Five Sigma

Claims Management Solution

Cyber
Line of Business

Cyber Insurance Industry

At a glance

Cyber insurance is a relatively new product that has been evolving quickly to keep up with the rapid evolution and increase in technological breaches.

The years 2014 and 2015 were watershed years, in which many major retailers (such as Target, Neiman Marcus, Michael's, Albertsons, UPS, Home Depot, Staples) and healthcare providers (Excellus BlueCross BlueShield, Premera Blue Cross, OPM, Anthem) - all experienced cyberattacks.

Rather than slowing down, these attacks continued to increase for both large and small businesses, with more than 4.1 billion records exposed by 2019.

Since the start of the pandemic in 2020, cyberattacks have increased by 300%. Remote work and the need for interconnection across organizations, resulted in a mass of uncontrolled online threats which altered the cyber insurance market and underlined the importance of comprehensive cyber risk coverage.

Currently, cyber insurance has become one of the fastest-growing segments for U.S. property and casualty insurers and is projected to be a $20 billion industry by 2025.

Although the number of unique cyber insurers has doubled from 50 to 100 providers in the last few years there has been little to no progress made on cyber claims specific systems, until now.

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Claims Challenges

First Notification of Loss

As soon as a breach is identified, the claims clock starts ticking. For the company that was attacked, this means gathering and communicating all indicative claims information asap. And for insurers, this means providing an FNOL process that is fast, simple and seamless for your customer, broker, and claims organization.

Response Team

Your internal claims team must be ready to quickly triage the claim and determine, deploy and coordinate the appropriate external response team. The response team may consist of some or all the following partners: law firms, financial forensic experts, digital ID experts and public relations experts. As such, your claims management solution should facilitate:

- Easy and comprehensive referrals, directly from the system
- Sharing of information across the response team
- Expert-specific permissions access to the claims system as needed

Digital Claims Auditing

A breach or cyber attack that results in a claim provides invaluable information for future underwriting audits, general risk mitigation and more effective resolution of similar claims. Your claims management system should include an embedded auditing solution that captures claims intelligence / audit data and facilitates an efficient audit program.

Omnichannel Communications

Open lines of communications are key both before and after a cyber incident and real -time communication across multiple channels (text, email, chat, phone, video) can create better results for all. Unfortunately, most claims insurance technology is outdated and does not support omnichannel communications.

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Scenario 1: Ransomware Attack

Five Sigma partners with cyber insurers to provide a customized cloud native claims solution that is specifically built for the unique challenges associated with cyber claims.

Time from engagement to deployment is three to six months, so within months the described workflows can be the norm for Five Sigma's customers.

The Solution

1

A hacker attacks a firm through an open Remote Desktop Protocol (RDP), a port commonly used to enable remote access to internal systems, and frequently leveraged by attackers to deploy ransomware.

The firm discovers that it was locked out of its systems. It promptly reports the claim through their preferred Five Sigma self-reporting portal.

2

The system triages the claim based on the carriers' criteria and assigns the claim to appropriate handler.

3

Through the claims system the handler enlists the ransomware response firm most experienced in identifying the nuances of the ransomware variant and the type of data at risk in real time.

4

Through the claims system, the carrier and incident response firm remain in constant communication with the client, taking strategic steps to minimize both financial and reputational impact.

5

Within a week, the client's systems are restored and operational without any data loss, at a cost significantly lower than the original ransom.

6

An audit is then completed on the claim within the claims system and shared with product and underwriting.

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Scenario 1: Employee Breach

Five Sigma partners with cyber insurers to provide a customized cloud native claims solution that is specifically built for the unique challenges associated with cyber claims.

Time from engagement to deployment is three to six months, so within months the described workflows can be the norm for Five Sigma's customers.

The Solution

1

A company is blindsided by an employee who abused access to customer data for personal financial gain. The company learns this when a customer reported that they received a bill for their services with an incorrect name. The suspicious statement sparks an internal investigation with their quality assurance team.

The QA team discovers that the employee fraudulently used the names and social security numbers of existing customers to enroll new customers whose credit history otherwise would not have qualified them for the service. Each newly approved service at the employee's request was a case of identity theft in exchange for commission.

The company immediately notifies their cyber insurance carrier of the claim via email.

2

The email is automatically forwarded to a queue within the claims system to be deciphered and ingested in real time.

3

The claim is triaged to an appropriate handler who collaborates with the company to engage a breach coach to assist in determining the extent of the compromised customer data and advise on the company's legal notification obligations.

4

In this case, the company's cyber policy covers the notification and credit monitoring costs for the affected individuals. The claims system enables the adjuster to act quickly, confirm coverage, and provides the resources needed to appropriately respond to this incident.

5

An audit is then completed on the claim within the claims system and shared with product and underwriting.

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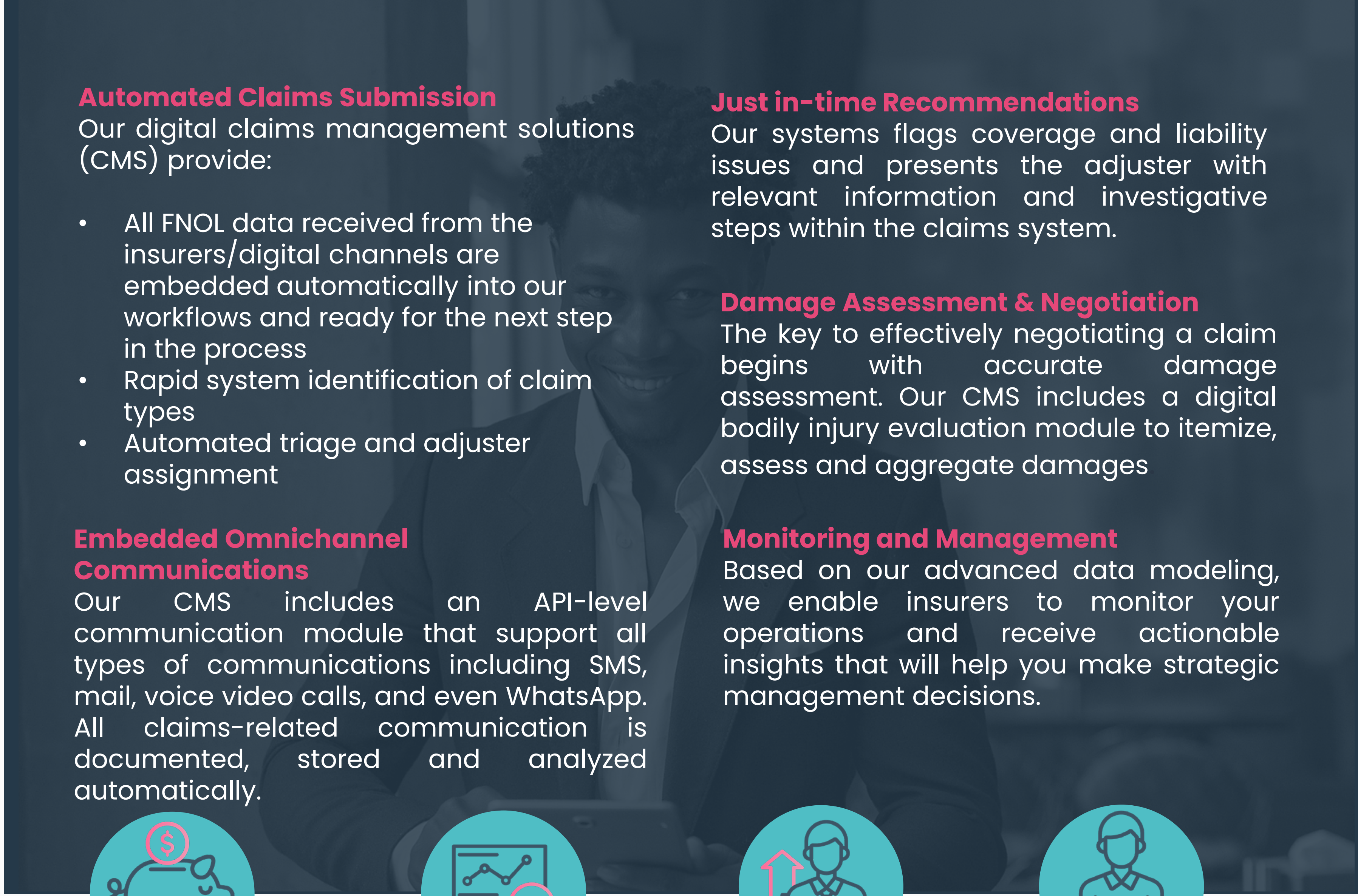
Delivering value for Cyber Claims Management



Automated Claims Submission

Our digital claims management solutions (CMS) provide:

- All FNOL data received from the insurers/digital channels are embedded automatically into our workflows and ready for the next step in the process
- Rapid system identification of claim types
- Automated triage and adjuster assignment

Embedded Omnichannel Communications

Our CMS includes an API-level communication module that support all types of communications including SMS, mail, voice video calls, and even WhatsApp. All claims-related communication is documented, stored and analyzed automatically.

Just in-time Recommendations

Our systems flags coverage and liability issues and presents the adjuster with relevant information and investigative steps within the claims system.

Damage Assessment & Negotiation

The key to effectively negotiating a claim begins with accurate damage assessment. Our CMS includes a digital bodily injury evaluation module to itemize, assess and aggregate damages

Monitoring and Management

Based on our advanced data modeling, we enable insurers to monitor your operations and receive actionable insights that will help you make strategic management decisions.

Increased adjusting efficiency

Improved accuracy

Optimized decision-making

Enhanced customer satisfaction

About Us

Five Sigma is a cloud-native, data-driven Claims Management Solution (CMS) with embedded AI/ML capabilities to allow simple and smart claims processing for the insurance industry. Five Sigma simplifies claims management by adding automated claims processing workflows, using data modeling and AI to provide smart recommendations, improving adjusters' decision-making processes and reducing errors.

Leading insurance carriers, insurtechs, TPAs and self-insured companies use Five Sigma's CMS to modernize their claims operations, reduce claims leakage, enhance compliance, and improve their customers' experience.

For more information, visit:
https://www.fivesigmalabs.com