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CANON BUSINESS PROCESS SERVICES, INC.

BUSINESS PROCESS OUTSOURCING

CLAIMS PROCESSING

INSURANCE

BRIEF

5 Improvements For Insurers That Deliver Faster Turnaround Times

Achieve higher performance by utilizing technology and outsourcing expertise

Insurers are looking to provide an exceptional customer experience in a business workflow environment inundated with paper and legacy systems. The legacy technology and new applications must regularly interact and exchange data with each other. These integrations are primarily manual and can be duplicative. Add to this the impact of managing existing and new products in this highly regulated industry, and it is easy to see how insurers can be destined for inefficient business processes. Furthermore, large volumes of paper can spike due to factors such as natural disasters or new product offerings impacting operations. The result is additional costs from being required to recruit and train new staff on short notice to handle these business fluctuations.

Insurers are under increased pressure to reduce turnaround times (TATs). Underwriting departments need to evaluate new business faster than ever before or they run the risk of losing new business. Adjudicators are relied upon to quickly settle claims while keeping the company's spend to a minimum. Physical documents, departmental barriers and time consuming document routing all contribute to slow customer response times resulting in low customer satisfaction, retention and loyalty. Top insurance executives are challenging their new business and claims departments to drive efficiencies with the goal of reducing TAT's to reduce operational costs and provide better customer experiences.

/1 BREAK DOWN INTERNAL DEPARTMENT AND INFORMATION SILOS

Insurers are buried in document-centric activities, which still contain large volumes of physical paper used across business lines and back office operations. This paper volume will no doubt decline over time as more business is generated online. However, physical documents will continue to be a big part of the industry for years to come. To remain competitive, it is imperative that insurers break down these internal information silos by automating the document workflows and thereby streamlining the flow of forms data across departments.

A crucial first step in combating paper intensive environments is digitizing. Efficient and scalable data capture services can enable the routing of business-critical documents directly to work queues or specialists depending on the document or task. Capture solutions should interface with a content repository to ensure easy accessibility across all lines of business.

/2 DIGITAL ENABLEMENT OF NEW BUSINESS

Despite the growing number and variety of channels for new electronic applications, there remains a staggering volume of paper-based applications today. Leading insurers are focused on reducing physical documents that are received into their mail centers. The first phase in achieving this paper reduction is lowering the amount of paper that flows within a company or its departments. This entails digitizing the paper as soon as it is received via their mail center. A second phase, which can then run parallel to digitizing incoming documents, is the enablement of online form technology.

/3 DYNAMIC CASE MANAGEMENT FOR CLAIMS

Claims processing can be paper intensive with multiple document types and potentially hundreds of pages to support just one case. From police reports to photographs,

claims-related information tends to be received from various sources – but it is all crucial to determining the final settlement outcome. These large case files face similar challenges in the digital world, as they do in the physical, with many claims being different if not unique. This leads to very diverse workflows for each claim file, which must be route-based on where it is in the workflow as well as the claims adjuster authority levels.

Case management systems support agile workflows. The ability to dynamically route information based on a decision that is being made helps efficiently deliver the right information to the right people, thus reducing settlement times. Digital workflow helps advance document processing with business rules-driven work streams that can drive a faster resolution.

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STRAIGHT-THROUGH PROCESSING (STP) AUTOMATION

Despite the large quantities of complex claims and more advanced applications, there are also a significant portion of claims that can be deemed as simple. These simple document types can take the form of small claims, personal lines or commercial policies. With these types of standard and repetitive documents, it is in the best interest of the insurer to process them as quickly and as efficiently as possible with minimal touch points. These types of documents that are low complexity but potentially high volume lend themselves to straight-through processing, which equates to minimal or no manual intervention.

Information that is required to process these types of simple documents can be automatically looked up through system integrations to legacy applications. At the same time, rules engines provide automated decision-making based on specific criteria extracted from the documents.

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PROCESSING AS A SERVICE

All insurers experience fluctuations in volume due to staffing, natural disasters, new product releases and policy renewals. But, what are insurers doing to manage these scenarios?

Today, many of the leading insurers rely on outsourcing as a mechanism to complement their internal workforce. Particular benefits surround offshore outsourcing, which provides business units the ability to extend their processing windows while also allowing the quick ramp up of labor to assist with forecasting and planning for volume spikes. With dual shifts, offshore services prevent backlogs in workflow queues, making information available to the carrier's knowledge workers in a more timely fashion. From simple data entry of scanned documents, to more sophisticated document review, outsourcing can help shorten TAT's.

SUMMARY

The five improvements identified here can be implemented without significant effort or disturbance to operations. Process change, along with technological enhancements in document workflows and data conversion, can close the gap in productivity and turnaround times between carriers with legacy systems and newcomers in the space using eInsurance systems. Efficiency gains can be achieved in insurance operations today by embracing the latest technologies, revisiting business processes and considering outsourcing services. To make such a transformation a success, it is important to partner with the right provider with a record of success. Canon Business Process Services not only has the insurance sector expertise but also the technology know-how to help your company deliver a higher level of performance.