CNA

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Foundation blueprint complete

Claim End Game Solutions Out of the Starting Gate

Thanks to tremendous support and collaboration between the Field and Home Office, the CNA Worldwide Claim organization has identified and planned for technology and process change to improve claim handling and reduce loss cost leakage. These enhancements, combined with a continued emphasis on performance, form the basis of Claim Foundation.

Claim Foundation is one of 14 Claim initiatives among 67 End Game Solutions (EGS) approved by P&C leadership last December to improve overall P&C performance. Business processes are being redesigned to improve workflow and provide access to new and improved tools throughout P&C Operations.

"I think it's great," says Jeannette Cucolo, a claim specialist in Melville, New York. "We spent three days in intense talks discussing real business needs and how they can be satisfied with technology and process improvements. Now we're making it happen. Leadership is listening to the people who are going to use the system. I'm excited about what's to come."

"Claim Foundation is more than advances in technology," adds Dean Harring, Executive Vice President and Chief Claim Officer, P&C Operations.

Claim Foundation Supports the Six P&C Claim Initiatives

Wait a minute! How many initiatives are there? Quite a few. CNA is a busy place. Let's see ... CNA has 67 initiatives under End Game Solutions (EGS). Fourteen of those initiatives -- more than 20% -- involve Claim. And Claim has six key initiatives of its own that drive Claim operations; they are separate from the EGS work. Here's a quick look at what's happening in Claim.

The six key initiatives for P&C Worldwide Claim are:

Initiative 1
Reduce loss cost leakage.

Initiative 2
Re-institute claim oversight, governance and control mechanisms.

Initiative 3
Use technology to help streamline the claim process, lower costs, support decision making, improve data accuracy and increase productivity.

Initiative 4
Get control of the claim litigation process and reduce the spend rate on legal costs.

Initiative 5
Improve our knowledge management capability.

Initiative 6
Attract, select, develop and retain qualified claim employees.

Reducing loss cost leakage, which is the first P&C Claim initiative, is the desired outcome for the Claim Foundation. The third P&C Claim initiative is also important to the Claim Foundation, because technology is the tool we're using to help Claim get where it needs to go.

"People, processes and technology are coming together in a holistic approach to create a dynamic, more effective Claim function through Claim EGS. A consistent workplace culture is becoming a reality within Claim, and all of CNA and its stakeholders stand to benefit."

In total, the six Claim key initiatives embrace people, processes, and technology -- critical elements in the formula for achieving ongoing profitability.

The key objectives of Claim Foundation are to

- Implement the new claim folder and new adjuster desktop in 2003.

- Specify a strategic foundational platform for all future releases of Claim End Game Solutions (CEGS).

- Enable best practices using the new claim folder, giving Claim staff greater opportunity to reduce loss cost leakage.

- Increase productivity by reducing manual workarounds and providing quick access to information.

- Improve management oversight of claim processing and reinforce Claim Department initiatives outside the scope of EGS.

- Implement consistent processes and enable improved data accuracy by using one common claim folder.

FOCUS on the Claim Foundation

Here's how the Claim Foundation aligns with the FOCUS principles:

F -- *Financial responsibility with profit* means a quick, healthy return on the Claim End Game Solutions investment.

O -- *One face* applies because Claim teams across P&C Operations are collaborating in this effort. Claim is leveraging strengths in a collaborative way within its own organization, which will benefit external customers as well.

C -- *Customer Service* will be better all the way around because Claim is talking and interacting across the enterprise. This goodwill shines through to our customers. Claim people will be better informed so they can better answer questions, escalate issues and deliver consistency across the organization.

U -- *Understanding risk and underwriting excellence* is the result of the integration between Claim and Underwriting. Underwriting will have better information with which to make decisions because of the lessons learned and shared by Claim.

By diving into Claim's invaluable "think tank" of resources, coupled with the strategic roadmap outlined by Claim leadership, an initiative of great magnitude has been set on course. This initiative and its success require commitment from all levels of the Claim organization. This internal commitment is augmented by an agreement with Guidewire Software to co-develop the new Claim system with CNA IT. Guidewire is an enterprise software company dedicated to helping property and casualty insurers run their core claim operations.

"This partnership with Guidewire Software is unique to CNA," says Karl Gouverneur, Vice President, Solutions & Architecture, CNA Information Technology. "In the past, we acquired packaged software and customized it until it became our own, preventing CNA from reaping the rewards of the vendor's

S -- *Stakeholder value* increases and everybody wins -- shareholders, employees, customers, and producers through Claim's efforts on behalf of the enterprise.

research and development. This approach increased CNA's cost of ownership and limited our ability to implement future upgrades. Here we have put together a co-development agreement with Guidewire, and we will take the time to evaluate the technology, see how it fits our needs, and then evaluate and develop a course of action to close any gaps. We believe there is a larger footprint here, larger than just Claim Foundation, which will ultimately benefit other areas of the business."

Action for CNA and Worldwide Claim starts this year. Pilots will begin in the Atlanta and Dallas branches later in 2003, with deployment throughout the enterprise expected during the first quarter of 2004. CNA anticipates a positive return on its investment in all EGS initiatives over the next three years.

"This initiative is about tapping the best thinking of our people at all levels of the organization -- we're not building this in a vacuum," says Jerome Reynolds, Director, Claim Technology. "We have technology supporting process change. What we're doing is all about improving processes and technology to enable people to do their jobs better. Enthusiasm and anticipation exist throughout Claim about what is being developed and how it will make our jobs easier while improving our business performance."

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