

Improve first
notice of loss
performance



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Data captured at the time of first notice of loss (FNOL) drives decisions through the entire claims lifecycle.

From coverage verification and accurate loss reserving to claim settlement, subrogation or litigation, FNOL is where Property & Casualty insurers get the best information pertaining to the loss.

Having worked closely with several leading insurance companies, EXL understands the FNOL process for most insurers can be improved in two areas.

- Well-defined workflows allow insurers can gather 'more' and 'better' information. Since the loss incident is fresh in the insured's mind, the likelihood of receiving useful and accurate details at the time of FNOL is very high. The means to extract and record this information is one step toward a better loss ratio.
- Insurance companies must be able to scale their customer service representatives to meet FNOL demands during a catastrophe. This agility directly impacts the policy holders claim experience and in turn affects customer retention.

A consumer's moment of truth

As important as FNOL is to insurers, they must not overlook its impact on the insured. The equation is simple. Happier customers are more likely to renew policies. [A study by J. D. Power and Associates](#) found that 65% of satisfied customers intended to renew policies compared to 40% who scored providers with low marks.

FNOL can be the only point some policyholders directly interact with their insurer, and service expectations are particularly high in times of loss. Customers are frequently stressed, making empathetic communication critical. In today's slow growth market, customer retention has never been more important.



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The capture of abundant, quality data allows for correct loss reserving and directly affects the insurer's bottom line. Better information also eliminates errors that may lead to frustrating processing delays.

Effective FNOL also requires timeliness because policy holders will have the clearest memories and be more forthcoming with information at the time shortly after the incident. Over time, consumers might withhold information for higher payments, or they might contact lawyers, which significantly drive up claims costs.



Shift the infrastructure burden

Better data captured at FNOL leads to better decisions along the rest of the claims lifecycle. Claims intake centers need the ability to collate data from multiple inbound channels, like phone, email and fax. Savvy contact routing would put the best, most qualified agents on the phone, leaving others to manage email and fax. Inbound centers should be managing key performance indicators like customer hold times, answer times, total call handle times and the amount of time it takes to process non-voice channels.

The question is whether these tasks are core to the insurance provider's mission of managing risk and underwriting policies, and the answer is increasingly no. Insurance industry services firms like EXL are executing the FNOL process for leading insurance providers for myriad reasons.

- Business services firms have provided contact center solutions for years now, but most lack the deep understanding of policy claims. EXL, for instance, has more than 8,000 trained insurance personnel together from around the world for insurance clients and is a licensed third-party administrator for claims processing in all U.S. jurisdictions.
- By leveraging a company like EXL, insurers can deploy their own teams elsewhere or reserve them for the most important consumer contacts, while deferring the day-to-day tasks to EXL insurance representatives trained in the data management systems and business networks used industry-wide.





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- Insurers are able to shift the burden of investing in the infrastructure, contact routing tools and reporting systems needed for effective multi-channel claims intake.
- EXL leverages a diverse geographical and domain-centric footprint to provide 24/7 service. This, combined with our industry leading analytics and proven service delivery, allows for clear benchmarks and comparisons against industry best practices

Scale for the unexpected

Aside from the nuts-and-bolts of FNOL, property and casualty insurers must manage the unexpected. The cost of severe weather and natural disasters are a risk management challenge and also threaten the efficiency of claims intake.

The 10 most expensive natural disasters in the U.S. alone resulted in nearly \$40 billion in damage costs, according to the National Climatic Data Center. Almost \$1 trillion in damages have occurred since the NCDC started tracking disasters that cost \$1 billion in repairs since 1980.

Even the largest insurers are unable to scale FNOL centers fast enough to serve some disasters. Contact center workforce management is itself a billion-dollar software industry and the right balance of resources is difficult to strike at best of times.

Understaffing causes high abandonment rates and employee turnover due to burnout. However, although consistently staffing for peak volumes can lead to excellent service, agents will sit idle, driving costs much than they should be.

Some insurers try to strike a middle ground by staffing for average volumes and using an “all hands on deck” escalation strategy that pulls other personnel off their normal functions to handle higher claim intake volumes. Unfortunately, work in other departments suffers.

EXL builds into its service levels guarantees that it will increase capacity at short notice to take FNOL claims by phone and fax. Because of EXL’s agile global workforce with insurance credentials, EXL is always more adept to manage the peaks and valleys of claims than any insurer could afford to be.



Conclusion

Global insurance companies understand that FNOL is a moment of truth for customer service. And they increasingly see that they can rely on global operations-services partners to make the right investments in infrastructure, process management and staffing fluctuations to service FNOL as well or better than the insurers can themselves. Without adequate in-house resources or effective industry-specialists like EXL, insurers risk dropping the ball when their customers need it most.

Showcase of EXL FNOL experience

Leading 5 global insurance company

Voice (Inbound/Outbound) – The home insurance claim team sets up the claim, informs relevant parties, follows up and settles the claim. The team also handles damage claims in which a third-party is 100% at fault based on FNOL reports

Claim Indexing – The process involves attaching relevant claim information to documents and sending it to the correct end users who can access these images and action claims accordingly.

Fortune 50 insurance & financial services provider

Claims Image Indexing – All incoming auto and home claim documents are sorted and stacked based on business rules and scanned by the mail room. Scanned images are indexed to identify the document and route to the appropriate person. These documents are routed electronically and made available to the Adjusters.

Data Entry of Medical Claim Bills – The processors ensure billing information is complete, legible and verified.

Fortune 100 insurance company

First Notice of Loss Property – EXL manages all inbound, voice process for FNOL and inquiry calls for property claims.

Fortune 100 P&C insurance company

EFAX – Associates to update all EFAX/Email claim information received and then notify claim handlers and medical case supervisors.

Fortune 100 life insurance company

First Notice of Loss Property – EXL inputs data elements received via fax for auto, property, general liability or workers' compensation claims into front-end systems.

Coverage Verification – The team verifies the coverage details of the claimant through supporting documents and available sources.

Fortune 300 life insurance company

Medical & Dental Claims Data Entry – The team enters data into the claims payment system from various document sources filed either on paper or through the company website.





EXL (NASDAQ: EXLS) is a leading business process solutions company that looks deeper to drive business impact through integrated services and industry knowledge. EXL provides operations management, decision analytics and technology platforms to organizations in insurance, healthcare, banking and financial services, utilities, travel, and transportation and logistics, among others. We work as a strategic partner to help our clients streamline business operations, improve corporate finance, manage compliance, create new channels for growth and better adapt to change. Headquartered in New York and in business since 1999, EXL has approximately 23,000 professionals in locations throughout the U.S., Europe and Asia.

EXLservice.com



GLOBAL HEADQUARTERS

280 Park Avenue, 38th Floor, New York, NY 10017
T: +1.212.277.7100 • F: +1.212.277.7111

UK SALES OFFICE

6 York Street, London, W1U 6PL, United Kingdom T:
+44.20.7034.1530 • F: +44.20.7034.1544

INVESTOR RELATIONS

Steven Barlow • Vice President Investor Relations
Phone: +1.212.624.5913 • E-mail: ir@exlservice.com

United States • United Kingdom • Czech Republic • Romania • Bulgaria • India • Philippines • Columbia

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