both in terms of improving the overall customer experience and strengthening the bottom line.
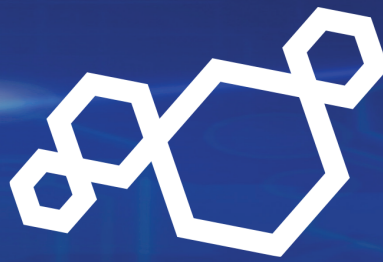
Bill Pollock is President & Principal Consulting Analyst at Strategies for Growth (SFG), the independent research analyst and services consulting firm he founded in 1992.

Previously, Bill served as President & Chief Research Officer (CRO) at The Service Council; Vice President & Principal Analyst, heading up Aberdeen Group's Service Management} Practice; and Managing Analyst, Services Industry at Gartner.

In 2015/16/17, Bill was named "One of the Twenty Most Influential People in Field Service" by Field Service News (UK); one of the "Top 10 People Every Field Service Pro Should Follow," by Field Service Digital; one of Capterra's "20 Excellent Field Service Twitter Accounts;" and one of Coresystems' "Top 10 Field Service Influencers to Follow."

Bill has also had more than 350 articles, columns and features published on topics including Field Service Management (FSM), Service Lifecycle Management (SLM), Customer Relationship Management (CRM), Warranty Chain Management (WCM), Reverse Logistics, Augmented Reality (AR), and the Internet of Things (IoT) for leading international services publications.

Strategies For Growth (SFG^{SM}) is an independent research analyst and advisory consulting firm that supports services organizations with a full range of strategic, marketing, business planning and consulting services.
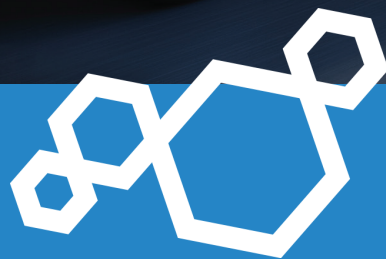
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ABOUT

ServicePower

Simplified Service Delivery. Maximized Profitability.

ServicePower is an innovative field-service management tech company focused on enabling field-service technicians to deliver an exceptional customer experience to the connected home, while achieving significant operational efficiencies. Trusted by field-service organizations around the world such as GE Appliances, ADT, Johnson Controls, and Siemens, ServicePower is the only SaaS-based solution that enables organizations to efficiently manage both employed and contracted service providers.

ServicePower also offers a fully managed network of contracted service providers to enable on-demand and rapid field-service delivery during peak and off-peak times, and in hard-to-reach locations across North America and Europe.

For more, visit www.servicepower.com