Crawford®

GLOBAL CLIENTS TODAY

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MOVING IN MULTIPLE DIRECTIONS

Welcome to the Spring 2019 edition of GCT, our newsletter showcasing the latest developments across Crawford® Global Client Development. I am extremely proud of how our team continues to adapt to the changing needs of our clients and the increasingly complex world we are operating in.

A key focus for our team is the promotion of our new industry vertical solutions. The triple hit of Harvey, Irma and Maria in 2017 had a huge impact on the hospitality sector and prompted us to further refine our hospitality response into a complete solution. This has proved an instant success, winning us new business around the world, including two significant wins for TPA: a major luxury hotel chain and a major North American hotel and gaming chain. Integrated industry verticals have also been launched for the construction and transportation sectors and more are in the pipeline. Our director of client engagement, Christine Smith, explains more about how and why we have segmented our customer base in this way and how it is adding value to our clients.

One market we are all watching with interest is Lloyd's. To say that it has been a challenging period, following two years of significant natural catastrophe losses in 2017 and 2018 and the review into underperforming accounts last year, would be an understatement. But now, with a new CEO at the helm, green shoots are beginning to show. A Lloyd's and insurance industry veteran, John Neal set out a positive vision for the market in his first public speech in the role.

Speaking at "The Lime Street Perspective" hosted by the Insurance Insider, he acknowledged the market's challenges but moved on quickly to set out some clear goals for the medium and long-term. This includes the market's efforts to continue its journey of modernization and a more tactical growth strategy globally. "We must be the go-to market that combines the best of Lloyd's — our risk expertise, our broker and underwriter relationships, our global network, our claims track records, our talent, our brand — with the transformative power the digital world has to offer." Crawford fully supports Neal's vision and is committed to working with our Lloyd's clients as the market develops over the next few years.

As Lloyd's looks to further automate its processes, Crawford is already on its own digital journey, allowing us to support our clients as they seek new operational efficiencies. As our Chief Information Officer, Hilton Sturisky explains on page 4, we are taking some important strides in getting more from the data that we have by overhauling legacy systems, utilizing advanced analytics, and more recently, getting to the stage where we can use artificial intelligence (AI) to evaluate and triage claims. These are exciting opportunities to improve the speed and consistency of our service while providing our global clients with new claims and vulnerability insights.

Benedict Burke

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CRAWFORD® NEWS IN BRIEF

GCD Vice President named

In November, **Yana Sobetska** joined the Crawford Global Client Development team as vice president. She was previously an account director at Willis Towers Watson, with key global clients in the pharmaceutical, food and drink and finance sectors.

Crawford Global Client Development: Making waves

In December, Broadspire® U.K. Managing Director **Kirsten Early** was nominated as one of Business Insurance's Women to Watch EMEA. Early talked about the importance of networking and mentoring other women in insurance and described what she loves most about her career in claims, noting that every day is different.

Crawford website

We have now streamlined our global/U.S. and U.K. websites into a more contemporary design to provide a consolidated, comprehensive 'One Crawford' approach. The new content better reflects our mission and values and we are now able to present our growing catalogue of services and solutions in an easily accessible way. You can also access our impressive library of white papers/reports/videos under the **Resources section**. This new global site model will now also be applied to our Europe, Australia, Canada, Asia and Latin America sites; placing us all firmly under the 'One Crawford' global brand.

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LLOYD'S

KEEPING PACE WITH RAPID CHANGE

William Jones considers the range of developments coming to a head across the Lloyd's market

Lloyd's is undergoing a profound period of transformation. Multiple concurrent market-wide initiatives are being implemented including: more stringent oversight measures, extensive modernization initiatives and the establishment of Lloyd's Brussels, in response to the U.K.'s departure from the EU.

"The Lloyd's and London Market is a sophisticated environment in usual circumstances," explains William Jones, client liaison manager at Crawford. "When you introduce a multitude of market-wide initiatives that complexity is enhanced."

"THE ESTABLISHMENT OF LLOYD'S BRUSSELS HAS HAD A MAJOR IMPACT"

Given the scope of his role, getting to grips with the detail and impact of these initiatives is essential.

"In October 2018, we saw a change in the Lloyd's leadership," he says. "John Neal's appointment as CEO heralds a period of change in the market's approach and strategy, as he looks to set Lloyd's up for success in the short, medium and long term".

"The market has also undertaken its most detailed review in recent times, with a specific focus on underperforming business lines. As a result, a number of syndicates have exited lines of business and are restructuring their risk appetite."

Lloyd's has also introduced a number of market modernization initiatives with the intention of making processes more efficient and creating an environment which is easier for stakeholders to conduct business in.

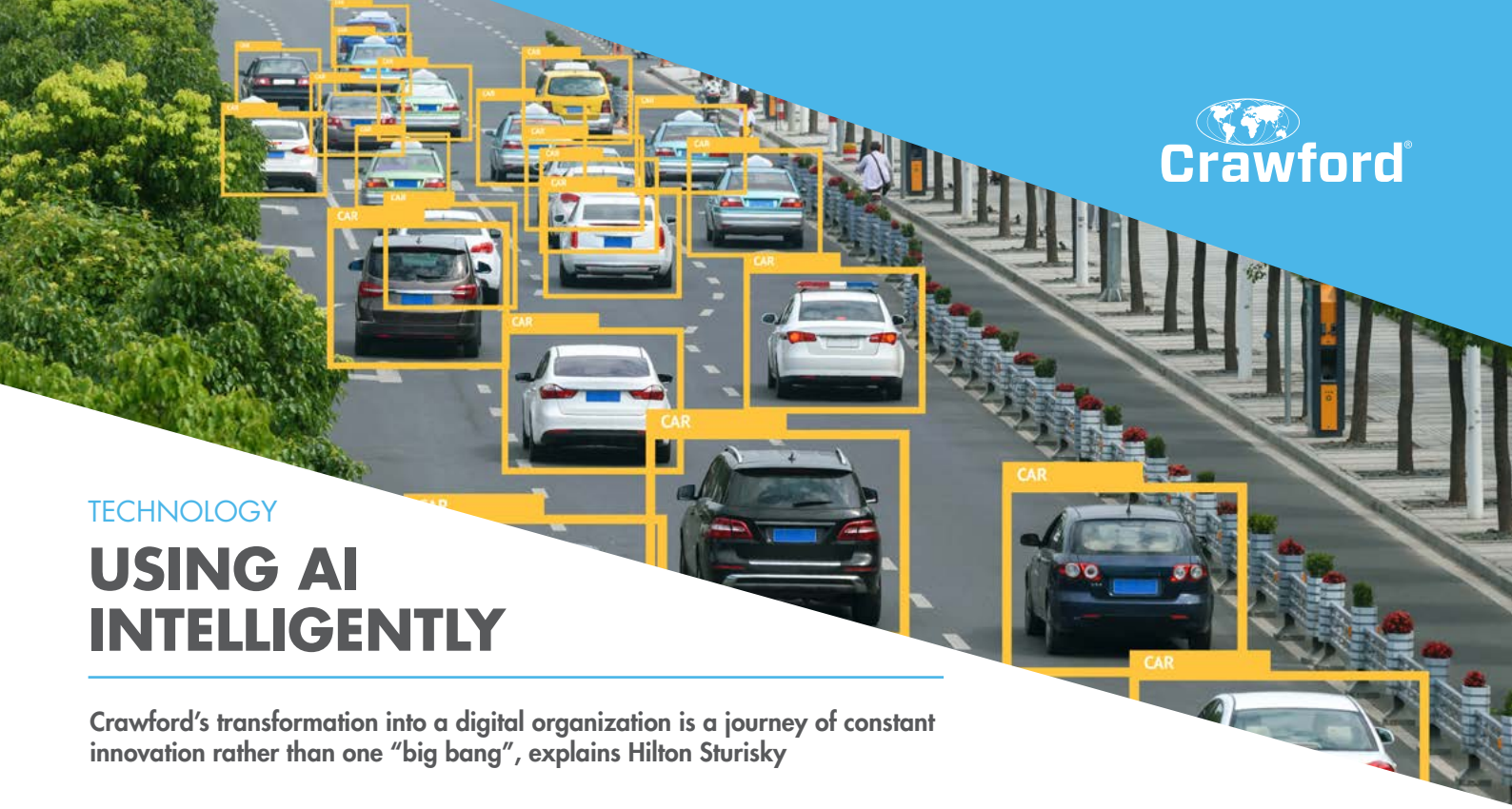
"We have seen the introduction of a range of impressive platforms and software," he says, "spanning areas such as bordereau submission, TPA due diligence, TPA accreditation and claims management. These are central business functions and require carefully managed integration into existing systems."

In addition to these changes is the U.K.'s imminent departure from the EU, with Brexit spawning the establishment of Lloyd's Brussels. Fully operational, the new insurance company is already placing and processing European risks.

"The establishment of Lloyd's Brussels is significant," Jones says. "With business now written via Lloyd's Insurance Company S.A. and reinsured back into syndicates, new contracts have had to be signed and new processes implemented to ensure compliance with complaints procedures, invoicing and other key areas."

It also has implications at a more granular tax level. "In the delegated authority TPA space, for example, there is a requirement to capture VAT on insurer payments. The agreements with the Belgian regulators require VAT accounting on each invoice. This has required us to develop our systems to comply with the new bordereau standards."

For Jones, these multiple initiatives have made maintaining close client contact across the market critical. "We have been working with our Lloyd's-based clients to help clarify how these developments will affect them and how best to respond. Crawford is committed to being at the forefront of market modernization and actively engages with its clients to deliver win-win solutions."



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TECHNOLOGY

USING AI INTELLIGENTLY

Crawford's transformation into a digital organization is a journey of constant innovation rather than one "big bang", explains Hilton Sturisky

Over the past two years, Crawford has been undergoing a dramatic digital transformation program. "Our transformation into a digital organization is a journey of constant innovation rather than one big bang," explains Crawford Chief Information Officer, Hilton Sturisky. This is part of an overall company objective to provide clients with improved technology capabilities and a richer set of data and analytics to drive better decisions and insights.

There are several components to the program. One where Crawford has already made significant progress is designing and deploying modern systems and data integration. "For many of our services, we are able to combine information spread across disparate legacy systems by implementing a new technology called data virtualization," Sturisky says. "This gives us the ability to provide comprehensive reporting and insights." Crawford has also been moving towards cloud services which allow it to deploy new capabilities much faster than before. Another major initiative underway is the development of a new global claims system that will replace and consolidate several legacy country systems.

"It does take quite a long time for change to propagate through the network," Sturisky says. "But from the inside, we are transforming quite aggressively. We've got internal systems that we have innovated and have developed some leading-edge capabilities."

Another technology Crawford has successfully deployed is robotic process automation (RPA). This is helping to reduce costs and improve efficiency, both of which have significant client impact. Crawford has also been aggressively developing an application programming interface (API) strategy using Mulesoft that allows rapid integration with client and partner companies. "With Mulesoft API, we will continually expand the services we offer and make it easy for our clients to use these new capabilities." Sturisky adds, "It has put the organization in a strong position to leverage cutting-edge technology and work on highly advanced projects, including the Internet of Things (IoT), predictive modeling and machine learning."

But the really big leap, according to Sturisky, is the application of artificial intelligence (AI) to a number of critical business functions. "We have numerous activities going on across the globe around artificial intelligence and we are building our own infrastructure that can act as our internal gateway for all of our various AI activities."

"The examples that we see for incorporating AI are numerous," he continues. "There's quality control that we can apply to all the documents we get. There's AI around fraud. There's also artificial intelligence for triaging and processing claims." One example he gives is for first notice of loss. "When a claim comes in, a future AI triage system will automatically assign that claim to the right adjuster with the right level of expertise and give that adjuster the information that they need in order to close it out quickly. In some cases, where the regulations allow, AI will close out the claim automatically."

"The transformation Crawford is making is very exciting," adds Sturisky. "We are developing services that meet the needs of our clients today, and just as important, we will be able to help our clients identify and take advantage of new capabilities to address their needs for tomorrow."

THE REALLY BIG LEAP IS THE APPLICATION OF ARTIFICIAL INTELLIGENCE TO A NUMBER OF CRITICAL BUSINESS FUNCTIONS

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INDUSTRY VERTICAL SOLUTIONS

THE VALUE OF CUSTOMER-CENTRIC SOLUTIONS

Christine Smith discusses Crawford's strategic focus on industry vertical solutions for sectors such as hospitality and construction, and explains how this is already hitting the client mark

In 2019, a key strategic focus for Crawford is its ability to segment its customers effectively. Delivering industry-specific solutions, the goal is to bring the full range of services to bear on the unique challenges faced by clients in individual sectors.

At the forefront of this push is Christine Smith, director of client engagement at Crawford. "By gearing our services to the particular demands of specific sectors," she explains, "we're aiming to ensure our solutions are built around customer experiences and address head-on the unique risks they face."

To date, Crawford has launched vertical solutions for three industry sectors – hospitality, construction and transport – and is targeting a further two verticals by the end of the year – retail and real estate.

"The focus in the first half of 2019 is on fully globalizing the three existing verticals to ensure the breadth and depth of our expertise in these industries is delivered to clients around the world," Smith says. "In the latter half, our aim will be to launch global solutions for real estate and retail, where we see significant opportunities."

'Opportunity' is the critical word. Crawford is only targeting those sectors where there is a clear market opportunity and the potential to add value over and above what it currently delivers.

Hospitality was the first sector selected for the vertical treatment. Crawford provides loss adjusting and TPA services to large sections of the industry on a global basis. "We saw a tremendous amount

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"A KEY CHALLENGE FOR THE HOSPITALITY SECTOR IS ENSURING BRAND CONSISTENCY ACROSS HUNDREDS OR THOUSANDS OF SITES"

LOOKING UP

The success of Crawford's vertically-focused strategy has already been clearly demonstrated. Since the launch of its Total Construction Solution, representing one of the most comprehensive offerings in the sector, this global solution has grown 29%, driven by Crawford's TPA capabilities in Broadspire.

The capabilities provided span the full spectrum of construction industry claims, and include:

- Dedicated construction account management
- Builder's risk and labor law expertise
- Jurisdiction-specific workers' compensation capabilities
- Forensic accounting capabilities
- Contractor emergency services
- Large loss repair solutions

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THE VALUE OF CUSTOMER-CENTRIC SOLUTIONS

of opportunity here," Smith explains, "and that, combined with the specialist expertise we had and the defined solutions we offered meant it was an ideal industry platform to launch from."

A key part of the vertical solution is being able to open-up the expanse of Crawford's services while simultaneously delivering the most precise solution to the end customer. Sometimes, this will also involve introducing capabilities previously not considered priority services for that sector.

"For example, a key challenge for the hospitality sector is ensuring brand consistency across hundreds or thousands of sites," Smith says. "By using WeGoLook, our on-demand workforce solution, we can provide a perfect mechanism for brand validation that gives them eyes on multiple different sites, almost simultaneously, in a very cost-effective way."

Devising such creative solutions for unique sectors requires ground-level knowledge. It is about the ability to see beyond the standard, delivering new ways to tackle existing problems while having the data and understanding to develop solutions for challenges on the horizon.

"There has been a significant focus on regular contact with our clients Concentrating on stewardship and account planning," she adds. "We have to be constantly listening to what their challenges are, how they are changing and what lies around the next corner." The vertical focus syncs perfectly with the 'One Crawford' company mantra. "The end solution might involve expertise from multiple different service lines," Smith states, "but when we deliver to the client that delivery must be seamless."

"THERE HAS BEEN A SIGNIFICANT FOCUS ON REGULAR CONTACT WITH OUR CLIENTS CONCENTRATING ON STEWARDSHIP AND ACCOUNT PLANNING"

The approach is also resonating with brokers and insurers, and feedback suggests it is a clear differentiator for Crawford in the loss adjusting space. "They are very receptive to what we're doing, as it mirrors the client segmentation strategy that they use themselves."

"Fundamentally," she concludes, "it is about becoming a value-adding partner for our clients and moving beyond the idea that we are simply a service provider."

CRAWFORD® NEWS IN BRIEF

Meeting the growing demand

Crawford Chief Client Officer **Benedict Burke** was recently interviewed for an article in JLT's Risk Specialist magazine, explaining why demand for specialist loss adjusters is growing. Against a backdrop of new and emerging risks, he emphasized how Crawford is investing in new talent, skills and technology in order to innovate. "The role of the loss adjuster is far from dead," he said. "But as an industry, we need to look at how we deliver claims service, especially for the complex claims and catastrophe events, and that means collaborating more on how we use adjusters."

Back in September, **Burke** also spoke at a prestigious event hosted by JLT Specialty at 11 Downing Street, in celebration of their partnership with Alzheimer's Society's Insurance United Against Dementia campaign. He told attendees, including Chancellor of the Exchequer, the Rt Hon Philip Hammond, that more needed to be done to raise both funds and awareness of the disease. "That people should have to face up to an illness that still has no cure and cannot be slowed in its progression, despite the fact over one-third of people in the U.K. will develop dementia in their lifetime, is astounding," he said.

The tripartite claims relationship

Crawford Global Client Development's **Rob Kleinveld** appeared in Chubb's Progress magazine, talking about the importance of the tripartite relationship when it comes to catastrophe claims. "That relationship spans the broker and the claims adjuster to enable the most efficient response in the event of a loss," he said. "Having a preferred or nominated adjuster, who fully understands the insured's business and program, means that they can respond quickly, and sometimes creatively given the unique demands of the claim, to ensure a professional claims response."

DATA PRIVACY

MORE THAN A TICK-BOX EXERCISE

Collaboration is key in a GDPR-complaint environment, explains Robert Jeff

"It is difficult for an organization to definitively say they are GDPR compliant – we prefer instead to focus on being GDPR ready," says Robert Jett, who joined Crawford in February to lead its Global Privacy Office (GPO).

The EU General Data Protection Regulation (GDPR) has brought data privacy, data protection and individuals' personal information into sharp focus in Europe and beyond, and the GPO was established to address data privacy across Crawford's global operations.

The GPO's role, Jett explains, is to not only ensure compliance with existing regulations but also develop a forward-looking strategy to deal with future changes to privacy laws. The GPO includes David Parker in the U.K. as lead for data privacy issues, EU and internationally.

"Data privacy is a global issue and regulation is a moving target," says Jett, whose career in IT and compliance spans three decades, including senior positions at Stryker and insurers AEGON, Old Mutual and Reinsurance Group of America (RGA).

One of his key objectives is to enhance collaboration between Crawford's internal IT and business teams and external business clients. "Proper data management will position Crawford to support innovation and the use of new technologies. A key is really understanding data flows – how data moves within Crawford, where it comes from, who accesses this data, and why," he explains. "This requires a fully collaborative approach – not just ticking boxes."

Supporting clients

To maintain strong client relationships, Crawford must not only demonstrate data privacy best practice, but also support clients in meeting their own compliance obligations. "There must be good communication and a full understanding of clients' instructions so we can provide our services in line with their expectations and legal requirements," says Jett.

As a data processor under GDPR, Crawford takes instruction from the client – the data controller – on how to manage its data. It is required to identify measures and controls undertaken in its overall privacy program, including, but not limited to, how data is collected, transferred and processed, who can access data and the level of privacy awareness training provided to employees and third parties supporting its systems and services.

Crawford must also be ready to respond under various provisions of the privacy laws, such as data subject requests. "Often we are handling the most current data on a particular claimant, and if an individual wants to see the data we have on them, we are obligated to show them," Jett says. "This again calls for coordination with the external business client."

Employee vigilance

Increasing employee awareness through enhanced training is critical if Crawford is to both meet client expectations and remain compliant. Communicating data security guidance to employees is a key initiative for the GPO in the first half of 2019.

With hackers becoming more sophisticated and the cost of phishing scams and cyber attacks escalating, employees should be alert to suspicious emails and communications. "If something feels wrong, follow your instincts and report it immediately," advises Jett.

Maintaining physical security is also important, including securing laptops when traveling, safeguarding mobile phones and tablets and locking computer screens when away from the screen. "We have to take privacy very seriously, especially within our own working environment, wherever that may be," he says.

"Whilst reflecting the ethos of 'One Crawford' and the need for ever closer collaboration and sharing to deliver outstanding service to clients, it's important for us all to be attuned to the concept of privacy by default," he adds. "Our aim must be to ensure that information is handled with the highest privacy protection standards appropriate to the nature of the data."

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