Optimizing Insurance Operations

One of the main objectives of Insurers today is to deliver a customized and consistent customer experience across all channels. While Insurers look at technology as one of the main drivers, it needs to be supported by a strong operating model at the back-end. Cost pressures continue to be a major concern for Insurers. There is a potential to optimize Insurance operations effort by 20-60% through digital transformation and automation using Robotic Process Automation (RPA) and Cognitive/Machine learning.

Challenges undermining the Underwriting, Claims & Billing process in Insurance

Management of both core and non-core business process activities at each business unit requires the services of specialists

Rollout of new products takes significant time in a monolithic core insurance application environment

Lack of end-to-end automation despite implementing modern core insurance package solutions

Duplicate, manual, and paper-based processes result in low employee productivity and inadequate customer experience

A product-centric approach instead of customer centric approach, to sales and service due to multiple customer touch points, based on product type

Opportunities to optimize the operating model and automate core Insurance processes

At a business unit level, insurers manage a significant number of processes in a decentralized operating model. The use of specialists to conduct end-to-end activities within a business process not only increases the cost of operations significantly but also brings disparity in customer experience across business units. To achieve an efficient and effective operations model, business activities must be segmented and triaged based on critical decision points for business unit specialists and generalists operating at a centralized level.

Insurers must define several paths based on the complexity and intensity of various cases of underwriting and claims. For example, insurers can define paths such as line of business, risk to be insured, sum insured, reserve amount, and probable maximum loss. Figure 1 shows a sample operating model for new business. This may differ on a case-to-case basis based on the specific scenarios of different insurers.

Current State					Future State				
	New Business Management Model					New Business Management Model			
	Lead Generation & Proposal Submission	Underwriting & Quotation	Policy Issuance & Policy Service			Lead Generation & Proposal Submission	Underwriting & Quotation	Policy Issuance & Policy Service	
Business Unit A	Performed Individually				Business Unit A	Performed Individually	Standard with varying underwriting complexity and intensity		
Business Unit B	Performed Individually				Business Unit B	Performed Individually			
Business Unit C	Performed Individually				Business Unit C	Performed Individually			

Current State			Future State			
	Staffing Model			Staffing Model		
Business Unit A	Sales & Underwriting Specialists		Business Unit A	Sales Specialists	Underwriting Specialists working for vaious units	Generalists working for various units
Business Unit B	Sales & Underwriting Specialists		Business Unit B	Sales Specialists		
Business Unit C	Sales & Underwriting Specialists		Business Unit C	Sales Specialists		

Despite the implementation of modern core insurance package products such as OIPA, a significant number of manual touch points might exist both in the front-end and back-end insurance processes.

For example, the consolidation of information related to policies and claims from customers, agents, third parties, other Insurers, or industry databases. Insurers receive data in structured and unstructured formats such as hand and type-written forms, email attachments, and pictures, or through disparate applications. These can be further automated with implementation of RPA.
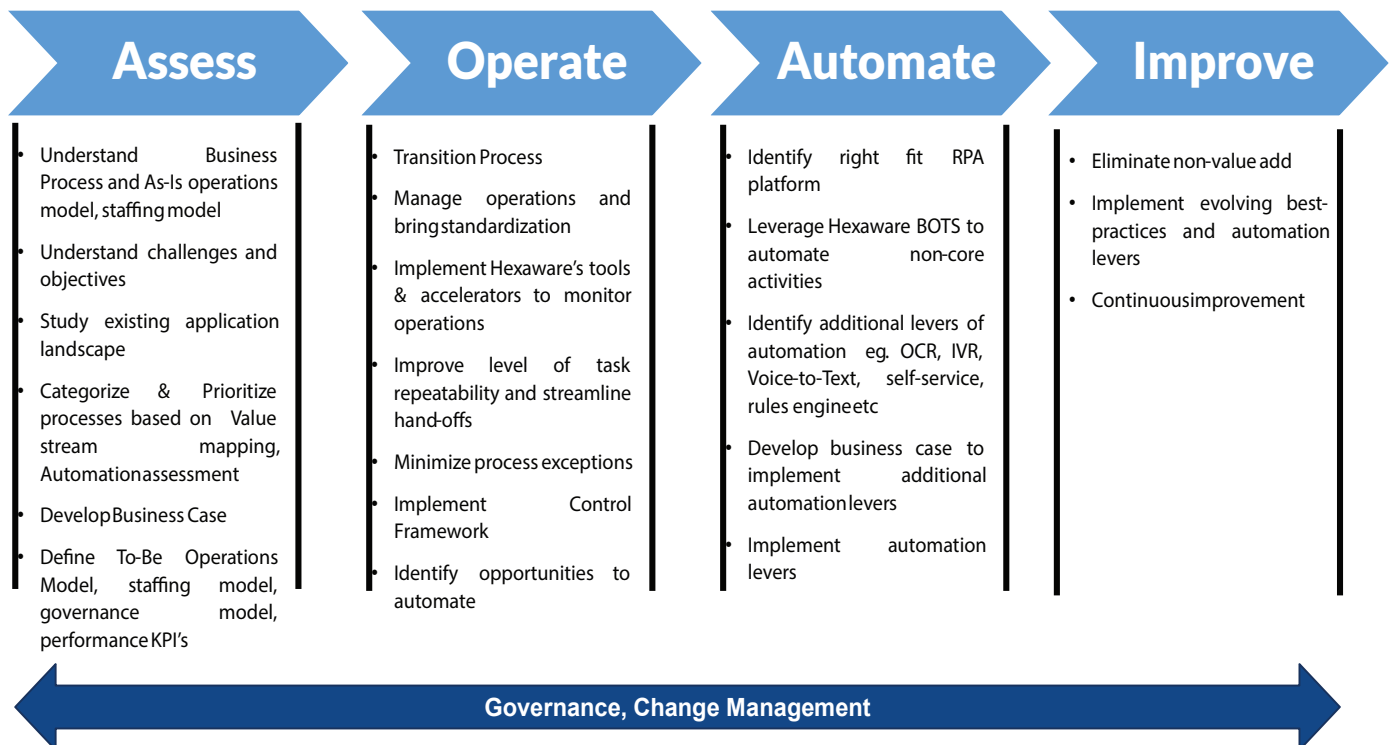
Following are a few processes which have multiple manual activities that have a potential to be replaced by BOTS

	Sales & Distribution	**Underwriting & Pricing**	**Policy Admin & Servicing**	**Claims**	**Finance & Accounts**
Intake (Front-end)	• Need Analysis • Lead Management	• Create customer • Read proposal form & Update Application • Case Assignment & proposal submission	• Update Customer information • Read policy change request form & Update ii system	• Read Claim form & Update Application • Claim Assignment & Creation	• Create & update vendor information • Read Vendor Invoice & Update Application
Review (Back-end)	• Manage agents / broker information • Sales Budgeting • Commission calculations	• Risk Assessment, Scoring • Risk Acceptance / Rejection • Quotation Issuance • Policy Issuance	• Assessment, Scoring • Acceptance / Rejection rules • Quotation Issuance • Endorsement Issuance	• Coverage Verification & Claims Adjudication • Reserve Management • Create & update vendor information	• Match GL code • Pay vendor bills • Claims payout • Post premium
Documents (Back-end)	• Sales / Agent partnership Agreements • Communication management	• Quotation • Binder letter • Policy document • Email letter • Upload Letter	• Quotation • Certificates • Renewal notice • Document check • Email letter & Upload Letter	• Claims Acknowledgement letter, Settlement letter • Document check	• Generate Invoice Generate Bills

Hexaware leverages this approach to optimize Insurance operations

Hexaware's Digital Managed Services approach helps Insurance firms to define an effective and efficient operating model, leverage the potential of RPA and other automation levers. This involves managing operations and intelligent automation of business processes leveraging best in class automation platforms, while minimizing risk and providing guaranteed benefits upfront.

Methodology

Assess	**Operate**	**Automate**	**Improve**
• Understand Business Process and As-Is operations model, staffing model • Understand challenges and objectives • Study existing application landscape • Categorize & Prioritize processes based on Value stream mapping, Automation assessment • Develop Business Case • Define To-Be Operations Model, staffing model, governance model, performance KPI's	• Transition Process • Manage operations and bring standardization • Implement Hexaware's tools & accelerators to monitor operations • Improve level of task repeatability and streamline hand-offs • Minimize process exceptions • Implement Control Framework • Identify opportunities to automate	• Identify right fit RPA platform • Leverage Hexaware BOTS to automate non-core activities • Identify additional levers of automation eg. OCR, IVR, Voice-to-Text, self-service, rules engine etc • Develop business case to implement additional automation levers • Implement automation levers	• Eliminate non-value add • Implement evolving best-practices and automation levers • Continuous improvement

Governance, Change Management

Hexaware Value Proposition

- 30-50 % cost reduction on TCO in customer acquisition and processing costs
- 30-50 % reduction in effort in managing operations
- Faster policy issuance, claims processing and billing to improve customer service
- Guaranteed outcome with the risk of BOT implementation and performance on Hexaware
- Digital Operations Command Center (DOCC): Platform agnostic tool for monitoring and managing operations, BOTS
- Configuration Manager: Self-service for business users to update business rules in BOTS enabling Operators to be "Automators"
- 20+ pre-built BOTS to reduce implementation time by 30%
- SLA based highly scalable and responsive model of operations
- Strong partnership with popular RPA tool providers. 40+ trained and certified process consultants & developers
- Certified Insurance consultants with country specific knowledge to be part of team
- Works around the clock with 24/7 uptime
- Brings governance and quality to the process

About Hexaware

Hexaware is the fastest growing next-generation provider of IT, BPO and consulting services. Our focus lies on taking a leadership position in helping our clients attain customer intimacy as their competitive advantage. Our digital offerings have helped our clients achieve operational excellence and customer delight by 'Powering Man Machine Collaboration.' We are now on a journey of metamorphosing the experiences of our customer's customers by leveraging our industry-leading delivery and execution model, built around the strategy— 'AUTOMATE EVERYTHING™, CLOUDIFY EVERYTHING™, TRANSFORM CUSTOMER EXPERIENCES™.'

We serve customers in Banking, Financial Services, Capital Markets, Healthcare, Insurance, Manufacturing, Retail, Education, Telecom, Professional Services (Tax, Audit, Accounting and Legal), Travel, Transportation and Logistics. We deliver highly evolved services in Rapid Application prototyping, development and deployment; Build, Migrate and Run cloud solutions; Automation-based Application support; Enterprise Solutions for digitizing the back-office; Customer Experience Transformation; Business Intelligence & Analytics; Digital Assurance (Testing); Infrastructure Management Services; and Business Process Services.

Hexaware services customers in over two dozen languages, from every major time zone and every major regulatory zone. Our goal is to be the first IT services company in the world to have a 50% digital workforce.

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