

Claims: an insurer's moment of truth, says AIA

Damien Mu, the chief distribution and marketing officer of group AIA Australia, can't say it often enough.

"It's all about claims. A policy can look great on paper, but the moment of truth comes when a customer lodges a claim and is expecting to be paid."

The executive thinks it is high time the group insurance industry worked together to produce a more streamlined way of processing claims.

"In many cases, the event that's given rise to the claim is pretty indisputable. It's a death, say, or in the case of income protection, it's something like a broken arm. It's obvious that it's happened, and the insurer is able to look to extensive medical history in terms of what the typical recovery time from the injury will be," Mu says.

"In cases like that, do we really need to be going through an arduous assessment process?"

Mu is confident that in 20 to 30 per cent of cases, a "fast track" procedure can be initiated, where the requirements for a death claim can be satisfied in as little as 24 to 48 hours, while claims related to basic fractures or breaks can be turned around in two to five days once initial claims forms and evidence are received.

"If a member of one of our client funds breaks an arm, wouldn't it be great to be able to send them out a cheque and close the claim pretty much there and then. Of course if they haven't returned to work after a period which the medical history books tell us is normal – in this case to eight to ten weeks – then we re-open the claim and have another discussion."

Mu is agnostic as to whether a discussion like that would best be had with the claims team at AIA, at



Damien Mu ... fast track claims

a client's administrator, or even by claims managers employed directly through the client super fund itself. "Naturally as a specialist life insurer we have capability and capacity to perform this function and promote doing so but it is about finding the most efficient way to service the claimant at this time and working in partnership with your client to determine what works best for their members.

"There is not just one answer for this. But wherever the claim is managed or assessed, it's important that after that initial contact, every effort is made to have the same person deal with the member on all their subsequent conversations during the claims process."

One fund executive in strong agreement with that sentiment is Kelly Cantwell, executive manager of administration for the 925,000-member HostPlus, which recently took the momentous decision to bring the claims management process entirely in-house.

Each claims manager in the HostPlus team now has sole responsibility for a number of current claims 'files', although of course the ultimate claims assessment is still the province of its outsourced group insurer.

Members or their beneficiaries making a claim are invariably going through a traumatic period in their lives.

After only a few weeks of operation, Cantwell said recently that the fund was already getting overwhelmingly positive feedback from members and their beneficiaries.

"They are just so relieved to hear that they will only be dealing with one person. Members or their beneficiaries making a claim are invariably going through a traumatic period in their lives. The last thing they need is to have to repeat details over and over again, or wait while follow-up to their questions progresses through a queue," Cantwell says.

She added the "re-engineered" claims management process aimed to "get back to basics", and question whether "we really need every piece of paper we have now". Her team aims to provide members with customised claim forms rather than the "one size fits all" forms that currently prevail, Cantwell added at the time.

The same sort of flexible, multi-dimensional approach is important when it comes to the processing of claims, Mu says.

The executive is all for the ability of members to lodge claims on-line, and indeed AIA Australia is gearing up for the launch of eClaims (a complement to its new LIFEApp tool for on-line applications), which aims to streamline the collection of information from the claimant, and

third parties such as doctors.

However, Mu says the electronic world must be overlaid with telephony and a manual or automated 'triage' process, to catch the majority of claims which unfortunately are not quite as simple as that aforementioned broken arm and to engage the claimant early on to assist streamline information requirements.

The key to making these more complex claims a hassle-free experience is a "tele-collect" – a claims manager's telephone call with the claimant – which gets it right the first time.

"Where claims get held up is this back-and-forth with forms to fill out and documents to collect," Mu says. "We know ourselves from personal experience of dealing with everyday transactions in our personal life, if a particular task is not something we can do on-line or phone somebody about, how long does it take us to do? Who knows what drawer or even bin we'll file the forms in. So why should we expect the members of the super funds we deal with to be any different?"

Standard practice at AIA will be to book in the "tele-collect" call with the claimant a few days in advance, making sure they know every document and piece of information they need for the interview.

Mu also thinks that AIA and its competitors can do more to standardise elements of the claims process.

"You can see a classic example in many TPD claims, where there has often been a claim through Workcover first." ■



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