

## What is ClaimNet?

One of the largest tasks carried out by the Receiver or Liquidator is the processing of claims. The proof-of-claim process continues to be a largely manual and labor-intensive process in most states. Once notified by the Receiver about when and how to file a claim, claimants must file a proof-of-claim form with the Receiver or, in most cases, forfeit their right to a recovery. The proof-of-claim form serves as the basis to evaluate the claim. In most cases, the Receiver retains the proof-of-claim form until a distribution has been made to claimants and the Receiver has been discharged. The costs of the administration of the estate of the insolvent insurer, including the costs of gathering and analyzing claim information are borne by the estate. Any distribution to claimants is made out of the remaining funds in an estate after all administrative costs have been paid.

As a way to improve the proof-of-claim process, ClaimNet is designed to enhance the value of each estate to the benefit of claimants by promoting a more effective and efficient administration of receiverships. ClaimNet is designed for use by claimants and receivers involved in an insurance company receivership process. ClaimNet provides claimants with a user-friendly Internet interface to file proof of claims, inquire on the status of a claim, and file objections. State-appointed receivers use ClaimNet to access and process the claimant information to reach a final resolution. ClaimNet has a configurable receiver administrative interface and be easily customized by each state in their capacity as Receiver.

ClaimNet will provide benefits for receivers, as well as claimants. For receivers, ClaimNet will enhance the ability of the state of domicile as “lead state” to more efficiently administer a receivership, facilitate more effective capture of claim information, and maximize technology by leveraging existing receiver claims systems. Claimants will benefit by having a convenient method for claim filing and communication with the receiver, receiving immediate confirmation of receipt of their proof-of-claim submission, and having an online interface to check their claim status. The more efficient and effective online proof-of-claim process provided by ClaimNet will result in lower estate administration fees by reducing overhead costs associated with paper claims. This results in enhanced estate value, which in turn, is passed on to claimants as higher distributions for their claims.

## Advantages of ClaimNet

There are a number of reasons why a State’s Liquidation Department may choose to implement ClaimNet.

- ClaimNet can help reduce the cost of collecting and processing claimant submissions by automating portions of that process.
- Claimants will have the convenience and ease of access and use provided by the internet:
  - Claimants are provided with a questionnaire style, user friendly interface.
  - Forms are pre-filled with data from Receiver records, allowing Claimants to more quickly and accurately complete their submissions.
  - Claimants can check on the status of their submissions virtually 24 hours a day, 7 days a week.
  - Claimants can obtain additional information through online documentation and contextual help.

## **ClaimNet Project Managers Summary**

- ClaimNet is configurable to meet the varying needs of different States and Receiverships within each State.
- ClaimNet provides a uniform method for collecting and processing Claimant data.
- NAIC provides the front-end application and a reference implementation, thereby reducing the cost of implementing an automated data collection and submission system.
- ClaimNet provides secure methods for submitting data by using SSL, data encryption of sensitive data at rest and virus scanning of all attachments.

### **ClaimNet Application Components**

The ClaimNet system consists of three major components. The first is the ClaimNet internet application, which is the component that Claimants see. The application was built and is maintained by NAIC, with input from participating states.

ClaimNet application configuration is accomplished via the second component, the ClaimNet Administrative interface. The interface is web-based and provides the means to configure various field and system settings. It also provides a minimum standards method for testing the Receiver's web services.

The last component that makes up the ClaimNet system is the web service integration of the ClaimNet front-end with the Receiver's back-end systems. A web service reference implementation is provided to States as an aid to developing the web service. The reference provides a coded example of, and supporting documentation for, the web service that is used to accomplish the integration.

### **Steps Needed to Utilize ClaimNet**

There are 4 basic steps that need to be taken in order for a State to use ClaimNet:

1. Establish intent to use ClaimNet with NAIC.
2. Work with NAIC to plan and develop back-end integration with ClaimNet.
3. Configure ClaimNet settings for the State and Receivership.
4. Test your Receivership in the Beta test area and production implementation for the State.

### **Interested In finding out more?**

You will find a ClaimNet Implementation Overview link near this document which will provide additional details for implementing ClaimNet.

The following individuals can also provide you with addition information regarding ClaimNet

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