



Why Data Will Rule Future Insurance and How To Master Yours



Where to Begin Your Intelligent Automation Transformation

Few sectors are more dependent on information than insurance and yet many insurers are drowning in information that they struggle to access or make proper use of.

It's hardly surprising. Insurance relies on a complex web of relationships between brokers, carriers and the professionals they rely on; medical organisations, family doctors, garages, surveyors, loss assessors and thousands of others. Every week they exchange countless million documents in an endless array of formats.

But, until recently there has been no good way of digitising all that information, so it's no surprise that insurers have been slow to transform. However, with, newer, agile and, above all, digital entrants to the market threatening to turn the industry on its head delay is no longer an option.

But digital insurers haven't won - yet. Incumbents have better data - the legacy of decades in the industry and the sheer breadth and depth of their business relationships. That offers a huge competitive advantage to those who can organise, access, analyse and use it. Better data allows you to:

- Know Your Customers Better
- Respond faster
- Provide better service
- Spot opportunities and grow markets
- Reduce risk
- Be more efficient

Any one of those would be a compelling reason to digitise - all six together make an unarguable case. So, that's the 'why' - now the how!



Insurance Industry Challenges

According to Accenture, only **29 percent**¹ of insurance customers are satisfied with their current providers, and only **15 percent** are satisfied with their insurers' digital experience. Additionally, **33 percent**² of consumers ended their relationship with a company last year, as their experience wasn't sufficiently personalised.

Navigating Oceans of Data

Insurance data arrives in multiple formats; paper, fax, email and digital; forms, contracts, reports; printed and handwritten with images, stamps and signatures. Extracting data from these documents manually is time consuming, expensive and prone to errors.

Dealing with Legacy Systems of Record

Mergers, acquisitions and decades of operations leave incumbent insurers with Complex IT environments that are outdated, expensive to maintain, a drag on the business and make sharing and using data harder not easier.

Reinventing Outdated Processes

Manual document processing for policy quotes, underwriting, AP/AR, policy renewals, policy discrepancies, compliance and audit checks mean back-office operations are a bottleneck.

Scalability is Essential

Large scale events such as tornadoes, hurricanes and COVID-19 mean more claims need processing and faster. You must be able to scale your operations.

¹ www.newsroom.accenture.com/news/470-billion-in-insurance-premiums-up-for-grabs-due-to-declining-customer-loyalty-and-perceived-product-commoditization-according-to-accenture-report.html

² www.accenture.com/t20180219T081429Z__w__us-en/_acnmedia/PDF-71/Accenture-Global-DD-GCPR-Hyper-Relevance-POV-V12.pdf#zoom=50

How to Use More of Your Data for Automation

For 25 years data capture has been based on Optical Character Recognition. But OCR only reads 'structured' data, data that's been tightly organised into predefined templates. And it still requires manual checking for quality.

Cognitive Machine Reading (CMR) renders OCR obsolete. It's independent of zones, templates, formats, modes and languages and it never stops learning. CMR ingests, organises, integrates and classifies all data, including handwritten text, signatures, checkboxes and images, and makes all that data easily available across all your systems for analysis and better decision making. It's much faster and requires far less manual checking, which cuts costs and frees colleagues to focus on value-adding tasks.

Plays Nicely with Others

- Integrates with internal systems of record
- Verifies data from external sources for new account opening, policy processing and compliance

Transparency Throughout the Process

- Operational data is available for all stages of the insurance policy lifecycle
- Advanced business analytics provide high-quality insights

Handles Multiple Data Formats with a Single Platform

- Structured data that adheres to a pre-set model such as ACORD forms
- Semi-structured data that does not remain fixed to a strong pre-set model for documents such as claims application forms and Explanation of Benefits (EOB)
- Unstructured data that's complex to analyse, summarise, and cannot be processed with business rules. Examples include claim memos, contracts, and underwriter notes

Increases Accuracy

- Includes Machine Learning technology that adapts and learns your workflows and progressively boosts accuracy to 95%
- Requires smaller data sets to learn and optimise all underwriting, onboarding and claims processing including handwritten forms

Faster Time to Insights

- Synthesise vast amounts of customer data using Natural Language Modelling (NLM) for a deeper level of understanding
- Natural Language Processing (NLP) capabilities such as sentiment analysis, give insurers all the information they need for better decision making whenever its required

Insurance Automation Use Cases



Slip Extraction

Extract rich data from multi-LOB insurance slips such as Energy, Aviation, Property and Directors & Officers



Quote Comparison

Compare quotes from carriers' side by side using extract and compare



Proposal Forms

Extract data from proposal forms including handwritten data eliminating the need for manual extraction and review



Submission Processing

Extract data from broker submissions, annotate, curate and handoff to systems (quote, CRM, policy admin)



Inspection Reports

Understand potential risks/claims scenarios through the extraction of key data from Inspection Reports



Member Enrolment

Understand changes to starters, leavers promotions etc. to enable automation of updates



Employee Benefits Policy Extraction

Understand policy document key content and changes across different employee benefits coverage



Policy Indexing

Seamlessly ingest and extract key data from multi-carrier policies and endorsements



Policy Review

Review differences between binders and policy documents using extract and compare



Policy Extraction

Understand what's on cover across policies by defining key searches, ML interpretation and business rules



Submission Prioritisation

Prioritise submissions using your own business rules to focus on the best risks



Loss Reports

Understand future preventative factors through the extraction of key data from inspection reports



Medical Invoices

Extract key data and understand service categorisation from medical invoices



Pensions Administration

Extract data from key changes forms in handwritten and text including change of address, beneficiary, name and claims forms

Starting the Process

1

Identify Potential Use Cases

Select your pilot projects. Forms processing, underwriting and claims processing are often strong candidates. For business processes that are hard to scale, like fraud detection and customer sentiment analysis, AI and Machine-Learning technology offer a solution.

2

Develop a Strategy

Business goals should be aligned with key strategic objectives, such as improved customer experience and smoother claims processing. Evaluate the business case for investing in technology, weighing costs against projected benefits.

3

Evaluate Your Resources and the Available Technology

Do you have the IT expertise you need in house to choose and implement a solution? What partnerships do you need to forge? Once you have the people you need, evaluate and choose your solution.

4

Win Over Stakeholders

Once business goals have been agreed and the technology selected, key stakeholders should be identified and brought onboard. Selling the benefits of the project to clients and colleagues will pre-empt resistance and win allies to help drive it forward.

5

Run a Series of Pilots

Identify and prioritise your business needs and then use targeted pilot to test the waters with smaller projects. Then build on lessons you learned and move to implement the solution across your enterprise in manageable stages.

Ensuring Future Success

Innovation in insurance relies on data.

Cognitive technologies, like AntWorks' CMR Plus, will become the standard tools for processing the large, complex data streams generated by "active" insurance products including, for instance, individual behaviour and activities. Soon, carriers will be using models that are constantly learning and adapting to the world around them—making it easier to develop new products and ways of engaging with customers, while responding to shifts in underlying risk or behaviour in real-time.

According to McKinsey³, as "AI becomes more deeply integrated into the industry, carriers must position themselves to respond to the changing business landscape. Insurance executives must understand the factors that will contribute to this change and how AI will reshape claims, distribution, and underwriting and pricing." Knowing this you can begin to find the people and technology you need to design better processes to compete in the insurance market of the future.

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