Tech forward

Updates on the latest technology developments at Sedgwick and throughout the industry

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At Sedgwick, we take a <u>people first, tech forward and data driven</u> approach to developing solutions that address a range of claims and productivity challenges. We regularly hear from clients and brokers that they want to know more about how we — Sedgwick and the industry as a whole — are using and adapting the latest technologies to enhance our offerings, improve the customer experience, and keep pace with the speed of change in business today. To that end, we're introducing the Tech Forward column to *edge* to shine a light on some of the latest developments in technology in the claims space.

GENERATIVE AI AND DISRUPTION IN THE CLAIMS INDUSTRY

It's hard to escape the buzz surrounding ChatGPT, an artificial intelligence (AI) tool that uses natural language processing to respond conversationally to human prompts for information and task requests. The chatbot and its underlying generative pre-trained transformer (GPT) language model are taking the world by storm. There is a lot of discussion across various industries — including claims and insurance — about how generative AI might transform the way people interact with technology and, when applied strategically, revolutionize work processes and address key business challenges.

Also making headlines are the potential dangers associated with using generative AI outside of secure environments. As outlined in an article by Eric Schmitt, Sedgwick's global chief information security officer, these risks can include:

- Leak, theft or misuse of data
- Lack of control over output content
- Non-compliance with laws and regulations

In claims, these risks cannot be taken lightly. Given the sensitive and personally identifiable nature of the information we touch every day, claims data must be handled in accordance with strict privacy protocols. (As such, claim details and other legally protected information should never be used in a publicly accessible GPT prompt; Sedgwick blocks these applications from our networks as an added security measure.) However, with a thorough understanding of the possible risks and robust controls that can be put in place to mitigate them, organizations wishing to pursue the benefits of generative AI can safely proceed in integrating such tools into their systems and processes.

At the most basic level, those benefits include greater efficiency. Generative AI can rapidly draw meaningful information from huge amounts of data and automate important but routine pieces of the claims process. More significantly, effectively embedding GPT into claim workflows can give busy examiners and adjusters the opportunity to focus on critical aspects of their jobs that only humans can perform: connecting with and caring for people. "Outsourcing" to technology some of the mundane and repetitive tasks associated with claims will enhance the work experience of our industry's talented professionals. With the labor market still

tight and today's workforce seeking engaging and challenging assignments and opportunities to grow and make a meaningful difference, investments in technologies like GPT have the potential to deliver significant and valuable and dividends.

Following a deliberate assessment of the benefits and risks, earlier this year we announced the launch of Sidekick — an industry-first integration of generative AI using OpenAI's ChatGPT technology with Sedgwick's established claims management tools. Sidekick is designed to give our talented teams an advantage in their daily work, so they can quickly gain value from claim information, efficiently relay it to clients and other stakeholders, and dedicate more time and energy to the people whose care is entrusted to them.

As a first step, we've made Sidekick available to a limited group of colleagues from our U.S. workers' compensation claims team. Within our secure environment, they can use Sidekick to instantaneously produce automated summaries of scanned documents and add relevant highlights to the appropriate claim file. Sidekick offers new opportunities to uncover key data that can help colleagues complete tasks quickly and easily. The pilot has yielded very positive results, and we are working to fine-tune Sidekick to ensure we've accurately captured the thought process of our talented claims colleagues. At the same time, we're also evaluating how we can bring this use case to other teams and lines of business around the world, so it can help us make a meaningful impact on a wide range of claims.

This is our first application of generative AI in production, and we're in the process of evaluating the feasibility and return on investment (ROI) of about 20 other models proposed by our business experts. We anticipate that future iterations of Sidekick may be able to produce entire claim summaries, identify risk factors on individual claims and programs, conduct audit checks, explore emerging data trends, and more. We're still exploring Sidekick's true possibilities, but we have no intention of having this technology make claim decisions. We'll leave the critical judgment calls to the professional expertise of our talented colleagues.

Our underlying goal is to leverage the latest technology to help colleagues work more efficiently, so we can deliver better outcomes, faster resolutions and an improved colleague experience. That's the kind of disruption everyone can get behind.

To learn more about our Sidekick application, watch this video.

TRANSFORMING CLAIM DATA INTO ACTION

The field of data science has changed rapidly in the last 5-10 years. In a short time, the industry's standard tools evolved from applications like Excel and Business Objects to far more sophisticated data visualization applications, such as Tableau and Power BI. The open source programming language Python has also created a world of opportunity for data scientists to glean more actionable insights from business data.

As is the case in many sectors, the claims industry is collecting more data than ever before. Each step in the claims process yields multiple data points that, with a large enough data set, can be anonymized, tracked, and analyzed to identify patterns and predict claim trajectories over time. Many employers, insurers and service providers are sitting on a gold mine of data, but few are leveraging these valuable resources to their full potential.

Sedgwick is leading the charge for the industry in adopting the latest data science tools, strategies and best practices. We now have a global team of more than 200 data experts, who are centralized into one department to foster greater collaboration, consistency and innovation. Thanks to the scale of our book of business, robust technology platforms and longstanding market presence, our systems house the world's largest repository of historical claims data. And, to ensure we can make the most of all that information, we've invested in a world-class technology stack and given our talented colleagues access to cutting-edge data science tools. These enhancements ultimately benefit our clients and the people we serve under their claims programs.

A great example of how we're transforming claims data into action is through our proprietary attorney scorecards. Using aggregated information from more than 500,000 closed, litigated workers' compensation, general liability and auto claims within our systems, we've produced algorithmic scorecards for nearly 15,000 attorneys and law firms across the U.S. The scorecards help our claims examiners and clients better understand attorney and law firm practices in various jurisdictions and their impact on litigated claim processes and costs. (For more on managing the costs associated with litigated claims, see our article on rising claim severity in this issue of *edge*.)

Another meaningful application of claims data is benchmarking. Many of our clients are eager to measure their results against prior program performance, industry peers or Sedgwick's overall book of business. Perhaps the greatest challenge when it comes to benchmarking is creating a true apples-to-apples comparison. Our modern data science tools, technology applications and advanced analytics enable us to do a much better job of establishing fair comparisons, so that benchmarking data translates into accurate and meaningful information. Due to popular demand, we're working to provide clients with greater self-service access to secure, real-time program data and user-friendly reports they can generate on their own.

Sedgwick's team of data science experts is here for you — watching trends, sharing ideas, offering support, bringing the best of our resources, and imagining what's next. With our leading-edge technology tools, broad base of talent, and rich data set, we're the industry's partner of choice to help clients adopt a data driven approach to program performance.

To learn more, check out the latest blogs on our data driven approach, and read this article from Risk & Insurance featuring Max Koonce, our chief claims officer.

ENHANCING SERVICE DELIVERY, COLLEAGUE EXPERIENCE THROUGH TECH INVESTMENT

We are continually looking to bring together empathetic talent, optimized processes and robust systems for the benefit of all stakeholders in the claims process. One area in which our technology team is now heavily engaged is upgrading how we communicate and connect with our clients' employees and customers around the world. To that end, Sedgwick has made a significant investment in Genesys Cloud CX^{TM}, a leading cloud-based customer care solution that unifies customer and agent experiences across phone, email, chat, text and social channels.

A key benefit of standardizing our entire global claims and customer service colleague population onto the same telephony platform is that it will allow for more consistent monitoring of caller interactions, as well as help us better leverage our international footprint to serve pressing needs as they arise. Using Genesys will improve the ways our teams collaborate, share information, and support each other across borders. It's a highly flexible platform that can be integrated with other systems and secure data sources to simplify workflows and processes.

Once fully implemented, Genesys will allow us to deliver an enhanced customer experience in the moments that matter most. It will also help us improve our colleague experience. The modern, seamless and user-friendly platform supports work effectiveness and efficiency and should reduce colleagues' technology-related stress — promoting greater job satisfaction, retention and empathy in the process.

We are taking a phased approach to implementing Genesys across our global operations; the full rollout spans about three years, and we are now nearly halfway through that timeline. To date, we've migrated more than 6,000 Sedgwick colleagues onto Genesys and expect that number to reach nearly 10,000 by the end of 2023. Following initial user migrations, we aim to expand beyond the platform's core capabilities — bringing new and exciting features to our various operations teams based on business needs. Clients and colleagues will hear more about our global Genesys implementation in the months ahead, and we continue to explore how best to integrate the platform's wide-ranging capabilities into our service delivery.

Taking care of people is at the heart of everything we do at Sedgwick. Leveraging innovative technologies and processes, like those offered by Genesys, supports our commitment to improving our service and showing how much caring counts.

Clients interested in the industry's latest tech developments are encouraged to join our technology circle. Contact your designated Sedgwick client services director for details on how you can participate.