



LV= Uses Guidewire to Handle Surge of Flood Claims with Ease

UK Insurer Achieves Record Customer Satisfaction Rates with ClaimCenter

CASE STUDY



“The storm event was very difficult but having everyone on board and using ClaimCenter has really helped.”

—Ian Marsh, Technical Home Claims Manager, LV=

Liverpool Victoria (LV=) is the UK’s friendly society with more than five million customers. Founded in 1843, it is headquartered in Bournemouth, Dorset, and offers a range of products from motor, home, pet, travel, and life insurance, to investment and retirement solutions.

Looking After What People Love

“The mission of LV= is to look after what people love,” says Peter Horton, chief operating officer of LV= General Insurance. The company takes that mission seriously. Speak with anyone at LV=, from personal assistants to claims handlers to financial analysts, and they will tell you stories of how the company has gone above and beyond to serve its customers. For example, during the 2013 Christmas holiday season, after policy holders in southern England suffered severe flood damage, LV= diverted resources so that customers’ claims were handled as quickly as possible at a time of great stress for claimants. LV= even went as far as to provide many families Christmas dinner while their homes were being repaired.

Legacy System Slows Workflow, Increases Costs

Like many insurers, LV= had an ageing core system that needed replacing, and in 2009 it decided to upgrade its claims system.

“The old system was antiquated,” explains Kristy Emerson, home claims team leader at LV=. “It didn’t do anything.”

Hayley Mant, LV= home claims manager, agrees. “There were a lot of limitations. There was no proper validation,” she says.

The system made it difficult to process claims, identify fraud, and stop leakage. It also made it difficult to train new handlers, who each required seven weeks of training, followed by six months of hands-on experience before they were deemed to be competent on the system.



Liverpool Victoria Friendly Society

Headquarters:

Bournemouth, Dorset

Operations:

United Kingdom

Business Lines:

General Insurance, Life Insurance, Investments and Retirement Products

Employees:

5,700

Website:

www.lv.com

Products:

Guidewire ClaimCenter®

Benefits:

- Increased fraud detection savings by 40 per cent
- Achieved higher customer satisfaction scores, even during period of high claims
- Trained new claims handlers in days instead of weeks
- Processed tens of thousands of storm claims quickly

LV= Evaluates 12 Systems, Builds a Business Case

Before investing in a new claims system, LV= evaluated the products of 12 providers. It also built a business case detailing what it expected to gain from a new claims system so it could track return on investment from the very beginning of the project.

“The expectations were really high,” says Martin Milliner, claims director at LV=. “Benefits tracking created credibility with the board, with our executives, and with our employees.”

LV= Chooses Guidewire ClaimCenter

In 2010, LV= chose Guidewire ClaimCenter® as the claims platform for its home and motor insurance lines of business. The company followed an agile methodology in implementing the software, and that paid off.

“It made a massive difference having business people involved in the project,” explains Ruth Day, technical home claims manager. “I was able to say, ‘Yes, that’s exactly what I need.’”

Happy Handlers: “ClaimCenter is hands down 100 per cent better.”

Since adopting ClaimCenter, the feedback from the company’s 1,700 claims handlers has been overwhelmingly positive.

“ClaimCenter is hands down 100 per cent better,” says home claims handler John Nicholls.

“I like the diary system,” says Ian Marsh, technical home claims manager. “At a glance I can see what is paid on a claim, what the claim is, and what I have to do. ClaimCenter is an extremely useful tool. It is designed for what LV= wants.”

New Employees Trained in Days

Training new handlers is also easier.

“The beauty of ClaimCenter is just how user friendly it is,” says home claims manager Andy Lane.

“Everything makes logical sense. Teaching the system is easy. The system won’t proceed with a claim until it has the answer it needs.”

John Nicholls adds, “Training on the old system took over seven weeks. The Guidewire training was only three days.”

Increased Fraud Detection Savings by 40 Per Cent

LV= has saved significant sums in both training and staffing, but its biggest payoff is attributed to increased fraud detection.

“ClaimCenter has delivered fraud savings which far outstrip what we were achieving in the past by approximately 40 per cent,” says Martin Milliner.

“What ClaimCenter has been able to do for us is capture the right data, create the right information, so that we are able to narrow down our search for fraud. We can use different indicators to create fraud scoring, harness not just the hard data to detect fraud but also some of the soft indicators, the more behavioral indicators. This has resulted in record fraud detection rates and record fraud savings.”

“Guidewire complements our values and customer satisfaction strategy. Our customer satisfaction is at an all-time high.”

—Martin Milliner, General Insurance Claims Director, LV=

Severe Winter Storms Put LV= and ClaimCenter to the Test

In winter 2013–14, a run of severe storms hit the UK, creating the worst flooding since records began in 1766 and resulting in major property damage for many LV= policy holders.

“Lots of customers were devastated by the weather,” says John Nicholls. “They had Christmas trees floating around their living rooms.”

LV= Uses ClaimCenter to Handle Storm Claims with Ease

The Christmas storm alone resulted in 5,000 claims coming through the front claims office, at a time when suppliers and utility companies were shutting down for the holiday. The LV= claims department rose to the challenge, cancelling their holidays to serve customers.

“It was non-stop work,” says Kristy Emerson. “Our workload tripled and we really had to prioritise the work. ClaimCenter allowed us to do that.”

Hayley Mant agrees. “We couldn’t have done it on our old system,” she says. “With the new system, we were able to train people working on motor to manage home claims. Guidewire made it easy to train people in a couple of hours.”

LV= handlers used ClaimCenter to process tens of thousands of storm claims quickly, and to proactively contact customers who might have been affected by the flooding.

“We can pinpoint flood areas and pre-empt all of the details, make calls to see if customers are okay using ClaimCenter,” says Mant.

“LV= managed to contact all customers within 24 hours if not that day,” adds Ian Marsh. “The storm event was very difficult but having everyone on board and using ClaimCenter has really helped.”

Customer Satisfaction Rating Up During Storm Events

Despite the run of claims, the company’s customer satisfaction rating went up.

“We get amazing customer letters,” explains Haley Mant. “They are amazed at how quickly we can manage a claim.”

“For us to be able to triage a claim at the outset is really important, and Guidewire ClaimCenter enables us to do that,” says Martin Milliner. “It shortens the speed of the claim and improves customer satisfaction. Our customer SAT scores in January have actually gone up. In 2007, when we had previous flood events, our customer SAT nose-dived by about 15 points. This time it has gone up by three points. That’s an incredible outcome.” He adds, “Guidewire complements our values and customer satisfaction strategy. Our customer satisfaction is at an all-time high.”

About Guidewire

Guidewire delivers the software that Property/Casualty (P/C) insurers need to adapt and succeed in a time of rapid industry change. We combine three elements – core processing, data and analytics, and digital engagement – into a technology platform that enhances insurers’ ability to engage and empower their customers and employees. More than 200 P/C insurers around the world have selected Guidewire. For more information, please visit www.guidewire.com and follow us on twitter: @Guidewire_PandC.