Review Article

GUIDEWIRE INSURANCE SUITE: CLAIM CENTER – AN OVERVIEW

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ABSTRACT

Guidewire is a product of Insurance, profoundly used in major consulting companies like Ernst & Young, Deloitte, Pricewater coopers and as well the practice is establishing in firms like HCL, Wipro technologies and many others are venturing into the same. Guidewire **InsuranceSuite™** provides a complete set of applications to support the core operations - underwriting, policy administration, billing, and claims management. InsuranceSuite's comprehensive applications are built on a common platform, covering the Property/Casualty insurance, Workers compensation lifecycle while providing the deep functionality required to replace the existing legacy systems i.e. legacy systems are computer systems or application program which continues to be used because of the cost of replacing or redesigning it and often despite its poor competitiveness and compatibility with modern equivalents. The implication is that the system is large, monolithic and difficult to modify.

The present paper attempts to reveal an overview of Guidewire Insurance, widely used tool being currently used by several Insurance companies, Banks and Consulting companies. The Guidewire tool has been successfully satisfying the customer and client demands for almost ten years now and several other companies like Deloitte, Tata Consultancy Services group and Wipro are starting up and expanding hands-on-practice with Guidewire.

1. INTRODUCTION

Claim center InsuranceSuite is to support personal lines, commercial lines, and workers' compensation, and to enable you to consolidate and simplify your system portfolio. Recognizing that one will still have other peripheral systems that need to integrate with a service-oriented architecture and pre-built web APIs. Thus, one can readily integrate InsuranceSuite with other systems, and deliver insurance the way you've always wanted to. Guidewire product focuses on three insurance core functions which are Claim center, policy center and billing center. Guidewire is getting bigger and has huge influence in the US. The workforce working in Guidewire is divided into Configuration, Integeration and conversion. My area of expertise has been handling claims configuration part of insurance domain and the documentation will be focused on the same. The ClaimCenter Application Guide is a description of the current Guidewire ClaimCenter product. It presents both an overview and complete details that a user can encounter when using ClaimCenter. It describes primarily how the application works out-of-the-box, before it has been customized for a particular insurance carrier.

Since a key feature of Guidewire products is their ease and breadth of customization, this Guide tries also to indicate many of the opportunities it provides to model the application to suit the needs of the insurance industry.

Product Background

A claim is a collection of all the information related to an accident or loss of some kind. A ClaimCenter claim is analogous to a physical claim file that collects and records in one place all the information relating to the claim. Unlike a physical file, a ClaimCenter claim also records and tracks the progress of all work involved in handling the claim. ClaimCenter is a claims process management system - an enterprise software application that fills the gap between claims accounting systems and point solutions for decision support. It manages the claims process from first notice of loss through execution of financial transactions, including the payment and setting of reserves. It also manages claims

information and coordinates the claims process to ensure compliance with corporate policies and claims best practices.

1.1. Components

Every claim is a collection of these sections:

- A Summary of the Claim page, listing the most salient information about the claim
- A Workplan of initial Activities, which grows to include all activities created for the claim.
- A description of the types of losses (including vehicles, properties and injuries), and causes of the losses, or Loss Details. These pages also include Claim Associations, damage Assessments, Subrogation, Catastrophes and Fraud detection information.
- Exposures, or pages or features correlating policy coverages with claimants.
- All Parties Involved with the claim - all people, companies and legal venues.
- An auditable record of all Financials - Checks and Transactions, including reserves, payments, recoveries and recovery reserves.
- All Notes made about the claim.
- An electronic record of all the collected physical Documents that relate to the claim.
- A Plan of Action, which details plans for Evaluations and Negotiations.
- A list of related Matters and pending Litigation.
- A History of all non-financial claim events.
- A Calendar of upcoming Activities and Litigation.
- An FNOL Snapshot (First Notice of Loss), and The New Claim Wizard, that facilitates entering this information into ClaimCenter.

Figure1: snapshot of First Notice of Loss (FNOL)

1.2. Automating the Claims Management Process

The ClaimCenter application guides users through each of the following claims management process steps:

1) First Notice of Loss (FNOL)

Initial claim information can be entered either directly into the ClaimCenter application, using the New Claim Wizard, or it can be imported from an external system, such as a Call Center application or a 3rd party outsourced system.

2) Claim Setup

After the initial claim information has been entered into ClaimCenter, the system will run business rules to segment and assign the claim. ClaimCenter's business rules also assign initial activities for handling the claim. This initial workplan of activities establishes initial priorities in conformity with best practices and provides adjusters with a starting point for their work.

3) Claim Management - Investigation and Evaluation

ClaimCenter facilitates all the planning, investigation, and evaluation steps in the claims management process. Adjusters are able to record their investigative notes, collaborate with other adjusters and internal experts, and view high priority or overdue claims quickly before they become problem claims.

4) Payment and Recovery

ClaimCenter facilitates the tracking of claims reserves, payments and any salvage or subrogation activities.

1.3. Benefits of Using ClaimCenter

ClaimCenter's target benefits include:

1) Reduced leakage

ClaimCenter lowers adjustment expenses and eliminates unexpected processing fees.

2) Improved adjuster efficiency

ClaimCenter provides a highly intuitive workspace for adjusters and supervisors to manage the claims process, whether they are connected to or disconnected from the corporate network. Many routine tasks are automated or facilitated, enabling higher productivity.

3) Distributed Collaboration

ClaimCenter manages distributed participants such as fraud investigation units, collision repair shops, and claimants.

4) Coordination

ClaimCenter frees adjusters and supervisors from needing to juggle thousands of activities on hundreds of open claims being managed by a group of adjusters at any given time. ClaimCenter ensures that critical activities are not forgotten, dropped or delayed --- thereby forestalling customer dissatisfaction, fines or litigation. It coordinates the distribution of work on a claim across people inside and outside the organization, so that lower cost employees can handle routine activities and experts are freed to handle only the most difficult issues.

5) Guidance

ClaimCenter embeds best practice guidance for adjusters and supervisors through automatic workplan generation and suggestions to guide discretionary additions to a claim's workplan.

6) Visibility

ClaimCenter ensures that supervisors are aware of claims and activities within their group in real time, instead of relying on reports that are weeks old. Identifies problem claims quickly so supervisors can intervene before the problems grow.

7) Measurement and improvement

ClaimCenter provides executives with better information about claims handling within the organization, allowing best practices to be tuned to provide continuous process improvement over time.

1.4. ClaimCenter Users

The main users of the application will be claims adjusters, supervisors, and clerical staff. These are the people within an insurance company's claims organization who are managing claims on a daily basis. Other users of the application include administrators, internal specialists and external vendors.

The following lists all of the expected users of the ClaimCenter application:

1) Adjusters: Process 30-150 open claims at a time, managing their daily activity work plans
2) Supervisors: Manage teams of adjusters and monitor their claims, watching for problem claims
3) Higher Level Managers: Access real-time reports and drill into details of specific claims files.
4) Administrators: Create, edit and manage rules for claims segmentation, assignment, work planning, problem planning and escalation.
5) Internal Specialists: Work on details of specific claims that require expertise in certain areas (for example, Medical Injury Claims).
6) External Vendors: External providers of claim-related information and validation

2. NEW CLAIM SETUP

2.1 Overall Process: New claim creation end to end

Most of a claim's life occurs after it reaches an adjuster who investigates the claim, pays expenses related to the claim, and so on. However, there are a number of important processing steps and decision points that occur during the "new loss" phase of its life. These steps make sure that the claim data is entered into the system properly so that it becomes a "well-formed" claim.

ClaimCenter has been designed to streamline insurance carriers' existing processes for triaging and routing new claims—getting the right claim to the right person as quickly as possible. However, ClaimCenter also allows human judgment to intervene in the segmentation and assignment of claims so that information—which may be obvious from a textual description but which cannot be understood by automated rules—can be used to make better decisions about the handling of the claim.

The figure 2 shows the flow from entering the data for a new claim into ClaimCenter until it is ready to be worked on by an adjuster. While the FNOL may be received by many methods - including fax, phone, web, and others - the data is always either entered directly into ClaimCenter screens or loaded from an external data feed, which is represented in the diagram as a feed from the call center application.

The following lists the steps in the automated new claim setup process for ClaimCenter:

1) Call Center FNOL: This represents initial claim data entry outside of ClaimCenter. The loss could be taken in a call center application and fed to ClaimCenter as XML formatted data. The process helps pull in initial loss information from external systems so they can be categorized accurately and routed to the right claim handler.

2) Claim Entry in ClaimCenter: This represents a new claim set up directly in ClaimCenter. This could be done based on receiving a faxed FNOL form, for example, or while speaking with a claimant on the phone. The New Claim Wizard helps automate the entry of new claim information within the system.

3) Segmentation: This is an automated step to determine what kind of claim this is and what handling strategy to employ for it.

4) Assignment: This is an automated step to determine who should ultimately handle the claim and each of its associated exposures and workplan activities.

5) Workplan Generation: After segmentation and assignment, rules will be run to create the initial workplan (list of activities) that should be completed in order to process that type of claim. This may also require manual assignment for activities assigned to certain groups. However, the claim can be released to the adjuster to work on even if not all of the activities have been assigned yet.

6) FNOL Review: Some companies have a manual step after initial claim data entry to make sure the claim is properly set up. This might be required because the information received from the FNOL call center system is incomplete. In this case, ClaimCenter can automatically create an activity for someone to review the FNOL and make any necessary changes or assignments.
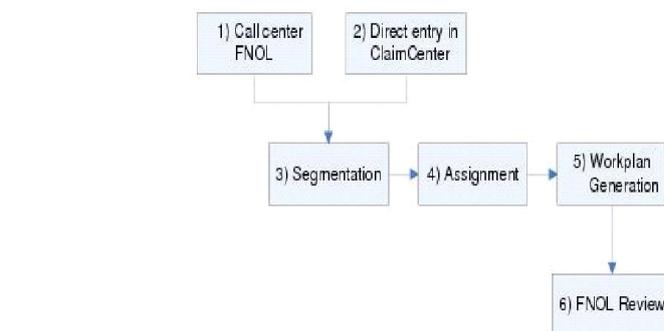

Figure2: New claim set up process

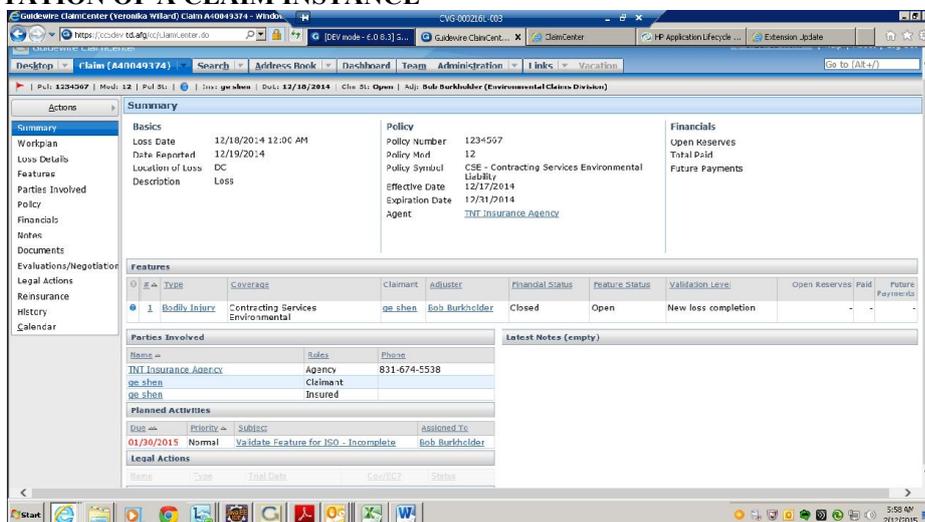## 3. IMPLEMENTATION OF A CLAIM INSTANCE

Figure3: Screenshot showing Mock up of a claim center application

3.1 Policy

Every claim is a claim against one insurance policy. The claim's policy is the key to ClaimCenter operation: its existence allows the claim, its coverages map to a claim's exposures; and its coverage limits bound claim payments.

A verified policy is one that contains data provided by an external system. Most insurance carriers have a separate system for managing policies, and ClaimCenter can communicate with your policy system, find a particular policy, and pull its information into ClaimCenter claims. When a policy is verified, you can have ClaimCenter refresh the policy data from the external system, thus keeping the ClaimCenter data in sync with any recent changes.

An unverified policy is one that is managed entirely within ClaimCenter. If your external policy system is not available, for example, you can create an unverified policy and enter basic policy information. This allows you to create the claim immediately and then later verify the policy when the system becomes available again. You may also not have an external policy system at all, or not have one that is integrated with ClaimCenter. All of these are good reasons to create an unverified policy yourself.

Because a verified policy represents data from an external system, there are restrictions on how you can

modify it within ClaimCenter. You can also de-verify a verified policy, or verify an unverified one. All of these actions have special behaviors of which you should be aware.

3.2 Incidents /Exposures or features

ClaimCenter uses the term incidents to refer to events which cause losses. An incident, such as an automobile accident, could result in claims being filed by several drivers. Each claim could have a number of exposures, depending on injuries and property damages. All this could be due to a single incident. Or, a number of claimants may call a first notice of loss (FNOL) call center and describe their own injuries and/or auto damage; this could result in a number of incidents that together might become multiple exposures on a single claim.

Exposure is one of the liability items of a claim, associating a claimant with particular policy coverage. Each claim's exposure relates one coverage to one claimant; different exposures on a claim always have a different combination of a claimant and coverage. For example, an auto accident claim would typically have an exposure for the owner of each vehicle damaged, for each person injured and for each owner of damaged personal property.

This claimant/coverage association is central to the way ClaimCenter organizes and processes claims. ClaimCenter uses exposures as the basic unit of potential liability, and tracks financial details by exposure or subsets (cost types and cost categories) of exposures.

3.3 Workplan

Activities are ClaimCenter's central organizing concept for tracking the completion of all varieties of tasks. Dividing a claim's work into activities, then making list of these activities to track them to completion, defines everything that must be done to settle every claim.

The Claim Segmentation process creates an initial set of activities for a new claim, but additional activities may be added to the claim at any time.

The set of all activities for a claim is called the claim's Workplan. It includes all activities, whether or not they are completed or assigned to a specific user. The Workplan view provides both a view of what remains to be done and a history of what has been done and when it was done. The entries on this view are activities identical to those on the adjuster's Activities List, except here they are collected to show all activities specific to a given claim.

3.4 Loss Details

The Loss Details section of ClaimCenter displays all the information typically gathered during the first call from a claimant.

The Loss Details section contains various sections of standard claim information. To change the information listed, click Edit.

Besides the main Loss Details section, It has these sub tabs:

1) Assessments: Assessment is the process of evaluating the value of lost or damaged property, then providing and monitoring the services required to indemnify the insured and cover related expenses.

2) Claim Associations: Claims are not always completely independent; one claim may be related to others, and it is often useful to associate such claims with one another.

3) Subrogation: A carrier sometimes settles a claim, knowing that another party may be liable for the costs, and then attempts to recover those costs from the other party in behalf of their insured.

4) Fraud (Special Investigation Details): Fraudulent claims are a continuing problem for all who handle them, and identifying suspicious claims is difficult. Too often, flagging a suspicious claim is left to some ad hoc process that might be different for each adjuster. ClaimCenter, recognizing the importance of uncovering fraudulent claims, provides a mechanism to help you determine when to further investigate a claim.

3.5 Parties Involved

The Parties Involved section of a claim lists all the people and organizations associated with the claim. Involved parties can be divided into two categories - users and contacts - which are displayed by selecting one of these sub tabs:

- Contacts: people, companies, vendors, or legal venues associated with the claim; the people do not directly use ClaimCenter.
- User: anyone interacting with ClaimCenter is a user; claim users either have work on the claim assigned to them, or have a user role on the claim.

3.6 Financials

Financials provides views of all the financial transactions that are related to the claim. This may be a read-only view of transactional information imported from an external financial system, or it may be editable information managed in ClaimCenter. The chapter called "Financials" contains details of everything involving financial matters.

Financials has the following sub tabs:

a. The Financials Summary page shows an overview of reserves, payments, recoveries, and total amount incurred for the claim. You can sub-total the amounts grouped by exposure, claimant, coverage, and other criteria.

b. Transactions: This page lists all of the individual financial transactions for the claim.

The following columns may be displayed on this page:

1) Type: Type of transaction, such as reserve, payment, or recovery.
2) Exposure: Exposure that is associated with the payment.
3) Coverage: Insurance coverage related to the transaction.
4) Cost Type: Cost type associated with the transaction.
5) Cost Category: Cost category associated with the transaction.
6) Status: Status of the transaction, such as Submitted or Pending Approval.

c. Checks: This page lists the checks that have been generated for the claim.

The following columns may be displayed on this page:

1) Gross Amount: Amount of the check.
2) Issue Date: Date on which the check was issued.
3) Scheduled Send Date: Date on which the check has been or is scheduled to be sent to

the payee.
4) Status: Status of the check, such as Issued or Pending Approval.

3.7 Notes
The Notes page is the most important place where claim information is stored. This page contains controls on the left for filtering the notes, and a section on the right showing the notes related to the claim

Documents
ClaimCenter manages claim-associated documents. These documents can be either online documents (existing or created within ClaimCenter) or hard copies. For example, you may write and send the insured a letter to acknowledge the claim, the claimant may e-mail you a map of the loss location, or there may exist a xerox of a written police report. You can manage all of these varieties of documents in ClaimCenter.

As part of its ability to handle claim documents, ClaimCenter's default document management system allows you to:
1) Create new documents, involving templates and optional approval activities.
2) Store documents, both those you create and those received from other sources.
3) Search for documents associated with a claim, and categorizing them to simplify the searches.
4) Link to external documents.
5) Remove documents.
6) Associate a document to a single claim, exposure or matter.
7) Associate the creation of a document with an activity.
8) Create and send a document with rules or in workflows.

3.8 Plan of Action
The Plan of Action section of a claim tries to help you settle complex claims without resorting to legal action. It has two tabs:
1) Evaluations - this page tracks the expected claim liabilities and helps you evaluate a claim's possible, expected and worst-case cost scenarios. It helps you track both actual claim costs and possible punitive damage costs. Knowing the potential financial exposure will help you in both negotiating a settlement and planning your response to any litigation.
2) Negotiations - this page helps you plan how you will discuss the claim when negotiating a settlement with the claimant or representatives of the claimant.

3.9 History
The History page provides an audit trail of actions taken on the claim. It records all the events associated with a claim, including the viewing actions: tracking whenever a claim is viewed.

3.10 Litigation
For claims that involve legal action, the Legal Matters page shows the legal matters that are pertinent to the claim. A matter is the set of data organized around a single lawsuit or potential lawsuit. A matter includes information on the attorneys involved, the trial details, and the lawsuit details.

3.11 Calendar
ClaimCenter offers a variety of calendars to help organize activities. They display activities in both monthly and weekly views. You may reach these calendars from both the Desktop and Claim tab, and filter the displayed activities in a number of ways, and see activities from many users if you are a supervisor. You may still filter the activities to show those related to legal matters; the calendar becomes a legal calendar.

3.12 Guidewire Studio
Guidewire Studio is ClaimCenter's administration tool for creating and managing resources, which includes: rules, classes, libraries, and script parameters.
Using Guidewire Studio, you can do the following:
1) Create and edit individual rules
2) Manage the rules and their order of consideration within a rule set
3) Create and manage custom library functions
4) Create and manage GScript class libraries
5) Access rule sets, GScript classes, and other resources stored in a SCM (Source Control Manager) system

Guidewire supports running Studio on the Microsoft Windows operating system only. It is available to users with the "Rule Administration" role.
Note: Guidewire Studio stores Studio-specific configuration parameters in file cc-studio-config.xml, placed in the same location as the Studio executable.
ClaimCenter helps your company implement its business rules and best practices by encoding them as decision rules which govern ClaimCenter behavior at almost all decision points. The ability to add rules and sets of rules that govern business behavior is the main way in which you customize ClaimCenter to your business model.

3.13 Overview of Guidewire Studio
To run Guidewire Studio, you must have a valid instance of the ClaimCenter server up and running (meaning that you should be able to log into ClaimCenter, if desired). Note that Guidewire only supports Guidewire Studio running on the Microsoft Windows platform. You start Studio from the Windows command line.
To start Guidewire Studio
1) Open a Windows Explore window and navigate to the following location:
   a. ClaimCenter/bin
   b. Note that this is the bin directory of your root ClaimCenter application directory.
2) Double-click studio.bat to open the Guidewire Studio login dialog box:
3) When prompted, enter your user name and password at the login prompt. The main Studio screen appears. Note that only users with the "Rule Admin" role can log into Guidewire Studio.

3.14 Managing Guidewire Studio Resources
You use Guidewire Studio to manage the resources used by Guidewire ClaimCenter. Studio-managed resources are file-based and all are strongly typed. The following are all Studio-managed resources: GScript rules, GScript libraries, GScript classes, and script parameters.
ClaimCenter stores all Studio resources either in a

local file system or in a Source Control Manager (SCM) system. Studio loads these resources once during start up. (You set the location of Studio resources through the Configure Settings dialog box.)

Figure 4 illustrates the connection between Guidewire ClaimCenter, Guidewire Studio, the ClaimCenter application server, and the ClaimCenter database in a development environment.
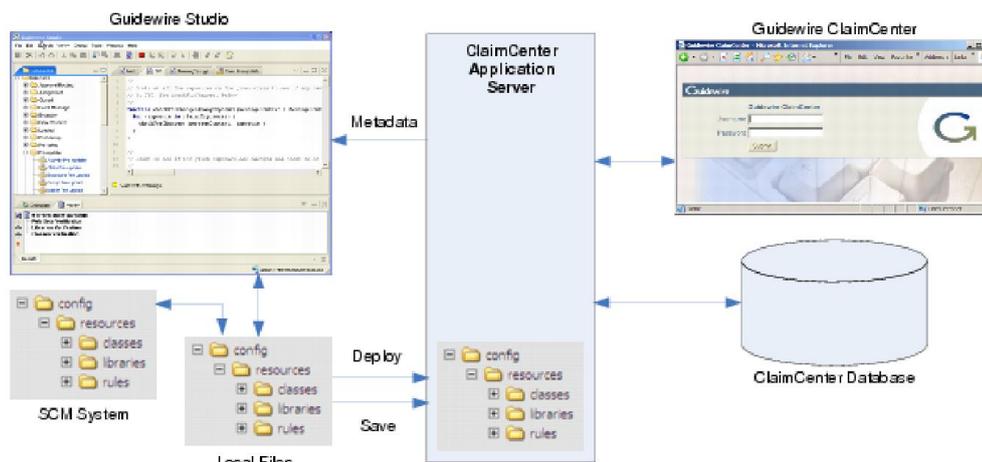
Figure 4:Architecture of Claim center

4. GUIDEWIRE BUSINESS RULES

ClaimCenter helps companies implement their business rules and best practices by encoding them as decision rules that the system can use to govern the behavior of ClaimCenter at many critical decision points. The flexibility of the Rule Engine allows you to configure rules that assist in the processing of claims, exposures, and reserves from within ClaimCenter.

There are two types of Business rule set categories:

1) Categories based on business logic, such as Validation, Assignment, Segmentation and other categories representing these business ideas.

2) Categories based on ClaimCenter events, such as completing one screen of a wizard and moving to the next screen. These categories include Pre- and Post-Update, On Close, and On Reopen. Each of these categories contains rule sets affecting one entity, like a claim or exposure.

The minimal set of sample rules that Guidewire provides with Guidewire ClaimCenter are enumerated in table 1 as follows:

Table 1: Explanation of Rule set category

| RuleSet Category	Contains rules to
Approval Routing	Route approval activities for a transaction that requires approval to the appropriate user.
Assignment	Determine the responsible party for an activity , claim, exposure or matter.
Bulk Invoice Approval	Define the approval requirements for Bulk Invoices.
Closed	Perform an action when you close an activity, claim, exposure, or matter - for example, sending a notification.
Event Message	Handle communication with integrated external systems. Refer to the ClaimCenter Integration Guide for information events and event messaging.
Exception	Specify an action to take under certain circumstances; for example, if a claim has been touched (or has not been touched for a certain number of days), then create a review activity.
Initial Reserve	Determine the initial financial reserves that are created for a new exposure.
Loaded	Trigger automatic actions when a new claim is loaded using the FNOL import interface.
Post-setup	Trigger automatic actions whenever a new claim is added to ClaimCenter. These rules run after the Assignment and Workplan rules complete their execution.
Pre-setup	Trigger automatic actions whenever a new claim, exposure, matter or transaction is added to ClaimCenter. These rules run prior to the execution of the Segmentation, Assignment, and Workplan rules.
Pre-update	Trigger automatic actions whenever a claim or other high-level entity changes.
Reopened	Trigger automated actions on reopening a claim or exposure.
Segmentation	Categorize a claim or an exposure based on complexity, severity of damage, or other attributes.
Transaction Approval	Ensure that a user has authorization to submit a financial transaction.
Validation	Check for missing information or invalid data on Address Book, Claim, Exposure, Matter, Policy and Transaction objects.
Workplan	Add initial activities to a claim, exposure or matter as a checklist of work that various people need to do on the claim.
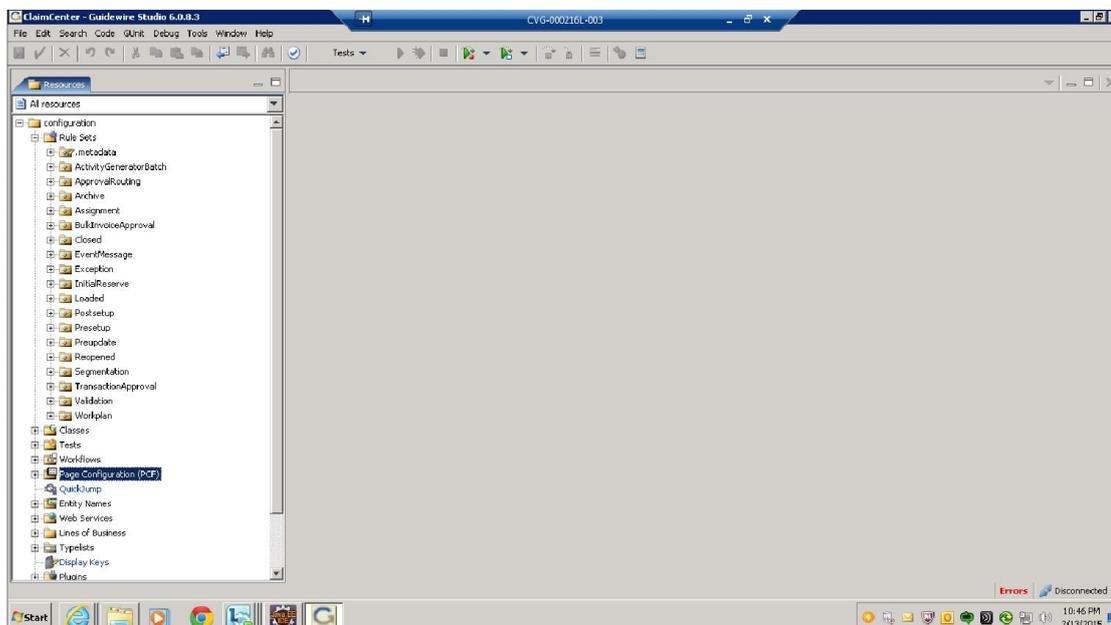
Figure 5: Screenshot showing Mock up of Guidewire Studio

5. CONCLUSION

Guidewire's technology platform enables guidewire users to reduce long-term cost of ownership by consolidating on a single suite of applications .As well, gain complete control over their core applications due to the extensive configurability of the Guidewire platform, coupled with an insurance-specific rules engine.

Users benefit from responsive, easy-to-use applications, and growing companies can support larger populations simply by adding more servers. Insurers can share a common set of skills and knowledge across their core systems portfolio, and business and IT team members who know how to configure, write business rules for, or integrate with one Guidewire application can immediately work with any other of our applications.

Because automated tests protect, applications against regression, new functionality can be added rapidly. As a result, critical new functionality can be delivered in a few months rather than requiring a year or more of planning and development.

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The product includes information that is proprietary to Insurance Services Office, Inc (ISO). Where ISO participation is a prerequisite for use of the ISO product, use of the ISO product is limited to those jurisdictions and for those lines of insurance and services for which such customer is licensed by ISO.

This product includes software developed by the Apache Software Foundation (http://www.apache.org).

Product Name: Guidewire ClaimCenter

Product Release: 7.0.0

Document Name: Guidewire Glossary

Document Revision: 28-April-2008

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