



PROCESS AUTOMATION IN INSURANCE

The shift towards process automation to enhance customer experience and organizational flexibility is underway - and is likely to intensify in the wake of the current health and economic crisis

Since Q1 2020, insurers have been confronted with an unexpected situation, asking for a reaction to respond to the immediate challenges and adopt new ways of working. The industry is entering a new normal where insurers are committed to improving process efficiency and adopting automation. The main benefit of these changes are:

- 1 – To provide the customer with real-time interaction at key moments in their journey
- 2 – To improve the efficiency and cost structure of operations

We can also add to that the side benefits that are often not considered in the ROI of these projects but are nonetheless important: data quality improvement and process reliability.

The automation trend is accelerating initiatives already in place at many insurers over the past few years, such as digitization strategies. Encouraging customers to utilize digital channels helps to limit physical paper and enables customer data to be collected quickly and processed more efficiently, with less human intervention.

This fast and accurate data capture must be equipped with artificial intelligence to enhance OCR technology and automatically collect data on supporting documents. Compatible with paper and PDF, this technology fits with many channels and client touch points (claim, underwriting, policy owner services, etc.)

Artificial intelligence and OCR are needed to simplify paper-based processes when data is received in multiple mediums like PDF, scanned, faxed and handwritten formats. The following are series of checks that are required to fulfil OCR criteria:

- 1 Clear and repetitive business rules
- 2 High-volume process
- 3 Structured data

OCR can help on different kind of documents: Structured documents, semi-structured and unstructured. However, the training of the algorithm responsible for collecting data on documents is growing according to the level of data structure. Once the data is extracted and stored in a database, the RPA technology automatically feeds the insurer's tool according to the task performed. The solution is going from data extraction, to data validation and data classification.

40%

productivity gains by the digitization of insurance core processes across the value

A recent study has shown that RPA adoption in Asia is at an early stage but will become commonplace in the near future. By 2020, the percentage of companies using RPA to automate business processes should double. RPA budgets are healthy and growing in recent years.

25%

of companies saw a double-digit increase to their RPA budget every year

RPA adoption is currently highest in industries such as financial services and insurance. The needs of insurers for RPA and OCR technologies are clear and vital to survive in the face of increasingly fussy customer demands.

Although developed in the USA, this technology boom is now spreading to Europe and Asia, which are increasingly considering the use of these technologies in their

offshoring and nearshoring scenarios.

CLAIMS

As customers submit claim documents (claim forms, supporting documents, receipts, etc.), the bot reviews the documents, and enters the relevant information into the claims system. If the document is incomplete, the bot will notify the customer and request the updated version. As additional documents are received, the bot will also notify the customer which documents remain outstanding, to ensure the customer understands the additional information required to process the claims.

UNDERWRITING

As customers submit documentation through multiple channels, such as email and mail, RPA can extract the relevant information and enter it into the underwriting system, understand what has been submitted, and whether additional information is required. Reviewing the submitted documentation against underwriting standards, the bot can identify if it's a simple or complex policy and underwrite simple policies while escalating complex policies.

The implementation of such RPA solutions must be put into perspective regarding the cost and flexibility of manual processes and customer satisfaction indicators.

With the use of this new technology, the average time to handle operations should decrease. This indicator is a key factor in determining customer satisfaction, which is at the heart of the strategy of many insurance companies. This helps to improve customer retention (specially on the claims processes) and increase revenue per policyholder, which is the easiest way for insurers to generate cash flow.

CHALLENGES TO BE EXPECTED

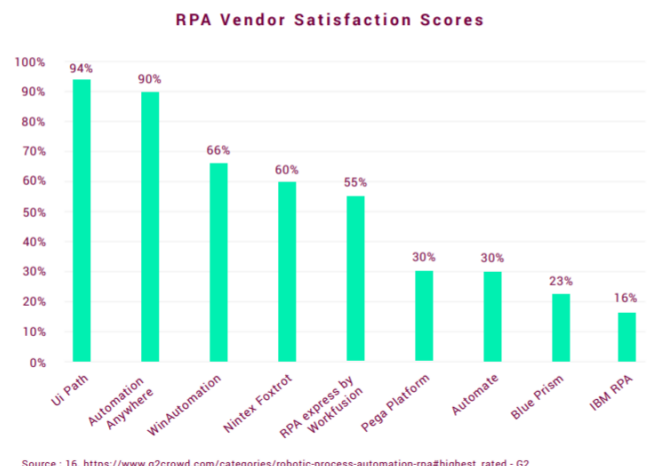
There are several challenges that may be encountered during implementation. Some are

inherent to the process, thereby limiting the deployment of such a solution. For example, when a process has a multitude of different documents or the data source is not static.

In addition to challenges that are specific to the process, other issues related to the target organization must be considered. Ensuring that staff's skills and competencies are aligned with your technical and business needs is a mandatory. On top of the skills requirement, a clear governance structure must be defined according to the different departments involved. Once the solution is implemented and live, a proper rollout plan is needed to scale up and achieve tangible results.

THE RPA VENDOR LANDSCAPE

Many vendors offer RPA, or similar, solutions. Gartner's *Magic Quadrant for Robotic Process Automation Software* report shows that UiPath offers the leading solution, which is a well-known ecosystem able to deliver end-to-end RPA solutions.



WHERE SIA CAN HELP

Sia Partners has successfully implemented many RPA proof-of-concepts and rollouts across the world, with a specialized RPA team including developers and transformation specialists, as well as a data science team that can integrate RPA solutions with data science techniques, such as machine learning and artificial intelligence.

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