

CNA Hardy's Bunting: Bringing a customer-centric focus to claims handling

- 22 May 2018
- **ANALYSIS**
- Rodrigo Amaral

While technology can offer improvements in claims handling efficiency, insurers need to make sure they put the policyholder's needs first, the insurer's head of claims says



Source: [ramcreations/Shutterstock.com](https://www.shutterstock.com/ramcreations) CUSTOMER-FOCUSED: THE BEST WAY TO FIND OUT HOW TO EVOLVE THE CLAIMS PROCESS IS TO ASK POLICYHOLDERS, CNA HARDY'S MATT BUNTING BELIEVES

As they search for efficiency gains in claims services, insurers must bear in mind new technologies and systems need to bring actual benefits to their clients, not just to insurers themselves.

This is the view of CNA Hardy's head of claims, Matt Bunting, who also believes efficiency gains more often than not can be achieved via small, incremental improvements and not necessarily big, headline-grabbing changes.

"Our focus is on our customers and we put them at the centre of what we do. We look for efficiency gains that benefit the client, not just the company itself," Bunting tells *Insurance Day*, "because those who look mostly at efficiency for their own benefit can often overlook what is most important for clients."

In fact, the best way to find the direction in which claims services must evolve is to ask clients directly what they think about it and respond to their wishes. Indeed, it is never too early to survey the views of policyholders, Bunting continues.



Matt Bunting
Head of Claims
CNA Hardy

"We do not just ask our clients about their claims experiences at the end of the process. We also ask about it mid-term," he says. "It helps us to identify opportunities to improve our services and make sure that at the conclusion of the claim process, the client is satisfied with the outcome. We have found out clients like this approach."

Listening to policyholders can also work as a useful counterpoint to the upbeat talk of consultants and tech gurus, who see a revolution at every corner and can sometimes miss the real goal of investing in new processes and systems, Bunting says.

“It is not one or two big things, but a lot of small, incremental improvements that make a difference for the claim experience,” he says.

State of play

One example is transparency about the state of the claim. “The client must be able to see, at any time, how the claim is progressing and when they will get finality. We want to be able to offer clients at any moment a status update on their claims,” Bunting says.

In this process, even social media tools are a channel to understanding better the evolving needs of insurance buyers, despite the fact they may also represent risks for a company’s reputation.

“With social media, our performance is shared instantly and decisions are made by customers upon that perception. We think it is a positive thing, as it provides us a way to promote our brand experience,” Bunting says. “The more we can hear from our customers, the more we make sure we can meet their expectations.”

However, new technology tools such as drones play an important role in specific situations, such as the initial assessment of losses in catastrophic zones or other areas where access is dangerous for adjusters. In such cases, Bunting says, CNA Hardy prefers to work with trusted partners rather than develop the technology itself, as partners provide valuable input thanks to their expert knowledge of the sectors in which they operate.

Even though partnerships are seen by CNA Hardy as essential to implement new technologies, an in-house tech team is constantly looking at new ways to achieve what Bunting calls a “customer-centric” approach to claims by using the latest technologies.

“We want to improve our capabilities in artificial intelligence and robotics, but we will only do that if we can resolve problems for customers and they can appreciate the difference these technologies make,” he says.

One way to improve the experience of policyholders is to make sure their claims receive the proper amount of attention, according to their level of complexity “We operate a segmented model,” he says. “We process simple claims with a very light touch and this releases our experts to focus on more complex issues. It enables us to provide customers with a more efficient service on both segments.”

CNA Hardy’s claims departments also works in a decentralised way, with around 50 staff members spread around the company’s 10 offices, which focus on the handling of claims mostly in Europe and Asia. CNA International, for its part, has around three dozen claims officials based in Canada.

All claims officials follow a core set of processes and procedures, but local units have autonomy to operate within the bounds prescribed by those rules. “To operate in local markets it is necessary to have a local presence and those people need to be empowered to make decisions,” Bunting says.

The department includes technicians with knowledge in specialised areas such as healthcare, marine and political risks and they are called up, whenever necessary, to help locally based teams on complex claims that require expert input. But it is not the technical capabilities of new professionals that will catch the attention of the department when it is time to expand the team.

“Our first priority when hiring new staff is a customer-centric approach,” Bunting says. “We want people who have customer service in the forefront of their minds. We can teach technical capabilities, which are theoretical. But we want people with the right mentality.”

Market modernisation

CNA Hardy is not the only company striving to make sure its claims handling services keep up with a constantly evolving market. The need to modernise has driven efforts by London market organisations to boost the competitiveness of the marketplace. Bunting says he supports such efforts, but he cautions of the risk of waiting for market-wide solutions that could come too late or prove to be too restrictive for the needs of the company.

“We welcome any advancements in terms of market efficiencies, but by definition it takes market advancements a longer period to be deployed, as so many people need to be consulted. We are not waiting for them, we are driving our own efficiencies forward,” he says.

“Organisations cannot hide themselves behind the market. It is incumbent on each organisation to look at ways to improve their own services. In this era, most organisations work on a multi-platform basis, so looking for solutions in one single platform is not the answer,” he adds.

One reason is clients’ expectations are not the only factor that is in a permanent state of change in the insurance market. The risks policyholders face change and claims departments are required to stay abreast of them.

“You only need to open the newspaper to see new risks are emerging all the time,” Bunting says. “There is global indebtedness, which is on the increase, which in turn leads to credit insolvencies that will have an effect on trade credit and supply chains, among other things.

“Debt has almost doubled among non-financial companies in the past 10 years, adding an extra strain on business in the near future, creating quite a lot of risks as a result,” he adds.

CNA Hardy's latest surveys of the perception of risks by clients also indicated the ascendance of some very contemporary risks, such as the reaction against long-established gender inequalities at companies, which will require an appropriate answer from the insurance market. The #MeToo movement, for instance, has become a catalyst for allegations that top management in large corporations around the world have not dealt with discrimination properly, and a spate of directors' and officers' claims could end up being triggered as a result.

A similar process is taking place with other subjects that have caused uproar in public opinion, such as the misuse of pension pots, leading to litigation.

"Employers' liability policies can come into play because of that. All these scenarios increase insurable boardroom risks and, unless the risk is understood, potentially uninsurable boardroom risks," Bunting says.

On the other hand, the close relationship between insurance in general (and claims in particular) and real-world events is the main reason why Bunting was drawn to the sector in the first place. He started to work with claims in the aftermath of the Great Storm that hit the UK and France in 1987, a disaster that killed around two dozen people and caused damage estimated at the time at £2bn (\$2.69bn) in the British territory. The event, Bunting says, made clear to him how important a role insurers can play when society most needs them.

"When you watch the news in the evening, nine times out of 10 there will be some reference to a natural catastrophe or man-made disaster and the insurance industry will be there to assist," he says. "It is fascinating to work with it."