



NORCAL reimagines claims management, creating competitive advantage

Insurer leverages BuildOnMe and ServiceNow to run end-to-end claims processes

The NORCAL Group of companies is a leading provider of medical professional liability insurance (MPLI). Founded more than 40 years ago, the company has grown to become the fourth largest underwriter of physicians and surgeons nationally. NORCAL protects more than 32,000 insureds across the country in diverse specialties. The company is noted for its financial strength and stability, earning an A.M. Best “A” rating for 34 consecutive years, as well as for its industry-leading risk management and educational services.

Turning claims management into a competitive advantage

As with other insurance providers, NORCAL depends on its claims management processes and systems; however, NORCAL has a unique perspective on claims management. It believes that claims management is a competitive differentiator.

According to NORCAL’s Chief Claims Officer Tim Smith, “Claims management is a critical core process. It can make or break an insurance company. However, many insurance companies’ claims practices have not kept pace with the needs of their companies to more effectively manage claims or improve the experience for their customers. Too often, the focus is on simply gathering information and processing claims, and not leveraging that data to better manage and reduce risk. Additionally, many insurance companies still rely on manual claims processes, which increases costs, increases the risk of error, and contributes to a poor policyholder experience.”

Existing claims management system and new way of thinking

NORCAL’s Vice President of IT Mike Perkins agrees, “We had a claims management system that captured information well, but made acting on it more cumbersome than we would like. We felt we could do better. We wanted to reinvent our claims process, but we couldn’t do that with the existing technology. What we needed was a unified approach to managing claims, data, and processes—an integrated, automated solution providing improved visibility and management of claims and the associated risks, while enabling us to leverage data more efficiently and in new ways.”



Headquarters

San Francisco, CA

Geographies

North America

Industry

Insurance

Challenges

- Deliver a unified approach to managing claims
- Provide visibility into claims management and associated risks
- Deliver a customer-centric policy experience

Highlights

- Integrate and automate work across the entire claims lifecycle
- Improved policyholder experience
- Leverage AI to drive down risk and cost

ServiceNow products/solutions:

Customer Service Management, Platform, and BuildOnMe

Results

- Elimination of manual entry and administrative work from the claims professionals
- Single source record of incident connected to every policy
- Increased employee and customer satisfaction

Reimagining claims processes to take advantage of technology

NORCAL knew that it couldn't reinvent its claims processes with its existing claims management tools and achieve their goals. They decided to work with BuildOnMe, a ServiceNow partner, and its flagship product BuildOn Claims within ServiceNow to manage the complete claims lifecycle and provide a group of new capabilities.

According to Perkins, "The combination of BuildOnMe's experience and ServiceNow's platform allowed us to look beyond our existing claims management approach. We didn't just port our existing claims management processes to ServiceNow. Instead, we reimagined our processes to more closely integrate our insureds and defense counsel into a central system. NORCAL's Claims Information Assistant (CIA) within ServiceNow is a single pane of glass for claims management, an exciting, new application within our core insurance systems that enables multidisciplinary collaboration."

Streamlining work and improving the policyholder experience

Today, ServiceNow streamlines NORCAL's claims process, starting with the First Notice of Loss. Whether a new matter is reported by phone, email, or the online reporting form, NORCAL's representatives use CIA to record the matter, which automatically pulls in policy and contact information from NORCAL's policy management system. This eliminates manual entry and administrative work from their claims professionals, and ensures there is a single source record of the incident connected to the policy.

Claims directors can then use their ServiceNow dashboard to assign work to individual claims specialists and defense counsel. Each claims director has a dashboard with incoming claim volumes and workloads. They can also drill down into individual claims if they have questions or would like to provide input.

Smith says, "We're changing the way we manage work. All claims are not the same, and by having the ability to easily drill down, our claims directors can understand the effort needed for each claim and make more informed assignment decisions. That allows for better balanced workloads, faster response times to our policyholders, and significant positive financial impacts."

All communication with the insured is performed through the secure ServiceNow portal ensuring confidentiality and storage of all communications support documents into a single file connected to the policy. NORCAL claims specialists now have a single pane of glass to manage the entire claims process. All actions can be initiated from the dashboard from turning loss notices into events to offering claims to defense attorneys. It is all automated and tracked in a safe and secure environment, along with supporting documentation such as transcripts of depositions and testimony, and medical records.

Leveraging artificial intelligence to drive down risk and cost

For NORCAL, managing processes is only one piece of the puzzle. The company sees huge potential in applying artificial intelligence (AI) to the claims data held in ServiceNow. Smith says, "We now have all of our data in one place. By applying intelligent analytics to that data, we can drive improvements through benchmarking and the identification of teaching opportunities. For example, we can identify loss drivers and explore how the delivery of care can be made safer. We can then turn that around into recommendations and education for our policyholders, which helps them to avoid risk and deliver better patient outcomes. That's a perfect fit with our leadership position in educational services, creating a real differentiator for NORCAL."



NORCAL's new process enables more effective activity management and tracking, automates data entry, streamlines flows, and develops descriptive, prescriptive, and ultimately predictive analytics. Realizing this vision required NORCAL to think and develop solutions very differently.

Perkins agrees. "AI and analytics let us fundamentally change the way we understand, manage and reduce risk. That's one of the key reasons why we are working with BuildOnMe and ServiceNow. Both companies are focused on AI, which means that we can leverage their capabilities to accelerate our claims transformation."

Creating buy-in and momentum

Finally, NORCAL stresses the human benefits of reimagining their claims process. Perkins says, "It all started with our development process. We brought in thought leaders early on, building a single virtual team spanning IT and Claims. As we progressed, we methodically pulled more people into the fold, creating a groundswell of support and ideation across the business."

"We got great adoption because we listened—people are happy when they see their ideas come to life. In fact, we now have front-line staff innovating and sharing, which means we're building enormous momentum. And, having tools that create efficiency makes for happy employees and that helps them provide better service to our customers. At the end of the day, the improved claims process and system allow us to protect, support, and serve our policyholders better."

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