

Claims workforce of the future – London Market



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Foreword

There is currently a focus within the London Market to deliver transformational change within claims, re-defining the customer experience via a new claims operating model. New technology will enable this change, but not alone: the people, culture and processes will need to adapt to deliver a truly transformational change to the way the claims workforce operates¹. In order for any transformation to be meaningful there needs to be a shift in culture and approach not just within individual carriers, but also at market level.

However, most current initiatives are focused on bringing the London Market's technology in line with the wider insurance industry, and as such are long overdue. The rate at which initiatives are delivered will need to increase for the London Market to maintain its market-leading global brand and reputation for claims service; a service which is built on the strength of our people. It isn't enough to just keep pace with competitors, we need to create a model that sees us move ahead of the curve, thinking and delivering smarter and more flexible solutions, enabled by better technology and delivered by a more diversely skilled workforce.

Today's customer expectations of insurers far outstrips what we are currently able to offer from a technology perspective and so in order to remain competitive, the London Market will have to create a model that has a customer-centric focus.

With the investment that's being made in technology there is an opportunity for the market to move ahead of the competition. By equipping the workforce with the latest technologies as well as updated and more diverse skillsets we can create bionic organisations that will deliver a truly transformative claims offering. Going forwards, the people, be they our customers or the market's workforce, will remain vitally important to the market and it is imperative that we continue to invest in them.

PwC and the LMA believe that whilst the challenges in transforming the way technology is used are being recognised, there is a lack of focus on the transformation that is needed in our workforce and processes. Investing in our workforce will enable our people to work effectively in the future claims landscape and deliver to our customers. This report seeks to support the market in thinking through what changes are needed within the claims workforce.

It is undoubtedly the people in the London Market – their skills, experiences, and their relationships to one another and their clients – that make it stand out, however, people are not high enough on organisations' agendas as it currently stands. Whilst there are many outdated processes, functions and technologies within the market, we need to be careful not to lose what makes the market unique: the people.

It is not clear how long it might be before we see a real transformation in our market, nor the extent to which it will change, but it is undeniable that significant change is already on its way. PwC and the LMA believe that preparing the workforce for those changes needs to begin now. Carriers and the market as a whole should be identifying: how the roles of claims practitioners and leaders will be changing; the skills and attributes that will enable people to fulfil those roles; and how we can go about equipping and empowering our people for the future. For us to maintain a market-leading brand we need to ensure that we focus on developing the future London Market claims workforce. This is something that needs all our focus now if we are to take full advantage of the opportunities that modernisation and transformation offer the market.

Michael G Cook
PwC Claims Advisory Leader

Lee Elliston
LMA Claims Director

Only
19%
of Heads of Claims
have "filling the talent
gap" in their top three
priorities for their
claims function²

¹ <https://www.pwc.co.uk/industries/insurance/insights/claims-workforce-of-the-future.html>

² LMA's 2018 Heads of Claims survey

Background



Megatrends and the other challenges that will impact the London Market claims workforce

The London Market Claims workforce of the future report is the second claims specific report produced by PwC. This report (in addition to our previous report Claims workforce of the future: 2030³), produced in conjunction with the LMA, follows on from PwC's overall Workforce of the Future work⁴ which looks at the workforce themes and trends shaping the world of work. This includes the global Megatrends that are reshaping society and the world in which we work.

These Megatrends are driving change throughout society and are behind a number of the challenges that we see today within the London Market. Who our customers are, what they expect from us and how we go about servicing them are questions for which the answers are already increasingly different to what they were in the recent past and will change the type of workforce needed in the future.

Megatrends

Technological breakthroughs
Rapid advances in technological innovation

Demographic shifts
The changing size, distribution and age profile of the world's population

Rapid urbanisation
Significant increase in the world's population moving to live in cities

Shifts in global economic power
Power shifting between developed and developing countries

Resource scarcity and climate change
Depleted fossil fuels, extreme weather, rising sea levels and water shortages

Today's London Market Challenges

- Data quality, standards and skills
- Changing business models
- Use of outsourced and offshore capability
- More data requiring more analysis
- M&A activity
- New technologies affecting the way we work
- Sustained downward pressure on rates
- Clients' service level expectations are changing

←..... Drive

Effect on the workforce

Change in skills needed in the London Market claims workforce

←..... Results in



In our previous report we identified that ‘Technological breakthroughs’ and ‘Demographic shifts’ Megatrends were having the greatest impact on the claims function; disrupting the insurance industry and changing the way we work the most.

PwC assessed the impact that it expected these two Megatrends to have on the London Market insurers and the claims workforce working within it. This included determining the skills that would be needed in the future claims workforce to meet the demands arising out of challenges facing the market today.

73%
of HR leaders believe it's important we identify and build the future skills created by the impact of technology⁵

Through this work we identified three key skill areas that the claims workforce would need in the future. These were:



Customer Experience

Show empathy and understanding for clients' needs and service expectations in a world in which claims is the only direct human interaction our clients have with their insurer.



Data and Analytics

Ability to analyse, understand and interpret larger and more varied data sets to inform how we handle claims and provide insight to the rest of the business.



Technical Claims

Technical skills will be used to focus on the highest value areas involving critical judgement that cannot be easily automated, with less need for those with technical skills (which include commercial acumen and management skills) spending time on operations and support tasks.

³ <https://www.pwc.co.uk/insurance/documents/claims-workforce-of-the-future-2030.pdf>

⁴ <https://www.pwc.com/gx/en/services/people-organisation/workforce-of-the-future/workforce-of-the-future-the-competing-forces-shaping-2030-pwc.pdf>

⁵ <https://www.pwc.com/gx/en/people-organisation/pdf/pwc-preparing-for-tomorrows-workforce-today.pdf>

Typical skills in today's London Market insurer

This report builds on the work performed previously and focuses on (re)insurance entities writing business within the City of London and Lloyd's Managing Agents who collectively comprise the London Market.

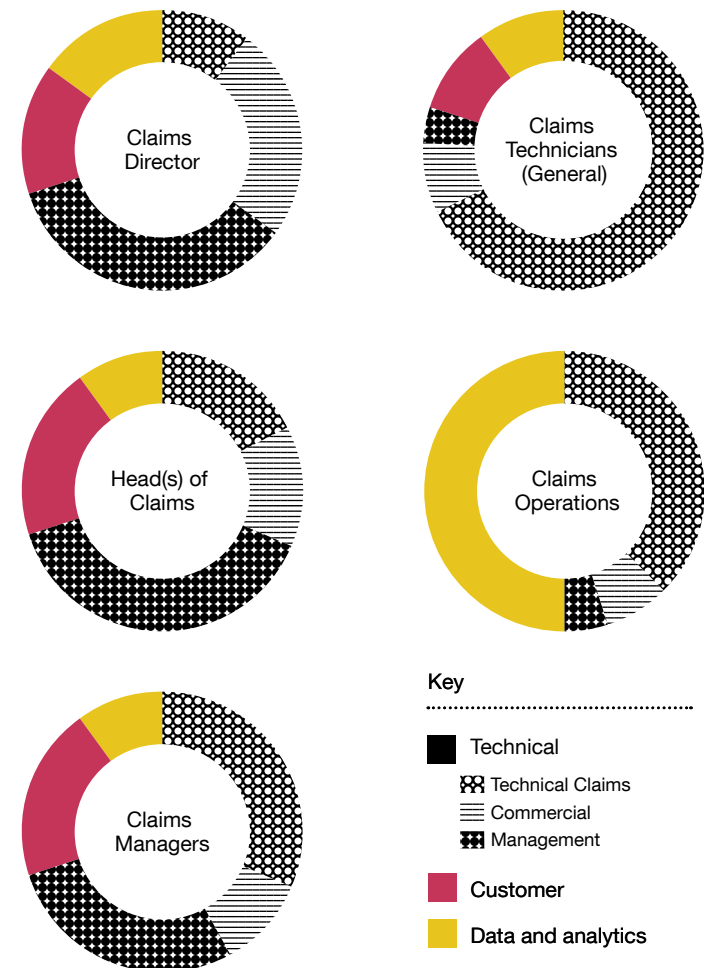
The London Market has a diverse group of participants offering a wide range of insurance products. We see a number of similarities in how these participants' claims functions are structured, as well as the skills and capabilities that the workforces have.

These participants underwrite a mix of classes of business, as leads and followers, which is placed via open-market or through a delegated authority. With this in mind, each participant will have their own blend of these variables and should take this into account when considering how this report will relate to and affect their claims workforce.

We have taken a view on what a typical London Market insurer has in terms of the skills and capabilities (by position), as well as how modernisation and transformation initiatives will impact them in the future.






Today's claims workforce has a significant amount of traditional technical claims handling skills, with relatively lower levels of expertise in customer service and data and analytics.

Make-up of skills in today's London Market insurer claims function





Some of the example roles by position in today's claims workforce are shown below.

Position	Example roles	Average experience
 Claims Director	<ul style="list-style-type: none"> Responsible for Board and executive reporting on the claims function's performance Develops and implements strategy and philosophy Sets tone at the top for standards, quality of performance, service and approach Manages costs and expense, resource and structure Defines value and culture 	15+ years
 Head(s) of Claims	<ul style="list-style-type: none"> Will often have either a legal, technical claims or operational background Management of multiple classes of business or entire claims team Executive reporting on claims' philosophy, service and/or value proposition Claims performance management May have focus on claims operations or technical claims, working alongside core claims team 	10+ years
 Claims Managers	<ul style="list-style-type: none"> Undertakes claims and case management for complex claims (one class of business) Relationship and performance management with stakeholders and supply chain Reserve and settlement authorisation Large loss reporting Complaint and dispute management Litigation management 	4-10 years
 Claims Technicians (General)	<ul style="list-style-type: none"> Technical claims handling supporting one class of business Claims assessment 	2-5 years
 Claims Operations	<ul style="list-style-type: none"> Claims processing and administrative/ support duties Negotiation skills Internal reporting to support management of claims lifecycle 	

In this report we have considered how the current skills of the claims workforce will need to evolve over time by considering the impact that modernisation and transformation in the market and beyond will have.

Evolution of the claims workforce

The changing claims process

To understand how claims will evolve we have first considered how the claims process will change as the market begins to modernise and transform.

The future modernisation and transformation of the London Market and wider insurance industry will see the claims process evolve from where it is today. Processes will become more efficient through automation, with the streamlining of workflow and the removal of unnecessary manual

tasks that free the workforce from non value-adding tasks. Claims processes will be affected by London Market specific initiatives as well as broader changes happening across the wider insurance and financial services industries. Some of these initiatives are already delivering or are expected to deliver in the near future, while other truly transformative changes will come later. Some examples of these are shown below.

Modernisation

Transformation

Current (Year 1)

Writeback

- Enables carriers to receive real-time claims information and updates directly to internal systems. This removes duplication of effort caused by working across multiple systems.

SCAP

- Allows low-value, standard, cross-market claims to be handled by a single agreement party.

Automation and Robotic Process Automation (RPA)

- Repetitive and non value-adding tasks being removed through automation.

Expert Management (Gemini)

- System giving carriers full visibility of expert spend and ability to manage instructions.

Volume Claims Service (VCS)

- Delegated lead adjusting service for the handling of non-complex claims for the Lloyd's Market.

Centralised Audits

- New systems and processes to streamline and reduce duplication in the auditing process. Reducing administrative burden and duplication of efforts for both carriers and service providers.

DA SATS (Delegated Authority, Submission, Access and Transformation)

- Centralised bordereaux management system which automates processing of premium, risk and claims bordereaux.

Near Future (3 – 5 years)

Claims Management / Orchestration

- Providing all stakeholders access to real-time claims data directly to internal systems, with information made available to all parties simultaneously.

Claims Portal

- A single globally accessible portal that serves the end-customers/policyholders and all key stakeholders in the London Market (re)insurance value chain. Enables full visibility of the claims process, ability to 'self-service' claims, and integration of risk management tools and data feeds.

Auto Settlement – Low value

- Automatic agreement of settlement transactions that meet the necessary criteria, without the need for an adjuster to touch the transaction at all.

Intelligent RPA

- Increasing sophistication of robotics reduces time to make claims decisions and gives clients real time feedback on the status of claims.

Internet of Things

- Increased data and information feeding the decision making that claims teams make on a day to day basis.

Direct Settlement

- The ability to make payments directly to policyholders, without going through a broker. This would reduce time taken to make settlements and reduce costs of processing, banking charges and other costs.

Smart Loss Funds

- Improving the process of issuing, managing and monitoring loss funds, to ensure that the appropriate level of loss funds is readily available, and once no longer needed, can easily be identified and recalled.

Far Future (6 – 10 years)

Deeper External Data Leverage

- Ability to consume external data feeds to enhance the customer experience which could be used to provide certainty of an event.

Customised Data (push not pull of data)

- Provides individual customers with relevant and valuable tailored data pushed to them at the right times, to assist with risk prevention and also product choice, e.g. tailored coverage.

Class Specific End-to-End Claim Automation

- Enables claims to be automated from FNOL through to settlement, when certain parameters / triggers are met, which could be based on complexity or value.

Artificial Intelligence (AI) Analytics

- AI is used to 'read' large amounts of data and extract key information such as medical injuries to be used by other system/tools to assess a claim.

Loss Prevention / Risk Mitigation

- Use insight gained from available data feeds to provide tailored loss prevention advice, and recommend loss mitigation strategies based on specific developing circumstances.

No FNOL

- Advanced technology that will in many instances remove the need for FNOL reporting by knowing when a loss has occurred and notifies insurers accordingly.

Below, we have analysed the six key stages of the claims process and the anticipated impact of the current and future initiatives on each of the stages.

FNOL

- FNOL processes will become increasingly automated.
- **Writeback** will enable carriers to receive real-time claims information directly to their internal systems.
- Longer term, claims will be submitted directly into the **LM Claims Portal** by brokers and end-customers alike, which will enable straight through processing directly into carrier systems, with richer data being captured up-front, thus improving the efficiency of the rest of the handling process.
- Leveraging **IOT** and other external data will **eliminate the need for FNOL** reporting altogether in many instances.

Triage

- Building on the increasingly automated and self-serve FNOL processes, the triaging of claims – using **Analytics, Machine Learning and RPA techniques** – will become highly evolved.
- The **LM Claims Portal** combined with **intelligent RPA** will enable auto triaging of claims to the right resource instantly.
- Certain claims will still be triaged to an adjuster for manual handling, however the volumes will decrease. The output of this will be constantly analysed to refine the logic that powers the automation of the rest of the claims population.

Adjusting

- A higher volume of end-to-end claims requiring little or no human touch will result in greater end to end **claims automation**.
- Oversight and **real-time monitoring** of what is being automated will become a key focus, as well as adjusting the automation rules as trends and patterns emerge.
- Claims teams will need to be fundamentally re-skilled to focus on the larger complex cases, as well as there being a massive shift towards customer experience.
- The **SCAP** threshold being raised, combined with more complex claims coming into scope, will further reduce the need for multiple parties to review the same claim.
- **VCS and outsourcing of low-value claims** being phased out will make way for wider use of automation.
- **Claims orchestration** will mean handlers get the right information quicker and will therefore be able to make rapid decisions. Combined with **AI Analytics**, many of these decisions will be supported by deeper and more meaningful data.
- Deeper analysis of claims trends and patterns will enable smarter underwriting decisions and mitigate certain risks altogether.

Litigation

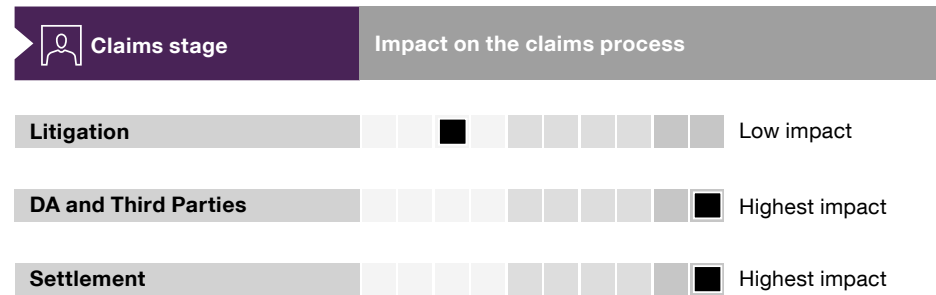
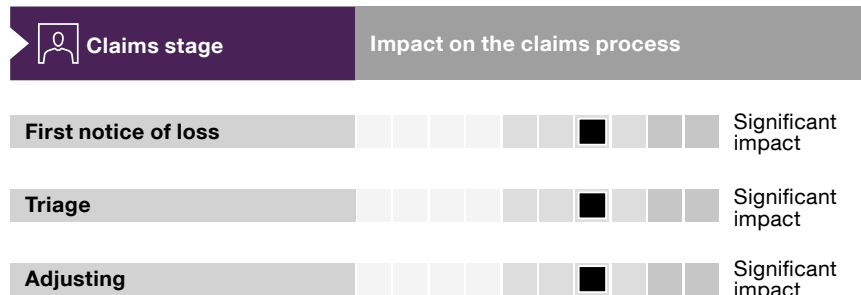
- Access to better and more granular data will lead to less litigation overall.
- Litigation management will see an increase in **automation**, as data models help claims teams make more informed decisions on which claims will litigate and what the strategy should be.
- **AI Analytics** will reduce the need for outsourcing case management to lawyers, as it will enable technical claims handlers to make informed decisions.

Delegated Authority (DA) and Third Parties

- Deeper integration and sharing of data between third parties' vendors' systems will enable near-real-time visibility for all parties.
- Straight through processing of claims data from coverholders and TPAs via **DA SATS** means less human effort required to process and analyse claims bordereau.
- **The LM Claims Portal** will allow TPAs and coverholders to process claims directly into the London Market, in real time, eliminating the need for claims bordereau.
- **Gemini** enables claims teams to select and deploy the right experts quicker and far more cost effectively.
- From a customer perspective, there is little difference in experience between dealing with the insurer or a third party.

Settlement

- Most claims payments will be received quickly and with little to no intervention being required by a claims handler or finance team.
- **Direct settlement** (to end-customers or third parties) becomes commonplace, with little need for brokers to touch claims funds.
- Claims payments from subscription risks can be paid as soon as agreed – as a lump sum – without having to wait for a broker to collate them all first, or drip feed.
- Certain claim types will be agreed and **settled automatically**, with payments received on the same day as the loss occurring.
- **Enhanced fraud and sanctions** checks in-built into the process, ensuring minimal disruption to the timing of payments.
- **Smarter loss funds** ensure limited need for 'cash calls' and the elimination of waiting for loss fund top-ups, prior to being able to pay delegated authority claims.



Evolution of the claims workforce

The impact on skills

We see the evolution of the claims function or changes in the claims process resulting in an increase in the need for data analytics and customer focused skillsets and roles, with a decrease in the need for support activities.

The streamlining and standardising of data will allow claims teams access to richer and more meaningful data which they can interrogate to provide better risk management services to end clients, as well as speeding up the claims process. There will clearly be a need for sophisticated data analytics skills: claims professionals will need to be comfortable analysing a variety of data sets, and defining data requirements. They will also need to understand how to combine data sets in a meaningful way. Longer term, the ability to utilise logic and information from external data sources and analytics tools will enable more sophisticated decision making and a higher degree of automation, as decisions on more complex claims can be automated.

Changes in data science (machine learning and new data sources) will allow for greater insight and control over claims processes. It will support claims teams in improving their customers' experience while reducing claims costs and improving leakage management.



In our first report we identified technical claims skills being one of the key future skillsets needed in the claims workforce, alongside data analytics and customer focused. In this report we have analysed this further and have differentiated between the technical skills and the claims support skills that will be needed in the future claims workforce. While we expect there to be a small decrease in the amount of technical claims skills within the workforce, there will be a larger decrease in claims support.

Leading insurers will use newer core systems in conjunction with data and analytics, RPA and AI to enable a higher percentage of claims to be fully or partially automated. As automation increases, claims professionals will need to become familiar with the capabilities of AI and machine learning and how it can be deployed.

Customer relationship skills become more and more crucial, as the end-customer has the ability to interact directly with the London Market insurers via a London Market Claims Portal. Customer experience specialists will be used by insurers to deliver exceptional customer service.

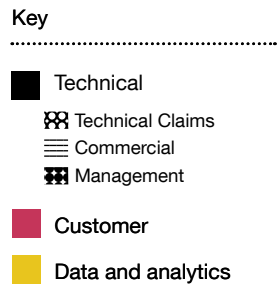
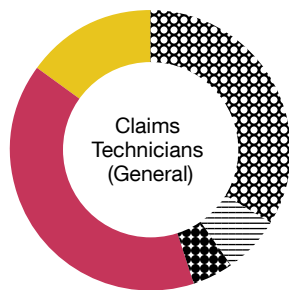
In addition, technical claims knowledge will be needed to help customers shape their loss mitigation and prevention strategies. Whether a risk manager of a global corporate, or an end consumer, customer expectations are high, with all customers expecting the level of service that they would get from other non-insurance products e.g. online banking, booking and purchasing.

Against this backdrop of modernisation, claims managers and directors will need to develop the skills and strategies to manage change. The best London Market claims teams will become bionic, with technology and the workforce working in tandem, to deliver best in class outcomes for the business and customers alike.

⁶ <https://www.pwc.com/gx/en/services/people-organisation/workforce-of-the-future/workforce-of-future-appendix.pdf>



Make-up of skills in the future London Market claims function



Only
35%
 of UK employees agree that they have the skills needed for the rest of their career⁶

Evolution of the claims workforce

Cultural considerations

In this report, we have looked at the evolution of insurers and the claims function from a technology and process perspective, whilst also considering the impact this will have on the skills that the workforce will need in the future. Insurers will also need to consider how their culture will need to adapt so that they are best placed to help the workforce evolve over time and deliver the best outcomes for customers and businesses alike.



“People costs rising more than expected” and “Not being able to innovative effectively”

Are the two biggest impacts that the ‘availability of key skills’ are having on organisations’ growth prospects.

PwC’s Insurance trends 2019 – Digital transformation shifts from threat to opportunity (Part of PwC’s 22nd Annual Global CEO Survey trends series)⁷

“

Technology is moving at such a fast pace, enabling a change in processes and customer interactions to change so quickly. We are failing the market’s people and their talent if we do not enable them to develop the adaptability and the critical skills they need to be modern leaders in claims service excellence.

Lee Elliston
LMA Claims Director



Organisation specific considerations

The skills and talent that will be required in the future London Market claims function will vary depending on the size and complexity of the organisation. The following scenarios provide thoughts on what organisations with differing business profiles might need to consider.

Relative size of organisation

Largest	Smallest
E.g. Large Global insurers with some business written in London	E.g. Managing Agent that only writes London Market business
<ul style="list-style-type: none">• Response time to the developing market and resource requirement is potentially much quicker as they have a large resource pool to retrain and redeploy.• They can leverage global experience of technology implementation and training and apply this to its London Market business.• These insurers typically have very people-heavy claims departments meaning there are high numbers to retrain in customer and data focused skill sets.• They are able to build claims-only centres of excellence in data and analytics and customer experience.• If specialist skills are needed quickly, they will have the budget to obtain the best talent from other industries. This could extend to buying start up organisations whose business meet a specific need of current customer base.• Access to data from other markets than can be applied to London Market business.• Due to their size, strategy and alignment across the whole organisation can be time consuming and difficult to manage and change programmes delivering transformation can be a significant undertaking.	<ul style="list-style-type: none">• Small teams mean that there are less technical claims staff to move into dedicated data and customer roles. This means that they will have to come up with more innovative ways to obtain the skills required.• The more restrictive budgets mean that recruiting high end talent from other industries will not be a realistic option, and so identifying the skills gaps and training the existing workforce to fill these will be important.• A benefit of smaller teams is that current skills and capabilities are typically better understood by HR/ Head of Claims, and specific, targeted training and re-skilling can be quick to implement.• They are able to collaborate with other functions to create centres of excellence that can support the wider business outside of claims.• Smaller organisations are more agile and able to respond to their staffing requirements more quickly. It is easier for them to embrace new ways of working and the needs of a more flexible workforce sooner than larger organisations.• More likely to be M&A targets and brought into other organisations than larger players.• Unlikely to be able to buy in established teams/ start ups to build out technology related offerings to clients.

⁷ https://www.pwc.ch/en/publications/2019/PwC_2019_CEO_InsuranceReport_Final.pdf

Evolution of the claims workforce

Becoming bionic⁸

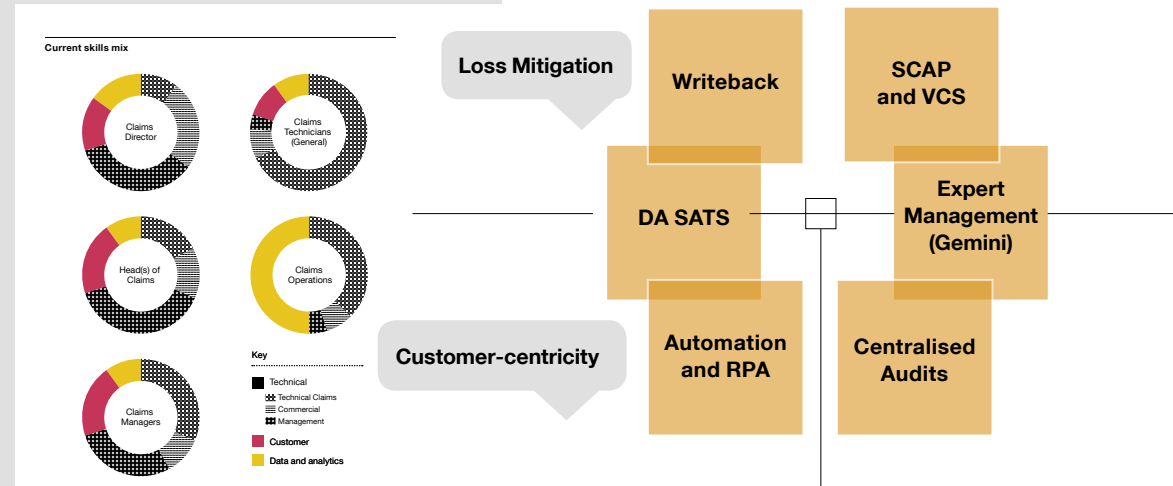
Our view of the optimal claims workforce of the future is one in which the function increases the value it provides to both its customers and the wider business through the use of enhanced technologies, processes and skills. The focus on customer experience, combined with the right balance of data, analytics and technical skills results in a truly bionic London Market claims workforce.

As the market begins to modernise and transform, London Market insurers can take advantage of the opportunities to change how they work and thus change the workforce and skills within it. Bionic London Market claims teams will have optimised the way they approach these opportunities and will harmonise the way their people and technology work together.

While some technical claims skills will always be needed to underpin the claims function, there is a much greater focus on the service that customers get and the analysis that is done with the data that insurers have relating to their claims, especially for the organisations that want to have a top performing claims function. This will also encourage an improved information loop between underwriters and claims teams. With augmented and higher quality data being analysed and shared on a more frequent basis, underwriters will have the information they need to make more precise pricing and product decisions.

To get to this future state, claims functions will not only need to invest in technology, but will need a different workforce to the one they have today. To make this transformation they need to understand what skills they need and where these will come from. Management will need to focus on talent strategies that are needed to help attract and develop the skillsets needed. With so many things moving at such a quick rate, working out what skills will be needed in any future workforce has to be an area of focus.

Examples of optimal uses



Expert Management (Gemini)

- Use MI from this system to understand which vendors provide the best and most cost effective service in various scenarios, and use this insight to help shape the claims offering.

Writeback

- Information only keyed once and no duplication of work occurs. Redeployment of freed up capacity into value-adding tasks.

SCAP

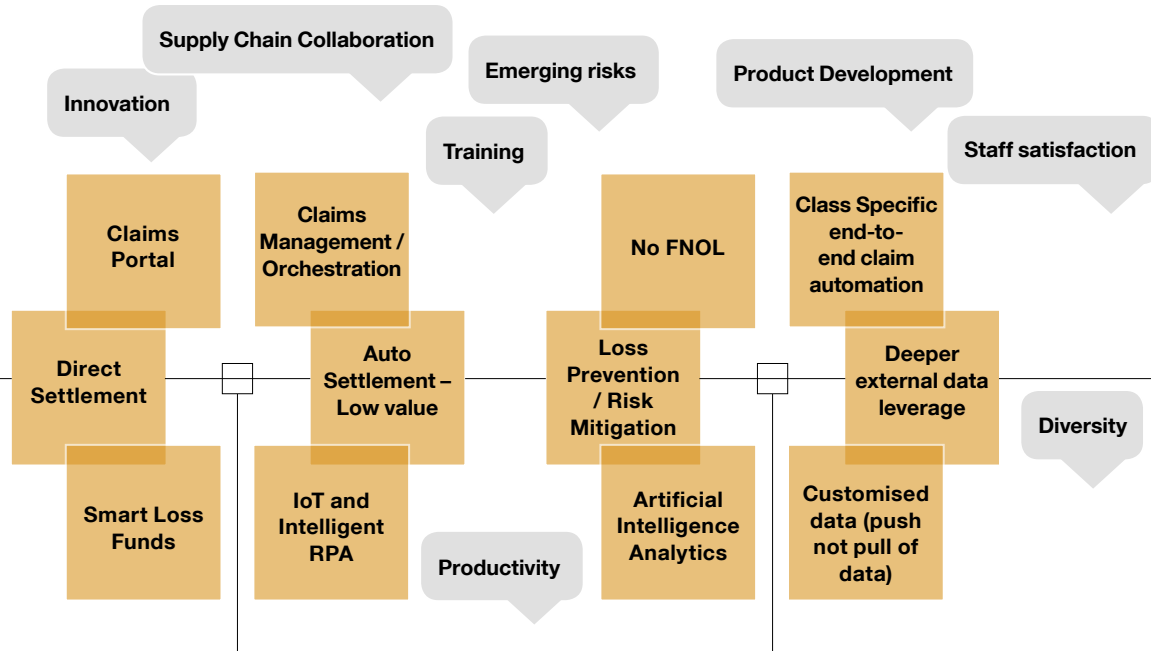
- Deploy this on the appropriate, low value – high volume lines of business, where there is most competition with domestic or retail markets to maximise competitive edge.

Customer-centricity

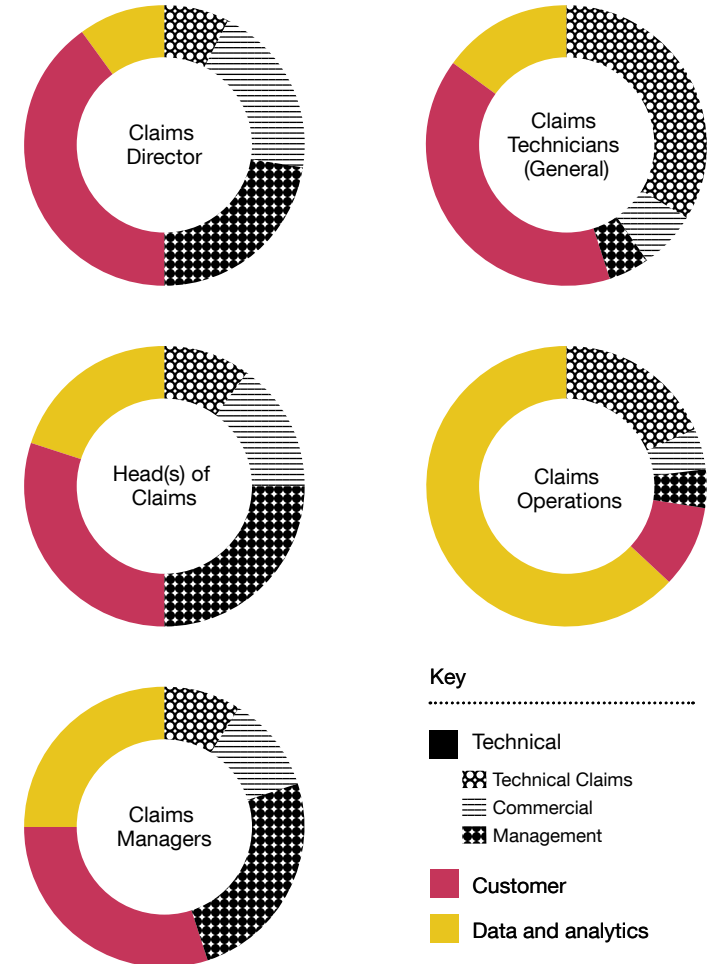
- As new systems and processes are introduced, emphasise to the claims team the customer benefits and make this central to any training, in order to maximise the benefits of these initiatives.

⁸ <https://www.pwc.com/ca/en/industries/financial-services/insurance-speak-blog/bionic-organization.html>

Time



Future skills mix



Claims Portal

- Offer guidance on the claims process via the portal, without the delays associated with going through the entire value chain.

Auto Settlement – Low value

- This could form part of a fully automated claims process, for claims in certain classes of business.

IoT and Intelligent RPA

- Use data streams to generate risk management and loss mitigation advice for insureds.

Direct Settlement

- Reducing the claims lifecycle will be a key part of ensuring that the London Market remains competitive.

Product Development

- Seek the whole team's input on how and where best to deploy new technology, and encourage new ideas on how these might be applied to particular areas of the business.

Deeper external data leverage combined with AI analytics

- Carriers could use the data from various data feeds to provide greater insight into the risks being adjusted and to inform the claims handling decisions.

Customised data (push not pull of data)

- This can demonstrate how well you know your customers and can anticipate their needs, leading to improved customer retention and cross-selling.

Loss Prevention / Risk Mitigation

- Leveraging data feeds in the right way will give the potential to exceed customer expectations with this type of knowledge and at the same time benefit from improved loss ratios.

Virtual workforce






- Ensure performance and development objectives reflect the new ways of working. Ensure that processes are in place for providing regular feedback and support that take into account an increasingly 'remote' workforce.

The Bionic London Market Claims Team

The attributes of a Bionic London Market Claims team

- Always put the customer at heart of what they do
- Instrumental in shaping and guiding market claims technology strategy
- Minimise operating costs – interchangeable skillsets and flexible working
- Understand what each claims initiative can deliver for them
- Ensure seamless integration to internal systems and third parties and brokers
- Empowered to make informed claims technology decisions for their own technology strategy
- Leverage external data sources to gain a market edge through data and analysis
- Recognised as leader in understanding claims workforce requirements
- Unlock new talent pools through best in class training and human capital teams
- Adding to the client proposition through risk mitigation and prevention

As a result of these changes and the different skillset and experiences within the future claims workforce, the roles and responsibilities will also need to change from where they are today.

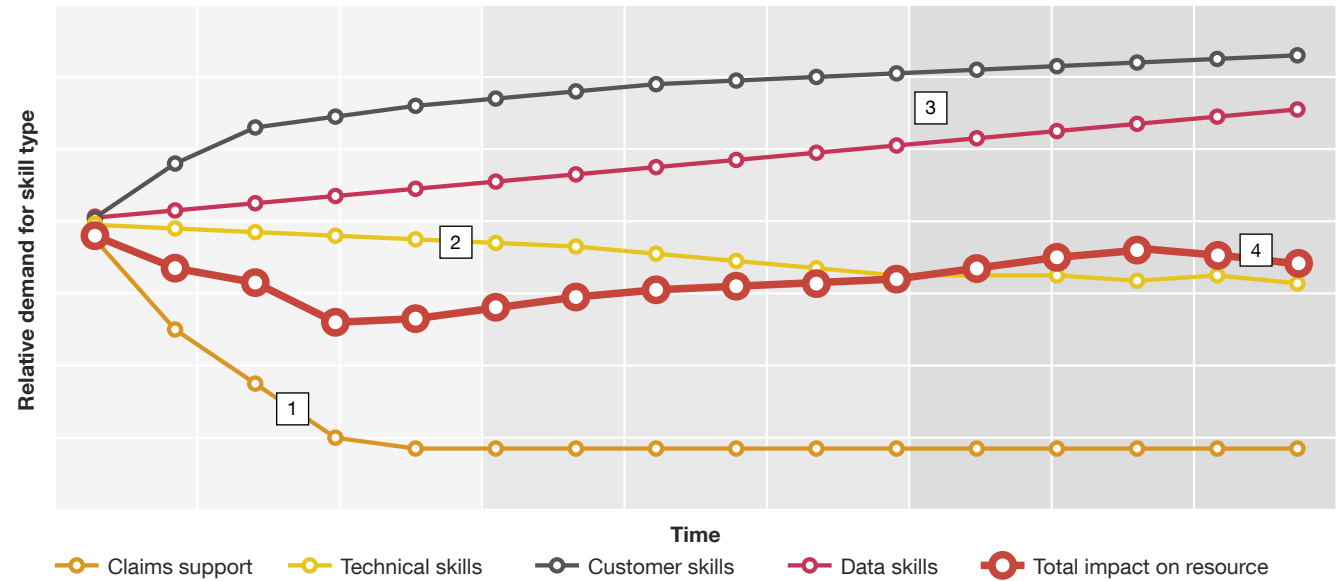
Position	Roles in the Bionic London Market Claims Team
 Claims Director Average experience: 15+ years	<ul style="list-style-type: none"> • Technology and innovation • Leading on and embedding cultural change • Oversight of customer experience and service management • Defining an AI-enabled claims offering • Strategy and culture • Philosophy • Cost and expense
 Head(s) of Claims Average experience: 10+ years	<ul style="list-style-type: none"> • Will have more of an operational background • Managing technology and change • Managing customer service and experience • Risk management • Claims prevention and mitigation • Engaging and retaining a diverse, centennial workforce
 Claims Manager Average experience: 4-10 years	<ul style="list-style-type: none"> • Trend analysis, management and reporting • Risk management • Customer experience & service management • Reserve and settlement authorisation • Data management – rules and validators for managed tech (RPA, AI, Auto Triage) • Working with customers to define risk management strategies • Able to engage and motivate team through emotionally intelligent leadership
 Claims Technician	<ul style="list-style-type: none"> • Data analytics and trend analysis • Building foundations for long-term client relationships through understanding of both commercial and ‘emotional’ needs
 Claims Operations Average experience: 2-5 years	<ul style="list-style-type: none"> • Interaction with technology via RPA, AI and customer portals • Delegated authority and supply chain management • Identifying / analysing potential claims trends in emerging risks

The journey to the bionic claims team within the London Market will be a gradual evolution. As future initiatives begin to take hold organisations will have a decision to make as to what they do with the resource that is freed up as heavily administrative tasks are cut out of the claims process.

The best in class bionic organisation will reinvest these resources in other areas that begin to build the foundations for the claims workforce of the future.

Over time the skill mix and business need for technical claims, customer and data and analytics capabilities will change.

The change of skill mix through the London Market claims team needs to become bionic



1 As current and near future initiatives begin to deliver full benefits, need for the workforce to perform non-value tasks reduces.

Bionic London Market claims teams: Will reinvest capacity with a focus on up-skilling teams with claims data and analytics skills to realise benefits from more standardised and “analysis ready” data.

Leveraging the more sophisticated data insights, carriers will be able to see that one size does not fit all, and will tailor their claims solutions, according to client needs, methods of placement etc.

How?

- Development of people internally.
- New job roles to meet business needs and attract the best new talent from new backgrounds.

2 Required levels of technical claims knowledge will decrease over time as technology is able to perform activities and make decisions that currently require human experience.

Bionic London Market claims teams: Will free up time for current skilled claims technicians to input into the building of complex business logics and to ensure that years’ of knowledge are captured.

How?

- Identify those with skills and interest to input into complex models and enable this to be done as part of BAU.
- Redesign career paths that enable those with preferences towards technical claims skills to succeed and progress in the new world.

3 Increasingly better client insights and direct customer service and contact will see a steady increase in customer-centric skills.

Bionic London Market claims teams: Will use technology (market wide and internal) to put customers at heart of their work. Data analysis and customer portals deliver timely insights to customers.

How?

- Soft skills gained through secondment to different positions in the market and broader.
- LMA market wide training to support the London Market claim service to grow into a truly distinctive offering.

4 Overall the bionic London Market claims team will have a slightly lower resource need than it has today, however the mix of skills and offerings it can provide to its customers and the wider business will be very different.

Insurers with aspirations to become bionic will need to begin to work through the practicalities of how their own workforce will be supported through the evolution of skills and talent that will be required in the future.



Where does the market need to focus?

It is key that the market focuses on the development of its people, who are one of its key strengths. This will need to include enhancing the customer-centric approach and adapting to the ever changing technology landscape, in order to support the current workforce in becoming bionic.

This report has explored the various themes and considerations that both individual organisations and the wider market need to focus on. Some of the key areas of focus are:

Shifting our focus to be much more customer centric, by putting the customer at the heart of what we do

Ensuring that organisations understand what the changes in the market claims operating model are and that their people, culture and processes are aligned to it

Recognising that to surpass the competition to the London Market, it is not just about modernisation, transformation is essential

Collaborating with all key stakeholders within the claims value chain (including brokers, carriers and third parties)

Ensuring that we retain what makes us unique – our London Market DNA

Increasing the focus on our people and putting the needs of the claims workforce higher on the agenda

Ensuring that our future claims workforce is flexible enough to align to future bespoke claims solutions (e.g. by placement method - DA, Open Market, Reinsurance etc.)

Where do we see the opportunities?

- With improved technologies and the right skillset, London Market claim teams can offer a more customer-centric service, globally recognised for its innovative, bespoke solutions.
- By investing more in our people and talent, we can ensure we capitalise on the existing skills and experience whilst also attracting the best new talent.
- Optimising ways of working so that our teams are focused on value-adding activities, with other processes automated or cut out entirely.

Based on recent analysis, these areas are not currently a priority for claims leaders in the London Market

What PwC and the LMA are doing to help

PwC with the LMA

Three further market workshops (including ones targeted at senior management and young professionals).

PwC

Workshops with individual Managing Agents to explore the specifics of how they define and develop their future claims workforces.

LMA

Engaging the LMACC in supporting and promoting this as an area of focus, and working with the market to support them in other workforce related opportunities including:

- 'Non-traditional' secondment programmes i.e. to cutting edge digital, technology, consulting firms outside of insurance industry
- Soft skills training
- Customer-centricity
- Supply chain management
- Emotional IQ
- Deeper data analysis training



How we've started supporting your evolution

Work the LMA and PwC have already carried out with the market

Through the work that PwC and the LMA have recently performed with the market we have identified a number of skill gaps that need to be filled to enable the claims workforce of the future evolve into the bionic London Market insurer. An overview of these gaps and the market's own estimate for the relative level of difficulty of filling these by position in the claims function is shown below. Insurers should reflect on this and determine whether their own skill gaps and the relative level of effort to address these are consistent with the information we have gathered from other market participants.

33%

of employees in the UK feel they have the STEM skills needed (compared to 74% in India)⁹

Position	Skill gap ¹⁰	Level of effort to address ¹⁰
Claims Director	<ul style="list-style-type: none"> ■ Redefining technical skills ▲ Hand-holding customer service ● Analyse data trends 	<ul style="list-style-type: none"> High Medium Medium
Head(s) of Claims	<ul style="list-style-type: none"> ● Technology ▲ Emotional IQ ■ Define new career paths 	<ul style="list-style-type: none"> High High High
Claims Managers	<ul style="list-style-type: none"> ▲ Performance Management ● Data management ■ Diverse skills 	<ul style="list-style-type: none"> Medium Medium Medium
Claims Technicians (General)	<ul style="list-style-type: none"> ● Data skills ▲ Interpersonal Skills ■ Broader skills (i.e. not just technical) 	<ul style="list-style-type: none"> Low Low Medium
Claims Operations	<ul style="list-style-type: none"> ■ Broader skills (i.e. not just technical) 	<ul style="list-style-type: none"> Medium

Relates skills to each: ■ Technical and control ▲ Customer experience ● Data and analytics

⁹ Workforce of the future: The views of 10,000 workers

¹⁰ Taken from output of PwC/LMA combined market workshops in Q4 2018

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