

# Case study

Celaton

Automating the

## Insurance Claims

handling process

The Davies Group



# The Davies Group

**When handling insurance claims is the life blood of your business then there is absolutely no room for error – particularly if your clients are most of the major UK insurers including companies like Churchill, Admiral and Zurich**

This was the challenge faced by the Davies Group when they decided to vastly improve the way they handled claims through the use of the latest technology available on the market: “It wasn’t something we could do by trial and error. It had to work from day one and it had to work well” said Giles Fellingham, Operations Manager.

## The challenge

The company had just been through a management buy-out and the new team was determined to use technology to become a better business: “The way we handled claims was all too slow. We needed something that could dramatically reduce the manual intervention currently required but without having to change our existing process. If we were going to change, then it needed to be an easy change.”

At that time, the Davies Group was handling anywhere between 40,000 and 70,000 claims per month. The biggest challenge to the business was when there was a ‘surge’, the name given by the insurance industry to a massive increase in claims caused by floods, high winds or snow: “Not only were we handling a large number of transactions each month, we also had to resource and be equipped for sudden increases in the number of transactions due to events like snow or floods.”

This challenge is exacerbated by the fact that each claim would usually have several documents attached including photographs, witness statements, receipts and invoices. Typically these documents would come in through various media and at different times, all of which had to be indexed and linked.

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**Instream has proved to be immensely powerful and means that we can easily scale our business**

Mark Grocott,  
Head of Operations  
The Davies Group

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This was putting a huge amount of strain on the business, with claims being handled through a combination of manual operation and a system that was very old: “At that time we were in a bit of a mess. Some claims were taking 5 days just to be indexed on our claim handling system. We had delays and errors, and the system was falling down. We knew we had to change” added Giles.

The decision to introduce a new solution was taken in the April but the big challenge was the requirement to have it up and running before the next surge: “We know that this will start typically anywhere between October and December.”

## **The Solution**

With time at a premium and with a requirement to get the new system in quickly and right first time, the Davies Group needed to turn to someone that they could trust to deliver. Having worked with Celaton on other projects, it was Celaton’s inSTREAM solution that was chosen for this vital piece of work. Indeed, the actual implementation itself proved to be pain free and inSTREAM was in place just 3 days before the first surge: “The implementation went well. We had some behavioural changes our end as we introduced a system that meant that incoming mail went to 18 different mailboxes rather than to just one. This was designed to help with the workflow, to ensure that documents went to the right category more speedily.”

There was also a change for the IT department, as they moved to a software as a service model within the cloud: Said Giles: “We had our own servers but they were already overloaded. We weren’t concerned about moving into the cloud. We had known Celaton for a number of years and we’d established a lot of trust with them.”

Giles is delighted with inSTREAM: “It’s immense; it’s made a huge difference.” In what way? “Well, for example, we have an admin team that does all the indexing. Before we implemented inSTREAM we would spend at least one hour a day sorting out problems. Now they can just get on with it. So, that’s an entire team for an hour a day that we’ve saved for a start.”

Giles added that speed was critical, not only to be seen to provide a better service but also to fulfil SLA obligations set out by both clients – insurance companies – and the FSA: “ Take complaints, for example. We need to show that we are dealing with them within the first 15 minutes. inSTREAM™ enables us to do that.”

*Celaton instream learns autonomously to perform tasks that normally require human intervention and intelligence such as visual perception and decision-making.*

*That's the definition of Artificial Intelligence.*

Indeed, it is the combination of automated services and the ease by which highly trained personnel can assist the process that makes the difference: “We worked with Celaton to identify key words and phrases, such as ‘complaint’ or ‘ombudsman’. If it sees them then inSTREAM™ immediately routes it straight through to the right category. But you still need well trained staff who can instinctively see what needs to be done, and they can interact with inSTREAM™ to support the process.” However, Giles believes that the automated use of inSTREAM™ will grow as they become more used to it: “We have 50 or 60 categories that a document can be attached to. Well, if that document is sent by Celaton to the right category 100% of the time, then we can configure the business rules to identify certain words with categories. inSTREAM™ can then handle the indexing for those particular documents in a fully automated way.”

### **The results**

Mark Grocott, Head of Operations for Claims Management has been very impressed: "Insurance claims handling is the life blood of the Davies Group and there is a great deal of trust vested in Celaton and their technology. Their approach enables us to work with them in a flexible way that leverages the greatest value for the business. Their cloud based technology, inSTREAM™ has proved to be immensely powerful and means that we can easily scale to handle the forecast increase in claim volumes as we grow".

For Margaret Fraizer, who heads up the central admin team of six, the new system has proved to be a great success: “The difference it has made is massive. We used to literally deal with every bit of paper that comes in. Everything was paper based and some claims could have files which were two feet thick.”

Margaret described these claims: “Each claim could have a stack of documents attached. You would have statement of facts, estimates, invoices, photographs etc. and that would be for a simple claim. Then you’ve got claims to do with subsidence or loss adjustment due to a fire. All of these need indexing and so anything that can automate that process will make a huge difference.”

Before inSTREAM™ was implemented, the entire process was handled manually: “The documents would come in by post, the envelopes would be opened, the documents would then be physically taken to a filing cabinet where we would need to locate the claim file, and then add the documents to this file which would be getting thicker and thicker.

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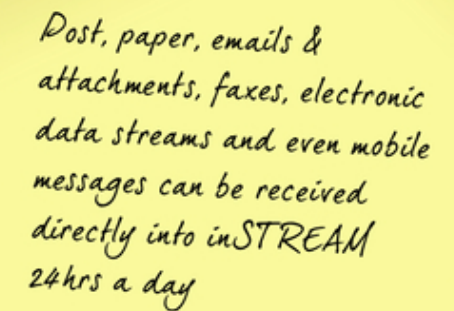
Giles Finingham  
Operations Manager  
The Davies Group

We now handle digital information instead of physical paper documents. It means that anyone handling the claim can access the file electronically and see all the documents and data attached to that claim. inSTREAM™ enables us to deliver a far more professional service.”

Indeed, according to Margaret it is this combination of speed and professionalism that has been the key differentiator: “We have SLA’s in place that targets us to get claims into the claim process within 15 minutes. We handle over 3000 claims a day that are received by e-mail, fax and post. We didn’t get close to that target before we had inSTREAM™. It means that we can deliver a better customer service. If a customer calls in to ask about a claim that was sent in then we can let them know the status immediately. We couldn’t do that before; it makes us look so much more professional.”

The recent surge saw the central admin team handling approximately 400 documents sent by post, 200 faxes and 2,600 e-mails on any one day: “ We had that back-to-back after we put Celaton in place. I hate to say it but if we hadn’t had Celaton then I don’t actually think we would have been able to cope.” Despite the fact that the Davies Group has doubled in size in the last few months, Margaret’s team is now doing more with less. “Two people left for pastures new and it was apparent that replacements weren’t needed.”

One feature that Margaret particularly liked was the automatic indexing: “It’s been configured so that we can instantly see the key data that is important to us such as the notification number and surname of the policy holder. This is automatically uploaded into the screen and so all we need to do is check it, and press save. That means that within 15 minutes from the handler taking the call, the details are on the system. Before we had Celaton we used to have to type all that information in. Imagine having to do that hundreds of times a day and how much time we therefore save.”



*Post, paper, emails & attachments, faxes, electronic data streams and even mobile messages can be received directly into inSTREAM 24hrs a day*

She added: “At first I was very sceptical. But inSTREAM™ has been brilliant.” Margaret was also impressed by the flexibility of the product as well as the service provided by Celaton: “Celaton’s technical director Richard Hill visited us once a week on the run up to the deployment of inSTREAM™. He would meet with our IT Manager to discuss how it would work and would then meet with me to discuss matters from an end user perspective. He was very accommodating. I also liaised with Richard’s team who were configuring our process workflows - Lawrence and Adam - so that I could provide feedback based on what we found when starting to use it. Then, whenever possible, our needs were given consideration.”

### **The final word**

The final word goes to Mark Grocott who describes the benefit of the relationship: “Working with Celaton allowed us to focus on our core activity, managing a customers’ insurance claim. We are able to undertake only those elements of the process where our technical ability adds value. Celaton and their inSTREAM™ Service Platform take care of the rest which allows us to operate a smaller yet more focussed workforce around what traditionally would be a very labour intensive task. The benefits of this are clear as people are our most expensive asset.”

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