



Claims Management Solution

Homeowners Insurance
Line of Business

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At a glance



The average combined ratio of the largest U.S. homeowners' insurers was over 100% yet again in 2021, marking the fourth time in five years that the figure has been above the profitability benchmark, according to an S&P Global Market Intelligence analysis. For policyholders, this means premiums are continuing to rise.

Insurance claims comprise approximately 70% of insurance carriers' total expenditures in the forms of payment, fraudulent losses, and processing costs. And even a fractional optimization in losses paid and their associated expenses can have a material impact on insurers' profitability.

Therefore, your company's claims handling and administration could well make the difference between an underwriting profit and an underwriting loss.

Claims Challenges

Catastrophe Management

As we all feel, climate risk is continuing to put pressure on all things weather-related. And insured damage from tornadoes, hurricanes, sever storms, wildfires and other natural disasters has reached \$82 billion in the U.S. this year. For insurers, this means that you need to be able to quickly and efficiently manage the aftermath of high volume, high severity events.

High Severity Losses

Understandably, high severity home losses (up to total rebuild or replacement of the home) are a uniquely negative experience for the homeowner and as result a difficult situation for your adjusters resolving these losses. This has now been exacerbated by the relative prevalence of high severity weather events.

Vendor Management

Vendors interface with your policyholders on your behalf across the entire claims process and execute key tasks (FNOL, mitigation, damage scoping, damage assessment, content inventorying). To this extent, vendor management plays a large role in the success of your claims operations and is key for creating a smooth customer experience.

Omnichannel Communications

Your policyholders expect real-time communication across multiple channels (text, email, chat, phone, video). Unfortunately, most claims insurance technology is outdated and does not support omnichannel communications, leading to frustrated customers and unhappy adjusters.

Use Case: **When Catastrophe Strikes**

The Challenge

Many claims management systems are auto-centric claims systems that have been modified to accommodate homeowner claims. When a catastrophe strikes these deficiencies become glaring and can intensify handling delays and resolution inaccuracies.

A homeowners' insurer had decided that it was time to update its claims management system to a cloud-based, SaaS solution. They were looking for a solution that could be deployed quickly and allow them to scale as they grow.

The Solution

Five Sigma's homeowner's module has been built from the ground up to efficiently resolve homeowners' insurance claims and to better manage the unexpected exponential increase in claim volume when catastrophe strikes.

1

When a severe weather event or fire hits, it's all hands on deck to ensure that insureds FNOL calls are answered, and reinsurance provided. Adding new users to the Five Sigma system is completed in real time, without IT involvement. Because of Five Sigma's intuitive FNOL user interface, non-claims users are quickly trained in the UAT environment to get on the phones and begin assisting customers.

3

The insurer creates a portfolio of event specific status reports that refresh in real time to proactively keep all internal and external parties informed.

2

As losses are being taken and resolved across coverage/process queues, Five Sigma's system automatically compiles, organizes, and presents all claims data in a usable format so that the insurer can:

- Recognize and forecast size and scope of the event in real time as claims information is captured
- Rapidly understand additional resource needs (internal & external) and efficiently acquire and distribute these resources across the resolution process and relevant geography

Delivering value for Homeowners' Insurance 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>

