Guidewire Predictive Analytics for Claims

Improving Claim Outcomes

DATA SHEET

Claims are by far the biggest expense for an insurer. Claims payouts and loss-adjustment expenses can account for up to 80 percent of an insurer's premium revenue. So the way an insurer manages its claims process is fundamental to its profits and long-term sustainability.

In this increasingly complex world, claims organizations can no longer rely simply on individual experience and professional judgment. Insurers need more than that. In fact, tools to augment and accelerate business decision-making have become the new imperative. The best tools leverage advanced machine learning capabilities to improve claim outcomes in a scientific way without human bias and with consistency through front-line implementation.

Predictive Analytics for Claims

For claim organizations that are focused on managing costs while increasing customer satisfaction, Guidewire Predictive Analytics™ for Claims delivers actionable insights, empowering insurers to make smart data-driven decisions throughout the insurance lifecycle. By analyzing multiple sets of data, providing guidance to front-line decision makers, and continuously measuring the business value, Predictive Analytics for Claims helps better manage claim indemnity and loss adjustment expenses.

SMART BUSINESS DECISIONS

- Actionable predictive insights directly delivered in Guidewire core systems
- Improve productivity by aligning right work with the right resources
- Improve customer satisfaction with responsive claims service
- Better manage claim indemnity and adjustment expenses
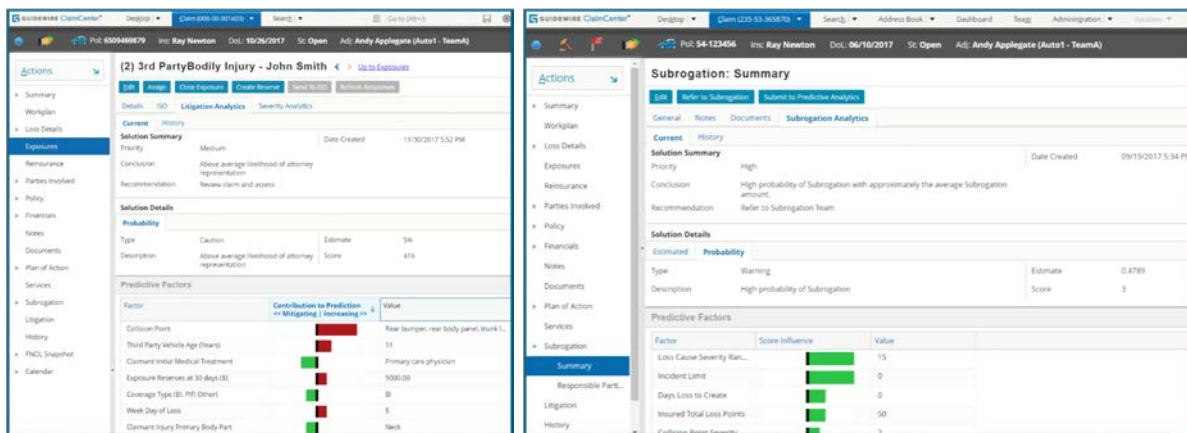- Proven models targeting specific business problems

Figure 1 Predictive insights embedded within ClaimCenter

Integration with Guidewire ClaimCenter and Guidewire InsuranceNow

To operationalize the models, Predictive Analytics for Claims seamlessly integrates with Guidewire ClaimCenter™ and with Guidewire InsuranceNow™ to deliver scoring results in real time along with the impacting predictive factors. Follow-on actions and activities are then automatically triggered in these core systems through configurations. In addition, Guidewire also helps identify key performance indicators (KPIs) to measure the business benefit and validate your return on investment (ROI). Because predictive models can grow outdated as external business conditions and internal claim processes continue to change, Guidewire also provides a complete lifecycle service that includes an annual model refresh to review and optimize model performance.

Predictive Analytics for Claims can be used across the claims lifecyle to improve outcomes; some of the most commonly deployed solutions are listed below.

Solution	Description	Business Benefits	Lines of Business
Initial Segmentation	Smart classification, routing, and assignment of claims immediately after first notice of loss or report of injury	• Increased efficiency and straight-through processing • Reduced reassignment rates • Improved claims productivity and reserving accuracy	• All
Severity Escalation	Early warning system for claims that are at risk of adverse development	• Targeted use of experienced resources • Manage indemnity and expenses for large claims • Lower litigation rates	• Auto/motor bodily injury • Workers' compensation
Subrogation Detection	Identification and referral of claims that have an opportunity for third-party cost recovery (e.g., collision or building subrogation)	• Increased creation or preservation of subrogation opportunities through early intervention • Increased recovery via reduced leakage and improved prioritization of opportunities	• Auto/motor physical damage • Homeowners and small commercial property
Litigation Risk Detection	Identification and escalation of claims that have a higher risk of being represented by an attorney or of entering litigation	• Lower litigation rates • Targeted use of experienced resources • Manage indemnity and expenses for large claims	• Auto/motor bodily injury • Workers' compensation

Figure 2 Solutions that can be deployed with Predictive Analytics for Claims

About Guidewire Software

Guidewire delivers the industry platform that Property and Casualty (P&C) insurers rely upon to adapt and succeed in a time of accelerating change. We provide the software, services, and partner ecosystem to enable our customers to run, differentiate, and grow their business. We are privileged to serve more than 350 companies in 32 countries. For more information, please visit www.guidewire.com and follow us on twitter: @Guidewire_PandC.

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