



## Case Study – Claims Consultancy – Keeping the client in control throughout the change process

### Claims Consultancy – How the Client Stays in Control

For any SX3 major change project, it is important that as new information and insight emerges, it is fed back to ensure that the client remains in control of the direction and extent of the consultancy process. Our project plans always include regular informal stakeholder touchpoints as well as the usual predetermined stop/go milestones.

This case study outlines how this process worked to the benefit of a large insurer.

### When Taking Responsibility for your Customer’s Experience you don’t do Everything

A large General Insurer processes their claims, in house, via specialist teams each handling one part of the claims process - FNOL, triage, subrogation and so on. This approach works well for most of their customers. However, the insurer suspected that this operating model did not work as well for one low volume but high service demand subset of customers, which required a specialist knowledge that was lacking in house.

The insurer approached SX3 for assistance, instructing us to review and quantify their performance on these specialist claims and make recommendations for the best way forward to the benefit of both their customers and their bottom line.

### Structuring in Control Points that Empower the Client

**In this case, three break points were identified:**

#### Phase 1 – Quantify, Assess then Identify Options

SX3 reviewed the existing processes, interrogated performance data for the last 3 years, and interviewed key personnel connected with the claims – both in house and the connected supply chain. The Insurer now had the facts.

In addition, comparative handling practices elsewhere in the market were reviewed to determine optimum performance benchmarks and quantified the opportunities where there were shortfalls, provided options for improvement. The insurer could assess the scale of the opportunity.

The small volume of claims, high customer service demand, and average value of claim meant that the option of running a small specialist team in house was both uneconomic and may fail to deliver optimum performance. Moreover, the initial research performed by SX3 suggested that these claims could be better serviced by external specialists and in doing so deliver savings of circa £4.5m over 5 years.

Presented with the right information, in the right format, the decision is clear.



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### Phase 2 - Identify the best solution to deliver the business case.

Given the small volume of suppliers available in this area of specialism, a truncated tender process was employed. SX3 were asked to run the process, ensuring that the suppliers involved in the tender fully understood the expectations of the business case and sought evidence of the suppliers' capability to deliver in a sustainable way. For example, establishing how the company would deliver:

- To the external performance benchmarks
- The level of competency needed to deliver best in class performance
- The best fit for the insurer's supplier management strategy
- Commitments regarding customer service delivery
- Improvements to the financial performance of the claims.
- Management data and information that could be provided to underwriters to understand the performance of the account and make more accurate judgements on how to best develop this book of business

As a result of this phase, in addition to an enhanced customer experience, the financial benefits opportunity had increased to more than £8m over 5 years.

The initial decision is reconfirmed, and the best fit solution chosen.

### Phase 3 – Implementation - delivering the benefits

SX3 was then asked to assure delivery of the insurer's implementation objectives by:

- Mentoring the insurer's in-house change team to ensure the business case deliverables were understood and enshrined within the change plan activities
- Close engagement with the chosen supplier to ensure the service offering tendered was translated into transparent, enforceable service levels and commercial commitments
- Weekly updates to the project board
- Trouble shooting with additional resource as and where needed

SX3 team were finally asked to remain on hand as support to the client after the change went live to help bed in the changes implemented.

### The Flexibility and Expertise to Deliver Value for Stakeholders

A good process empowers the client to reaffirm the business case regularly with the opportunity to stop or go built into the approach. This ensures decisions are well supported by the facts and made at the right time.



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This highly collaborative process also ensures all stakeholders understand and embraced the changes being undertaken, helping to realise benefits early in the engagement.

Projects such as this often need access to a range of different claims experts (Technical Claims, Operations, Supplier Management). With over 40 claims experts within the Associate team, SX3 can provide these, but to ensure consistency we retain one team member to act as the lynchpin key individual to act as coordinator from start to finish.

In this case, the client happily retained SX3 at each stage, helped by the improving business case as it progressed. But it is not always like that – at SX3 we value a project halted for the right reason at the right time as an achievement. As you will have experienced, the alternative is all too common and can have horrible results.

[SX3 Case Studies](#) – are published to help prospective clients understand how value opportunities for the use of our services may be found and to give an insight as to how SX3 works with clients. All projects are unique and have more detail than can be expressed here.