

System update

P&C claims execs want better claims systems

A staggering majority of property and casualty claims executives are clamoring for claims systems that are much more flexible and modern than the ones they're stuck with today. In fact, an Accenture survey revealed a whopping 85 percent of them are unhappy with their current systems.

"Today's digital-savvy, mobile-enabled consumers expect seamless, real-time interaction with their service providers," said Michael A. Costonis, a managing director in Accenture Property and Casualty Insurance Services, in a press release announcing the survey results. "For P&C insurers, that means reducing settlement times and enabling policyholders to interact with them about the progress of their claims when and where they want. A modern core claims system is essential to achieving all of these objectives."

The survey also found that nearly many of executives - 83 percent - believe their claims systems aren't even updated enough to allow them to make system change without pulling in IT.

Some of the survey's other highlight (or lowlights):

- More than half - roughly 54 percent - admit their core systems are older than five years and almost one-third (32 percent) of respondents say they rely on more than five different applications to process claims.
- Nearly 80 percent they're planning on a systems upgrade and nearly a third of them said its been more than three years since their last one.

On average, the bean counters at Accenture found that carriers are planning to spend more than \$17 million on claims systems over the next three years, "with total expenditures expected to reach more than \$2 billion within the U.S. P&C insurance industry. The top three priorities for investment are core claims system modernization and replacement (cited by 72 percent of respondents), analytics capabilities (49 percent) and workforce (49 percent)."

TOP 10 P&C CARRIERS

- 1) STATE FARM GROUP
- 2) ALLSTATE INSURANCE GROUP
- 3) LIBERTY MUTUAL INSURANCE COS
- 4) BERKSHIRE HATHAWAY INSURANCE
- 5) TRAVELERS GROUP
- 6) AMERICAN INTERNATIONAL GROUP
- 7) NATIONWIDE GROUP
- 8) PROGRESSIVE INSURANCE GROUP
- 9) FARMERS INSURANCE GROUP
- 10) USAA GROUP

Source: AM Best

COMPANY	PRODUCT NAME	AVAILABILITY	DISCOUNTS	DISTRIBUTION CHANNELS/ ENROLLMENT VEHICLES	MIN. GROUP SIZE	VOLUNTARY OR EMPLOYER PAID	BROKER COMP REQUIREMENTS
Liberty Mutual Insurance 175 Berkeley St. Boston, MA. 02116 800-260-2169 www.libertymutual.com/ employers	Auto & Home Voluntary Benefits Program for Employees	All states	Yes	More than 2,000 sales reps throughout the United States; Two direct call centers; Online quote and bind	50	Voluntary	Property & Casualty licensed required to receive commissions.
Travelers One Tower Square Hartford, CT 06183 866-348-5544 www.travelers.com/affinity	Travelers Auto and Home Insurance Program	All states except AK, HI, LA, ND, SD, WY	Yes	Call center, online, independent agents	500	Voluntary	P&C licensed in home state