

Welcome to the (Techno) Revolution: Claims Management Steps into a New Era

Jason Feldman, Robert Clark & Pascal Lehmann

Agenda

Insurance Industry Transformation: Change is Reality



Technological Advancements

Digital Collaboration

**Knowledge
Differentiation**

Automation

Change is Reality



Evolution



The industry is set to see evolutionary changes in the next 5 years.

The Insurance Industry has experienced significant technological changes over the past 10 years, however, it is still lagging behind many other industries.



Transformation



Technology is changing the nature of insurance products, services and risks. In order to respond to these changes, the industry must evaluate its approach to ensure it is adapting to meet the needs and demands that come with this transformation.

Drivers of Change



Changing demographics, evolving technology and rapid expansion of the Insurtech Industry will drive these changes.

Millennials (1980-2000) make up the largest share of the employed population in the U.S. This segment has driven the demand for more tech-based services, convenience, speed, greater frequency of engagement and personalized products.

Technological Advancements



Technological Advancements

Automation can provide Predictive Analytic Flags:

- Frequency & severity insights
- Demonstrate key risk and jurisdictional distinctions

Technology also changes how claims are handled:

- Telematics
- SMART homes (remote & automatic shutdown of devices)
- Smart-loss detection devices
- Geospatial imagery and drones

Imagine a World with

Touchless
Claims

Take a picture and
payment is made
based on
algorithms
indicating average
loss value

Analytics
Driven Fraud
Detection

Every year, fraud
costs an estimated
\$80 Billion across
all lines of
insurance.

Source: Coalition Against
Insurance Fraud

Technological Advancements

- How we can transform Claims Management by leveraging new technologies
- How we can systematically develop key insights from the vast information landscape by deploying document intelligence
- How we can automate and accelerate claims processing through smart operations in order to improve claims payment turnaround time and free up capacity for use of expertise



Digital Aspirations and Claims Management



Digital Collaboration

- Faster Decisions
- Instant access
- Matching Tasks to Skills
- EXAMPLES: Easy access to Claims files, Steer efforts to complex Claims



Knowledge Differentiation

- Fast access to large datasets
- Developing Insights from Analytics
- EXAMPLES: Fraud detection, Discovering trends faster

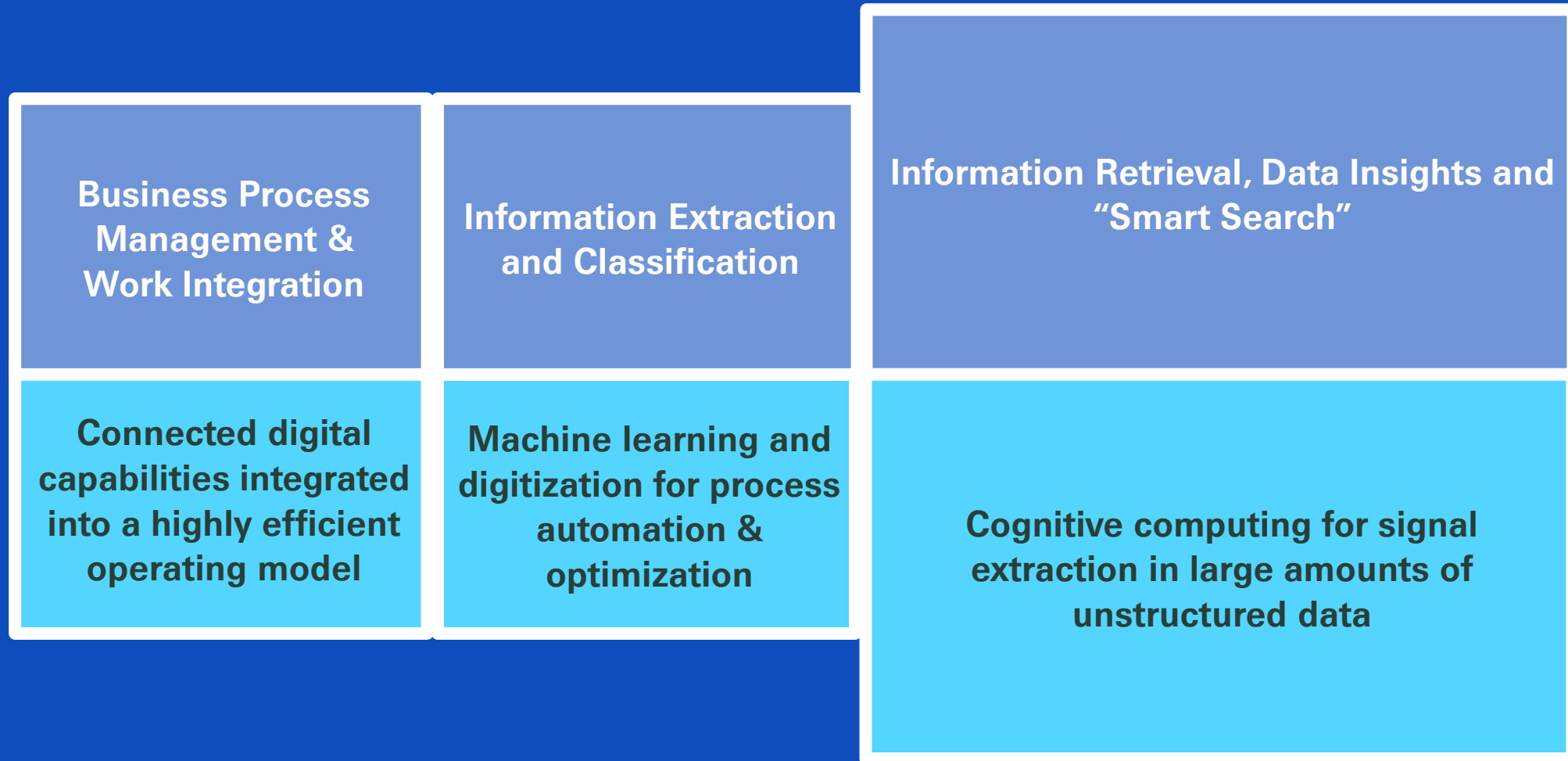


Automation

- Validating & processing different dataset automatically
- EXAMPLES: Automatic claim payment, Detect coverage issues

Path to Future Claims Management

Leveraging digital capabilities...to enable future aspirations



How will Automation & Smart Analytics Change Claims Management?



Increase Efficiencies, Lower Costs, Reduce Staffing Expense

- robotic payment processing
- claim triage & assignment
- accounting reconciliations



Simplify Data Capture and Validation

- improve data quality
- increase client satisfaction



Predictive claims modeling and Trend recognition will alter the competitive landscape of claims management

Example: roof damage on per-shingle basis, detect wind/hail damage with 88-99% accuracy

DEMO: Knowledge Differentiation through Smart Analytics

Insights through Smart Searches

Claims to Contract Analysis

Live Demo - [Login](#)

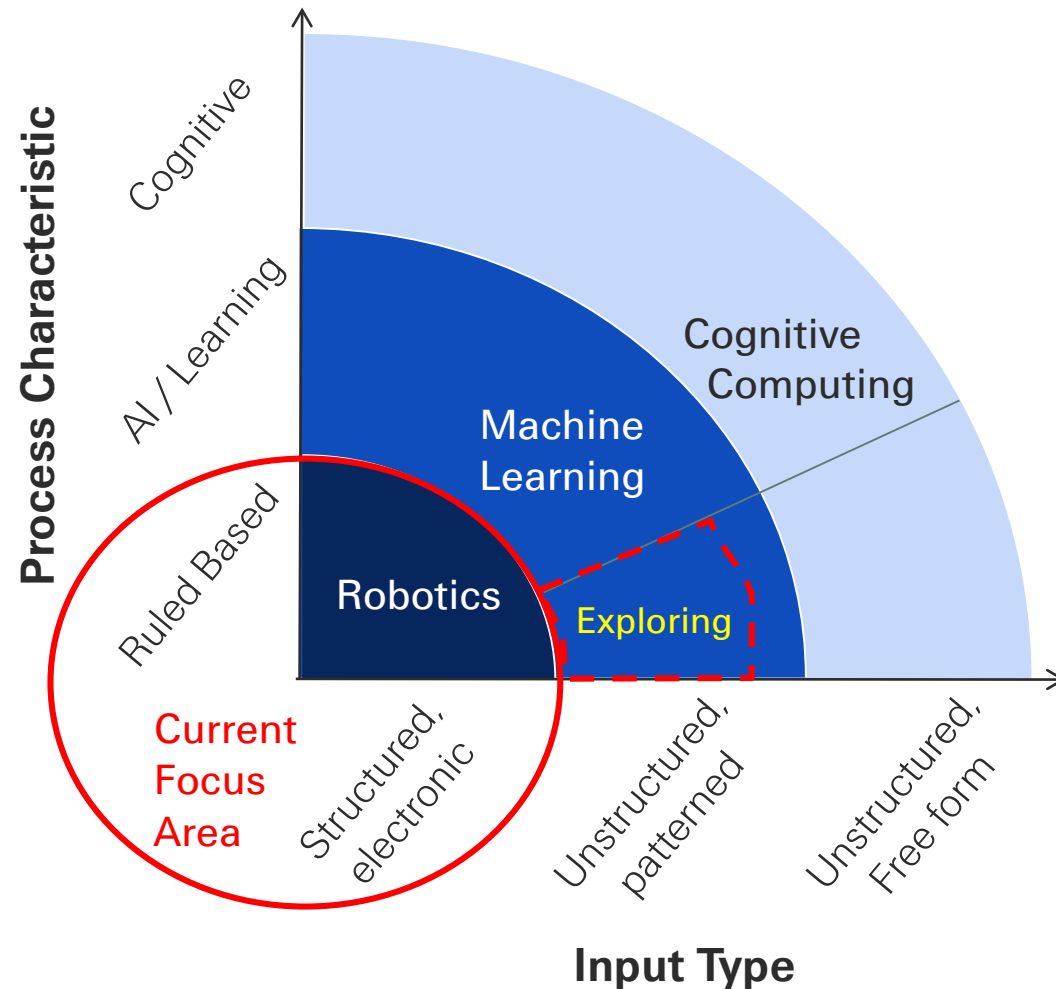


Live Demo - [Login](#) & [Samples](#)



Smart Analytics & Cognitive Assist

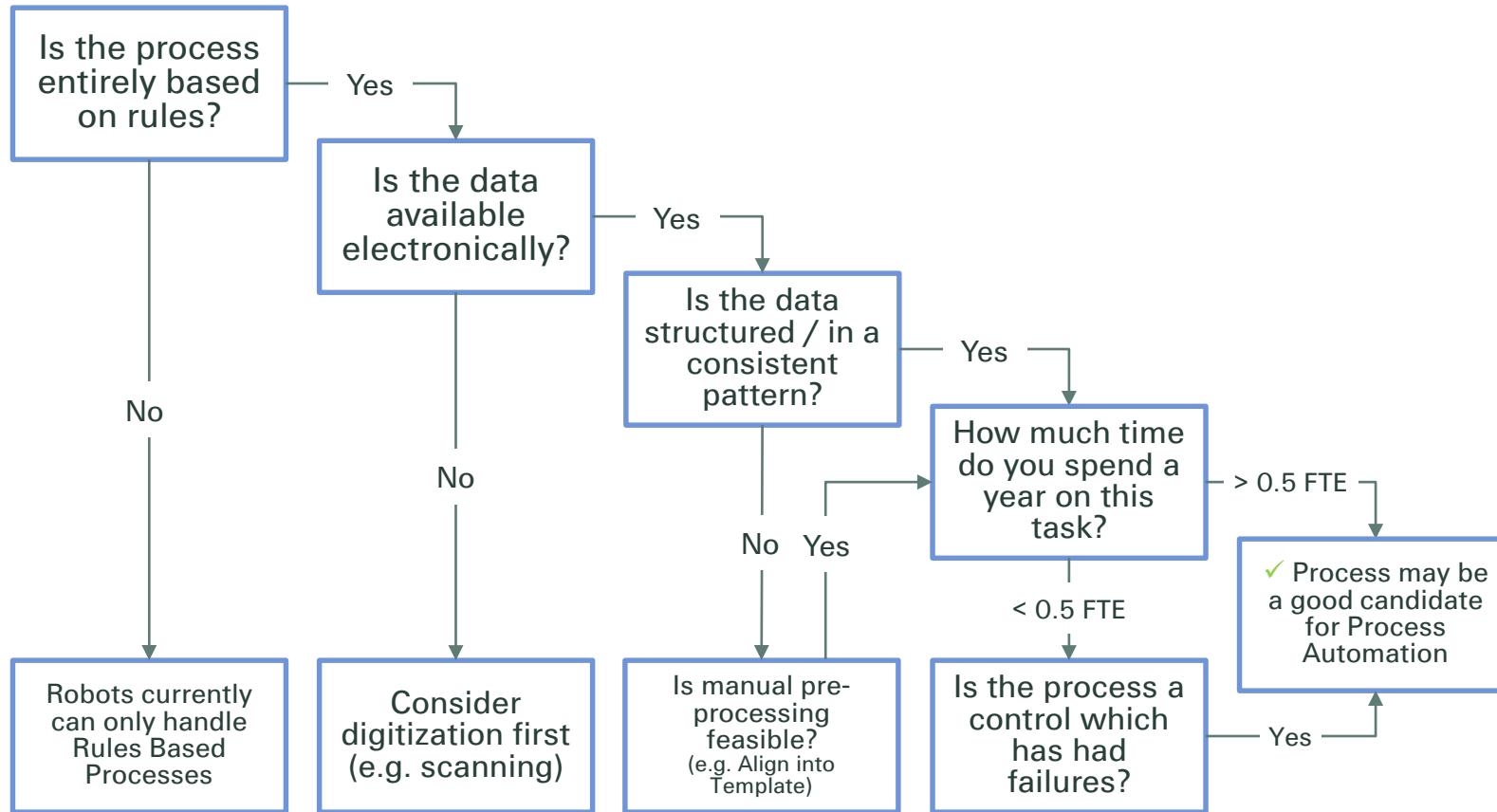
Leveraging Robotics, Cognitive Computing and Machine Learning Technologies



Robotics, Machine Learning and Cognitive Computing are **complementary technologies**

Example: Robots input data into claims systems extracted from client submissions using Machine Learning.

Considering Automation?



Why use Automation?

- Free employees to perform higher value activities
- Eliminate human touch for manual, repetitive, rules-based activities
- Increase accuracy and data quality
- Ability to run 24-7 and in parallel
- Support peak workload periods

Automating Unstructured Information with Machine Learning

Text Mining Analytics can analyse documents in different formats to identify and extract relevant Claims information.

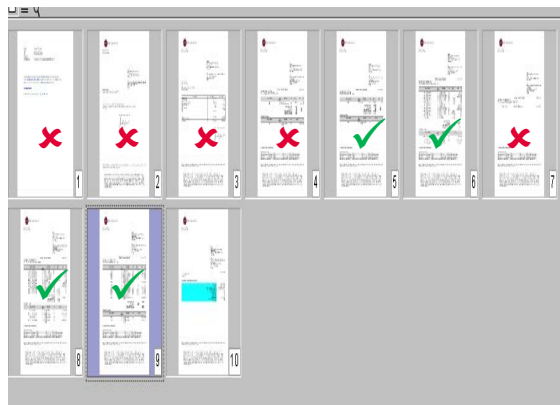


With the help of data mapping and machine learning the Claims information can be transformed into a pre-defined data structure.

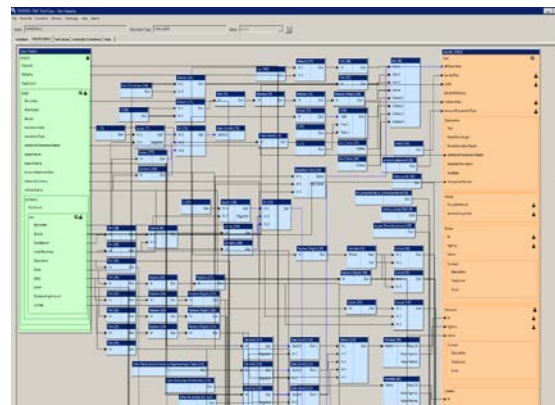


Structured claims information can be automatically captured, validated and processed

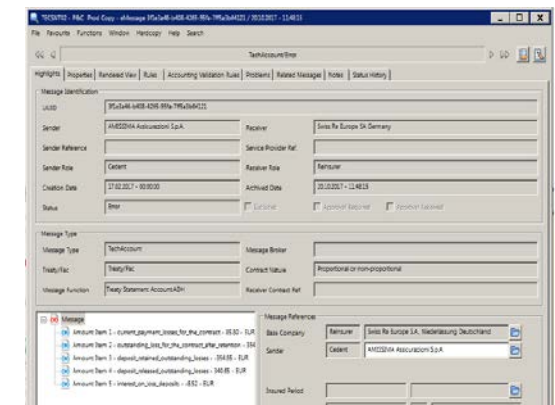
Find & Extract



Transform



Process



Claims Manager can focus on Claim Adjudication instead of Data Capturing and Validation.

ACORD Digital Maturity Study

- Among the top 100 Worldwide Insurers, only about 40% have truly digitized their value chain.
- Nearly half of all insurers are still exploring how digitization can and should be added to their business models.
 - **Digitized Competitors (8%)** - Truly driving the market using digitization to shape consumer-buyer behavior, optimize effectiveness, and achieve strategic positioning
 - **Digitized Firms (31%)** - Utilizing digitization to effectively optimize for efficiency and effectiveness
 - **Digital Aspirations (38%)** - Investing with explicit intent and resources devoted to digitization, but still in the early stages of the digital journey
 - **Localized Digitization (11%)** - Using isolated instances of digitization, usually focused on an immediate purpose— typically cutting expenses
 - **Digital Laggards (12%)** - Demonstrating limited organizational awareness, and even less execution, around digitization – perhaps ignoring it altogether

Good News: Insurers who embrace digitization perform materially better both in premium and earnings growth.

Bad News: The “Digital Laggard” category is a problem; not investing in some digitization is a concern for the long term.

Medium News: Insurers in the middle have costs associated with IT investments before they see increases in efficiency.

Source: ACORD, Insurance Digital Maturity Study, March 2017

Takeaways

Think Long Term

What drives your highest costs?

Where is there leakage in your claims processes/systems/losses?

Can your human capital be more efficiently allocated?

What are the questions you ask, that you can't answer? (yet)

Stay Curious: What are your competitors learning from digitization?



Legal notice

©2018 Swiss Re. All rights reserved. You are not permitted to create any modifications or derivative works of this presentation or to use it for commercial or other public purposes without the prior written permission of Swiss Re.

The information and opinions contained in the presentation are provided as at the date of the presentation and are subject to change without notice. Although the information used was taken from reliable sources, Swiss Re does not accept any responsibility for the accuracy or comprehensiveness of the details given. All liability for the accuracy and completeness thereof or for any damage or loss resulting from the use of the information contained in this presentation is expressly excluded. Under no circumstances shall Swiss Re or its Group companies be liable for any financial or consequential loss relating to this presentation.