

# BEST'S REVIEW® ISSUES & ANSWERS:

## CLAIMS AUTOMATION

## DIVERSITY & INCLUSION

## EXCESS & SURPLUS

Industry experts discuss touchless claims, the importance of bringing diversity and inclusion into the workplace and the growing opportunities in the excess and surplus lines market.

### Interviewed Inside:



**Bill Brower**  
*LexisNexis Risk Solutions*



**Juan Herrera**  
*Munich Reinsurance America*



**Scott Bayer**  
*Philadelphia Insurance Cos.*

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# Touchless Claims

Bill Brower, Vice President of Auto Claims for LexisNexis Risk Solutions, said auto claims experiences are at a record high. “Customers are very excited about the convenience of photo estimating,” he mentioned. Now is the time to digitize the FNOL process with real-time data. Following are excerpts of an interview.

## How much has the connected world changed insurance claims?

The smartphone has changed our lives dramatically over the last several years. Many changes were happening of course before the pandemic, but since COVID occurred this year, it has really ratcheted up the urgency around change and making it possible for customers to connect with us in ways that are more automated than they may have been accustomed to in the past. A recent McKinsey & Co. study asked consumers how they felt about self-service and would they continue after the COVID event. It was a little bit surprising to see that 79% of those surveyed said they plan to continue to use those self-service options after this pandemic. It definitely has changed our world in many ways.

## Have carriers begun to embrace touchless claims?

Insurance carriers have been really interested in reducing touches for many years. In 2017, LexisNexis Risk Solutions introduced our first future-of-claims study where we surveyed the industry to learn more about where the industry was going. We introduced this term called touchless claims. What we intended touchless claims to mean is a process where a customer could handle their claim by self-service, start to finish, without needing to contact a human at the insurance company. We are seeing companies embracing this. One of the very large national carriers recently announced publicly that they will provide a touchless claims option by 2022 for all of their customers who wish to use that type of solution.

## What do carriers need to consider to increase claims efficiencies?

The first thing carriers should do is evaluate where the human touch adds value and where it doesn't add value. That will help them to understand the areas that they can automate. Carriers tell us in our studies that three or more people touch the average claim. That's a lot of touches. That's a lot of hand-offs. One of the areas that I think is really ripe for automation is the reporting of the loss, which we like to call the first notice of loss.



- Transforming insurance claims management.

- Improving operational efficiencies.

- Enabling automation with confidence.

## Bill Brower

Vice President of Auto Claims  
LexisNexis Risk Solutions



**“LexisNexis Risk Solutions provides real-time data with just a few clicks, then routes to the adjuster who can have a much more customer-focused conversation, having already received the information.”**

Go to the Issues & Answers section at [bestreview.com](http://bestreview.com) to watch an interview with Bill Brower.

## How can carriers improve their customer experience?

As I talk with carriers about how to improve the customer experience, I recommend that we start with mapping the customer experience or map the claims process from the customer's viewpoint. In this way we're able to see when the customer is interacting with a claims professional and what is happening each step of the way. In doing that, we can identify what those steps are. The reporting of the first notice of loss perhaps, or maybe there are other steps in the process that data and the digital capabilities we have today can automate so that those are steps that don't require a human touch and instead allow this claim to be much more efficient. Those are areas that I'd really focus on.

A woman with dark hair and glasses is shown in profile, looking down at a smartphone she is holding. She is wearing a white shirt. The background is a blurred city street at night with various lights and buildings.

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# Munich Re Embraces D&I

Juan Herrera, Head of Diversity and Inclusion for Munich Reinsurance America Inc., said the company has a three-year D&I plan. “Our plan focuses on enabling our leadership to be at the forefront of D&I, making sure that we’re giving managers the skills they need to manage teams that are diverse, and supporting our businesses, as well as recruiting and retaining top talent,” he said. Following are excerpts of an interview.

## Why is diversity and inclusion so important to business today?

Diversity and inclusion is important to our businesses for a number of reasons. There are numerous studies that show that companies that are more diverse and inclusive have teams that are more collaborative, more innovative, and ultimately, these companies are more profitable. Also, if it matters to your employees, if it matters to your customers, clients and brokers, it should matter to you.

## Why is D&I particularly important to the insurance industry?

We are in the middle of a talent gap, as baby boomers are reaching retirement age at the rate of 10,000 a day. While they’re not all retiring at the same rate, it still has a particular impact on our industry. We need to ask, “What are we doing to make sure that we are an attractive industry to a different or newer segment of the U.S. workforce?” Also, the other thing that we do understand about our industry is that we are going through a lot of changes. If we want to be competitive, if we want to succeed, we need to attract people with very specific skill sets, whether it’s AI, or data analytics. These are skills that companies across all industries are competing for, so competition for talent is fierce. Our value proposition needs to be clear.

## What can companies can do to advance their D&I initiatives?

Messaging is an important part. Making sure you’re clear around what it is that you’re doing, because it’s easy to misconstrue what D&I is about. The more simple you can make your messaging, and communicate that in different ways so all colleagues can embrace what it is that you’re doing, is probably one of the things that can make your efforts that much more successful. Make sure you have a top-down as well as a bottom-up approach, where senior leaders own these efforts, and employees, regardless of level, have an opportunity to be involved.



- Fostering a culture of diversity.
- Understanding the importance of inclusion.

## Juan Herrera

Head of Diversity and Inclusion  
Munich Reinsurance America



“Strong messaging is a very important part of a successful D&I initiative, and we believe we are sending that message loud and clear at Munich Re.”

Go to the Issues & Answers section at [bestreview.com](https://www.bestreview.com) to watch an interview with Juan Herrera.

## What are some examples of activities that Munich Re is doing in support of D&I?

Initiatives that we’re doing to support our three-year plan include our executive board hosting small group conversations across the company. All employees can sign up, join and hear first-hand from our executive board what D&I means to them, and what we’re doing at Munich Re to make sure that D&I is successful. Other initiatives revolve around supporting our people managers and giving them the tools and resources they need to be successful.

We’ve looked at our recruiting process, from where we source to how we interview and how we assess talent. We’ve embedded best practices across the regions to make sure that we truly are hiring the best and not just the most familiar. These are just a few examples that we’re doing and how we’re measuring. We are committed to continue learning, growing and ensuring our industry and our company are more diverse and inclusive.

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# E&S Opportunities Abound

Scott Bayer, Senior Vice President, E&S Insurance Solutions, for Philadelphia Insurance Cos., points out that their year-to-date quote count is up over 30% year over year. “That’s really been an emphasis for us in 2020 and a number we’re very proud of considering a market that’s in a state of flux,” he said. Following are excerpts of an interview.

## What does the current E&S market look like?

Surplus lines grew in 2019 by over 11%, and it’s increasing even more in 2020. We’ve seen growth come from the dislocation of business or from the standard market, along with rate increases that have allowed companies to grow organically. We’re finding that disciplined E&S companies want to take advantage of the market and grow their books that fit their risk appetite as well as their expertise and stay in their lanes. There’s so much opportunity within these standard E&S lanes. E&S is experiencing opportunities with businesses moving out of standard markets, either due to risk appetite or underwriting profitability. PHLI is seeing an uptick of submissions and binders that reflect increased opportunities across the desks of all three of our departments.

## Do you see any difference between the small accounts and the larger business in E&S?

I do see a tremendous difference between larger and smaller accounts in the E&S space. Large accounts look great on a production report. Writing them will typically result in some celebratory high fives around the office. That said, they really present a tougher sliding scale of rate. Your rate online for a larger account tends to be smaller. As the exposure and premium increase, the overall rate tends to decrease. That’s OK for one account, but if you build a book of business on larger accounts, your rate tends to be a little less adequate than on smaller to midsized accounts. PHLI E&S targets more in the small to middle market accounts. The servicing can be simple with fewer exposures and locations. Small accounts also tend to have higher renewal retention.

## Do you see segments at PHLI that are experiencing exceptional market change?

Our experience in environmental has been superior. Mostly this is on the backs of the underwriters on our team. Many of them have environmental science or engineering degrees and come from consulting backgrounds. They understand the science behind the business they write. It’s a growing and profitable piece of our book. We expect that growth to continue.



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## Scott Bayer,

Senior Vice President, E&S Insurance Solutions  
Philadelphia Insurance Cos.



“In today’s market, we emphasize to our underwriters [to] consider a target of expiring premiums, because that’s always been the gold standard in our business.”

Go to the Issues & Answers section at [bestreview.com](http://bestreview.com) to watch an interview with Scott Bayer.

## What are the areas of business where PHLI E&S Solutions excels?

At PHLI we concentrate our efforts around speed of service. In what we consider the old E&S world, and one in which I grew up, most underwriters wait for carriers to lay their cards on the table before stepping up. They’ll wait for all the terms, all the quotes to be out there, and then decide whether it’s an opportunity to formalize a quote and to spring into action. We’re in a different time right now. While we ask appropriate questions, we do our best to get the quote out of the door quickly. We want the broker and the insured to either make a quick decision or have the time to come back and ask questions. In the same way, if we’re not a market for the opportunity, we’ll let the parties know quickly, and allow them to locate that market. We want to provide that service fast and give the insured an option so that they can be comfortable in the decision process. It’s very effective in today’s market. It’s probably even more effective than any advertising that I can come up with.

