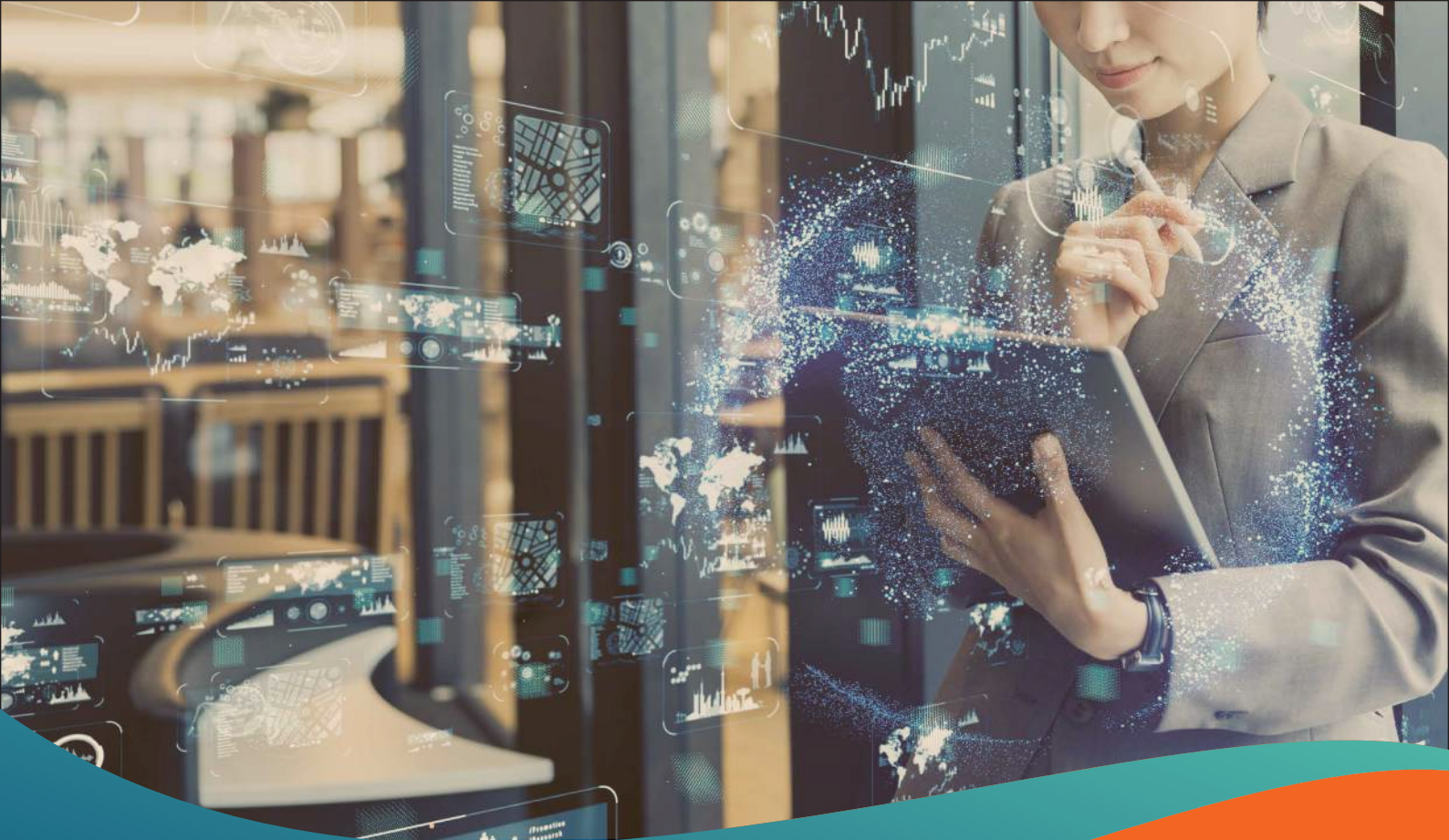


Simplifying Insurance Claims Process with Self-Service Mobile App

White Paper

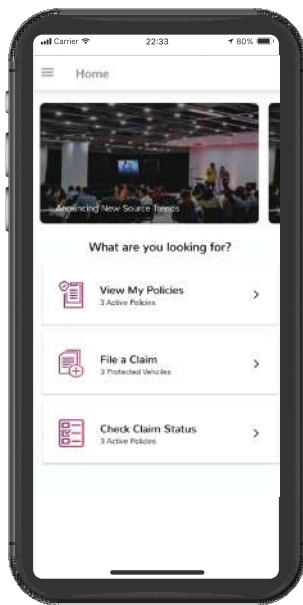


CONTENTS

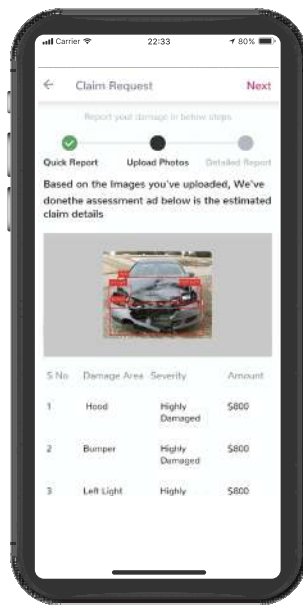
| | |
|--|-----------|
| How Self-Service Mobile Apps Benefit Insurers | 3 |
| Approach | 6 |
| Insurance digital experience blueprint | 7 |
| KPIs | 10 |
| Conclusion | 13 |

How Self-Service Mobile Apps Benefit Insurers

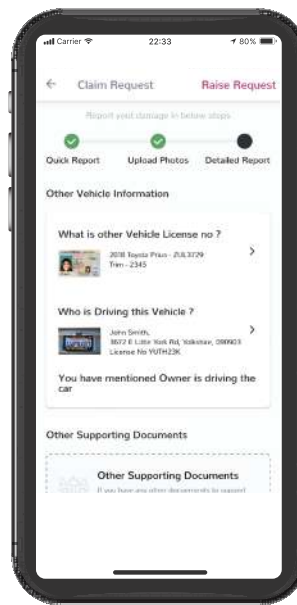
The insurance industry is undergoing a major digital transformation, of which the most important aspect to overhaul and improve is customer experience. The incumbents in the industry are shifting their business models through “platformization” of their current processes and introducing “cover as you use” revenue models enabled with artificial intelligence to assess risk within minutes, thus reducing overall claim resolution turnaround time.



View policy details and report loss



Upload damage & get assessed with AI engine



Provide information on your damage



Chat with our Omnichannel bot

Three key driving forces have been identified that can help P&C insurers rethink their strategy in digitizing the insurance life cycle for their customers. We have termed this the “three C” approach.

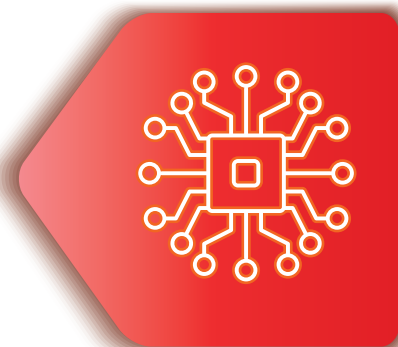
◆ Customer Expectation:

The emergence of mobility, cloud, social media and big data analytics has enabled companies to meet increased customer expectations. Customers are no longer looking to simply buy and pay for coverage. They demand quick and responsive service, the ability to communicate their feedback, and a hassle-free, self-service experience through their preferred channel of choice – the smartphone.

These customer expectations, though seemingly unrealistic, are very much achievable, thanks to advancements in technology. The three key technologies that promise to solve the above-mentioned customer expectations are:

Artificial intelligence

Enormous data generated by user activity and proliferation of customer data sources has enabled a major boom in machine learning algorithms. The data explosion, along with AI and ML models, has made it possible to personalize interactions for policy sales and loyalty, drive conversation with bots for self-service, and reduce claim cycle time, thus reducing redundancy in operating procedures.



Cloud

Cloud-based SaaS platforms, on both mobile apps and web interfaces, have led to the creation of “anytime, anywhere” access, along with a 360-degree view. For example, the first notice of loss (FNOL) reported by a client can be tracked and completed by agents, customer service representatives, and repair vendors. This ensures high performance and rapid deployment, which is scalable on demand.



Human experience

Digital technology curves are maturing fast, and it is important to make design extremely intuitive for the user to engage and get accustomed to the interface. Hence, experience design is key for large-scale adoption of digital solutions.



◆ Blurring industry lines by competitors:

The rise of insurance tech comes with no legacy baggage. This is because the product platform development process is truly agile and leverages cloud-native applications to build the customer journey experience. New players like Amazon, Walmart and Google are targeting niche customer companies trying to carve out their own space. Insurance tech companies such as Lemonade have set an unprecedented record in property and casualty space by resolving a claim in 3 seconds. Other insurtech startups have created challenges for incumbent insurers in the industry thanks to their agility in navigating disconnected, siloed systems.

◆ Cost and compliance implications:

Insurers have been facing immense cost pressure lately, brought on by the commoditization of the industry through marketplace platforms. Prices have become transparent, making it difficult for insurers to differentiate themselves on these platforms. The burden of employing agents to do manual verifications and validations in the quote cycle, billing cycle, policy servicing cycle and claims cycle have added to cost pressures. This has proven to be a significant challenge for insurers trying to reduce operational expenses, improve the bottom line and deliver a seamless, personalized experience to their customers.

Three key driving forces have been identified that can help P&C insurers rethink their strategy in digitizing the insurance life cycle for their customers. We have termed this the “three C” approach.

| | Quote | Underwriting | Payments | Policy Administration | Claims Management |
|------------------|---|---|--|---|---|
| Not Digital | Manual interaction for quote negotiation | Longer response time for risk assessment. Includes manual rules validation | Manually generated invoices and synchronization of payments cycle | Longer time for validation of change requests. Tax state-ment through call and mail post | IVR based claims filing. Long queues and volumes of calls. Large resolution time |
| Digital | Synchronized online quote process with the pricing engine | One-to-one mapping for rules adherence and e-copies of underwriting documents generated | Numerous modes of payments, multiple payment gateways, instant receipt generation, easier trackability | Integrated policy, maintenance & billing systems. Digitized policy management work force using self-service mobile platform | RPA bots conduct validation checks. FNOL through i mages & videos. Self-service applica-tion with federated login for customers, adjusters and agents |
| Next Gen Digital | Personalized quotes | Predictive analytics for risk assessment and default rates | Auto debit opt-ins, payments through chat platforms, automated payment reminders | Self-service, quick menu chatbots. AI-based query resolution and incident management, automated request fulfilment | Pre-emptive noti-fications based in IOTification, telematics, NOAA. AI-based fraud detection. AR/VR for remote assessment |

Approach

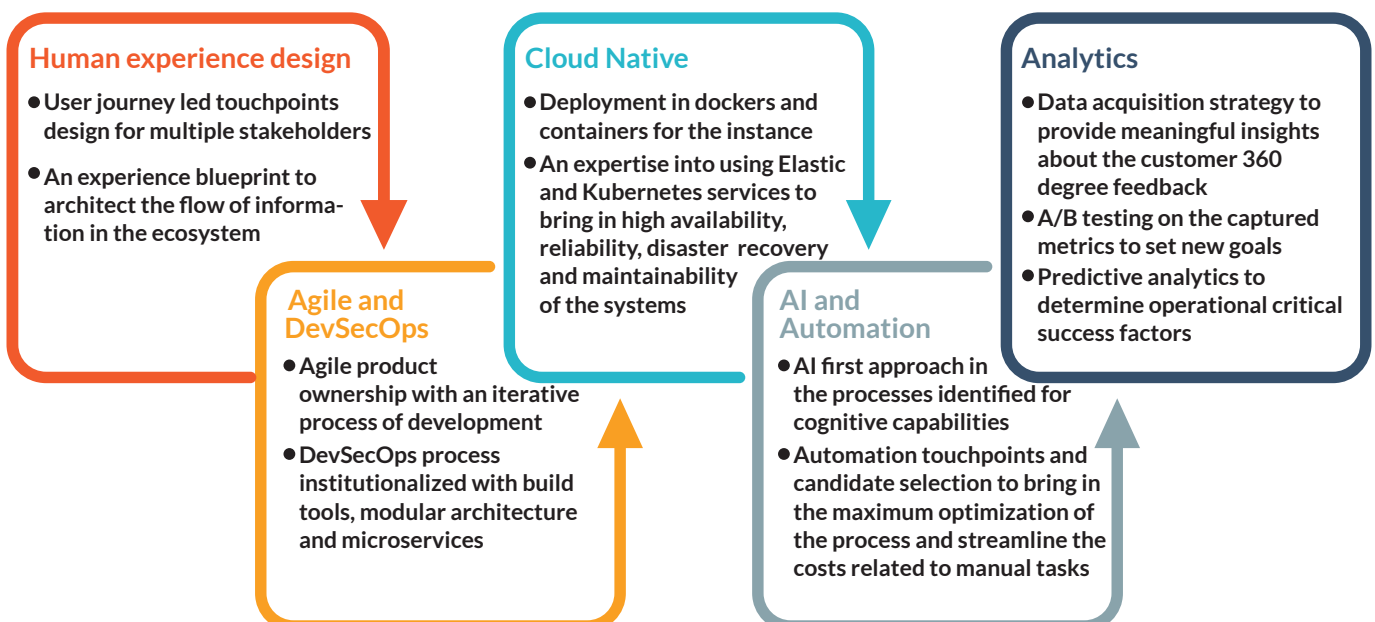
CX at the center of design/product engineering approach/ person approach/connecting everything as a touchpoint in the journey of a customer in insurance claims cycle as an example

The approach taken for the digitization of a platform always begins with the user at the center and human experience as one of the key tenets to designing the customer journey. The platform used should be able to remove the siloed characteristic of existing systems by taking a product engineering approach to the system. Transformation will involve the following five tenets in this digital transformation age. The idea here is to deliver an end-user experience that truly meets the expectations of the customer.



- ◆ Human experience design
- ◆ Agile and DevSecOps
- ◆ Cloud native
- ◆ AI and automation
- ◆ Analytics

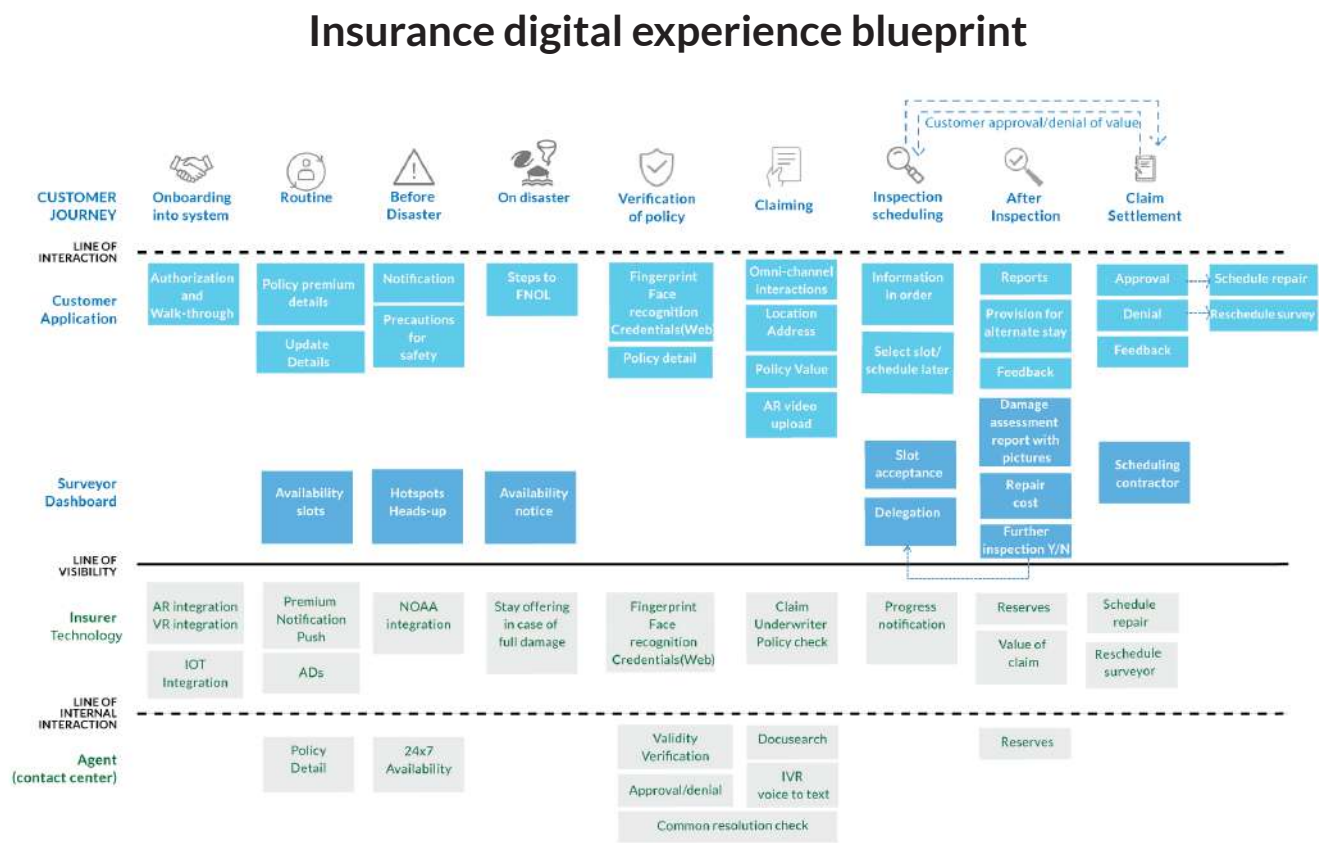
Product engineering approach for digitizing insurance platforms



Insurance digital experience blueprint

Explanation of current experience blueprint

As mentioned earlier, there are four stakeholders in the claims management journey: policyholder, insurer, surveyor and customer service representative. Each of these stakeholders has a unique experience blueprint that overlaps at various stages.



Policyholder



In the existing process flow, the claims journey for the customer starts after the loss has occurred. However, we can leverage technology to fetch data from weather forecasting agencies and send a preemptive notification to policyholders as precautionary measures against upcoming catastrophes. If acted upon, this can significantly reduce the claim value for the claimant. While filing the claim, the FNOL can be processed through a customer self-help interface. The FNOL process starts with user authentication, by way of fingerprint or face recognition. This will be followed by a detailed FNOL form which substantiates the cause and type of loss. As mentioned earlier, the customer will be required to upload the augmented reality property marker and other supporting documentation. Once the FNOL form is submitted, a claim ID will be generated, which shall be used for all future tracking.

Customer ♦

The customer receives a notification to book the surveyor's slot after the information submitted is validated. The availability of the slots is updated in real time, based on the surveyor's availability. After the booking is accepted, the surveyor receives the location of the damaged property. Before the start of the survey, the surveyor authenticates themselves to the customer through a code sent to the customer's phone. After the surveyor completes the assessment, the customer provides feedback. The final stage of the customer journey is the payout, after approval by the insurer. The customer can either accept the amount or reapply, if not satisfied with the payout amount.



♦ Insurer



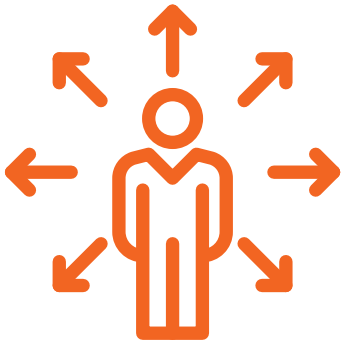
The insurer's journey starts at the point of policy issuance to the customer, whether or not a claim is ever filed. The insurer (in this case, the insurance agent) places a unique AR property marker at the customer's insured property and tags it to the customer. From time to time, the insurer sends notifications of upcoming premium payments as well as preemptive weather notifications to the customers, using data from weather agencies like NOAA (National Oceanic and Atmospheric Administration). Based on the FNOL raised by the customer, the insurer carries out the underwriting process, which can either be a real time process or post-claim submission. Through the policy administration system, the insurer will have a complete view of the status of all claims filed. The insurer, after due diligence by the customer service center, will receive the final claims assessment.

Surveyor ♦

The primary role of the surveyor is to physically go to the insured's address and conduct the damage assessment. To enable this, the surveyor will have access to a separate interface of the same application. The surveyor can list the slots when they are available and increase the number of slots based on upcoming catastrophe notifications. The surveyor can either accept or delegate the slot request received from the policyholder. Upon acceptance, the app will help the surveyor navigate to the specific location. The app will have a built-in form to help the surveyor fill in the details of the damage as well as the estimated damage cost.



◆ Customer service representative



The representative shall provide 24/7 assistance to all other stakeholders mentioned above. The customer service center shall be responsible for real time verification of details and documents uploaded by the claimant while filing the FNOL. The agent is responsible for resolving incoming calls from the customer, as well as raising the SR ID, if not resolved through during the first call. The agent shall also complete the due diligence of the reserve (or estimated damage) received from the surveyor assessment before sending the entire package to the insurer.

KPIs

Value and KPIs to measure performance and impact

Insurance digitization has given rise to numerous parameters that have significant potential to impact metrics. There are three areas that have been identified to truly measure the effect of insurance digitization in the form of three “E” elements:



Engagement

as a result of customer satisfaction to be measured by Net Promoter Score, improving the claim cycle time



Efficiency

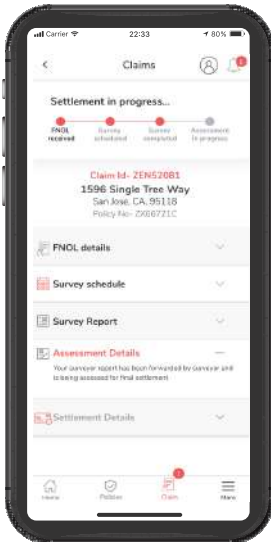
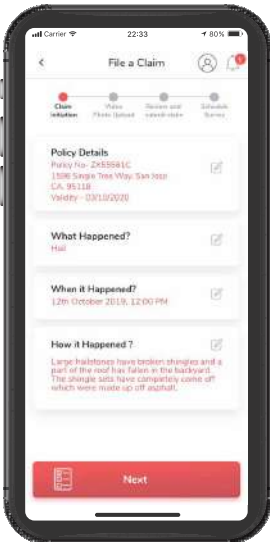
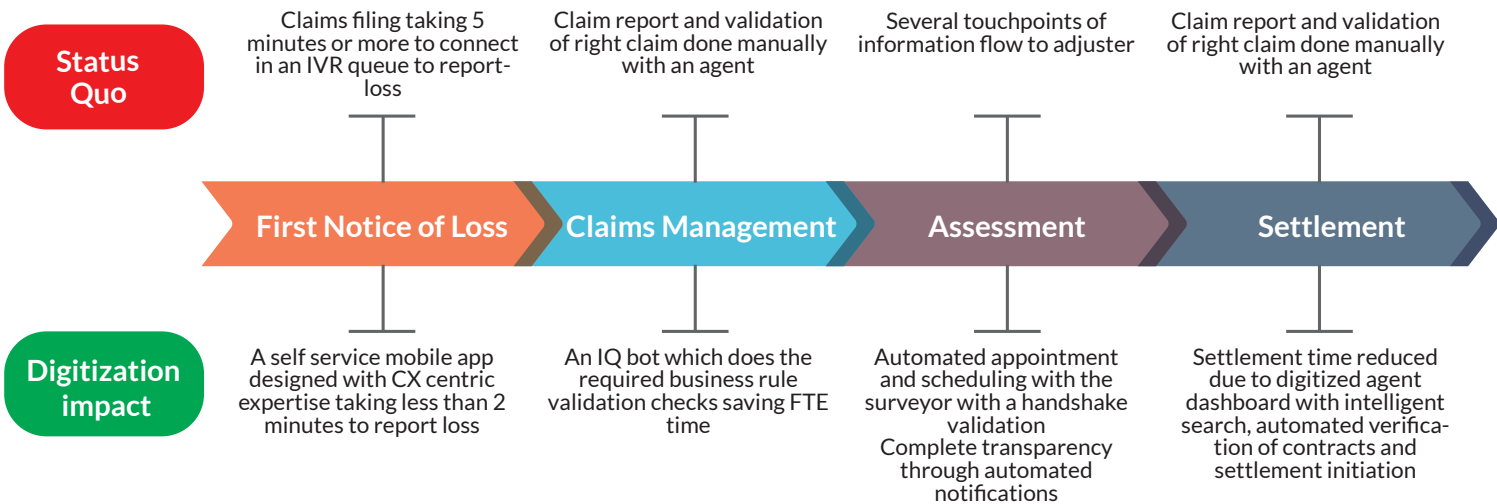
in terms of reducing claims adjustment expenses and full-time employee (FTE) agents employed, thus improving average cost per claim



Effectiveness

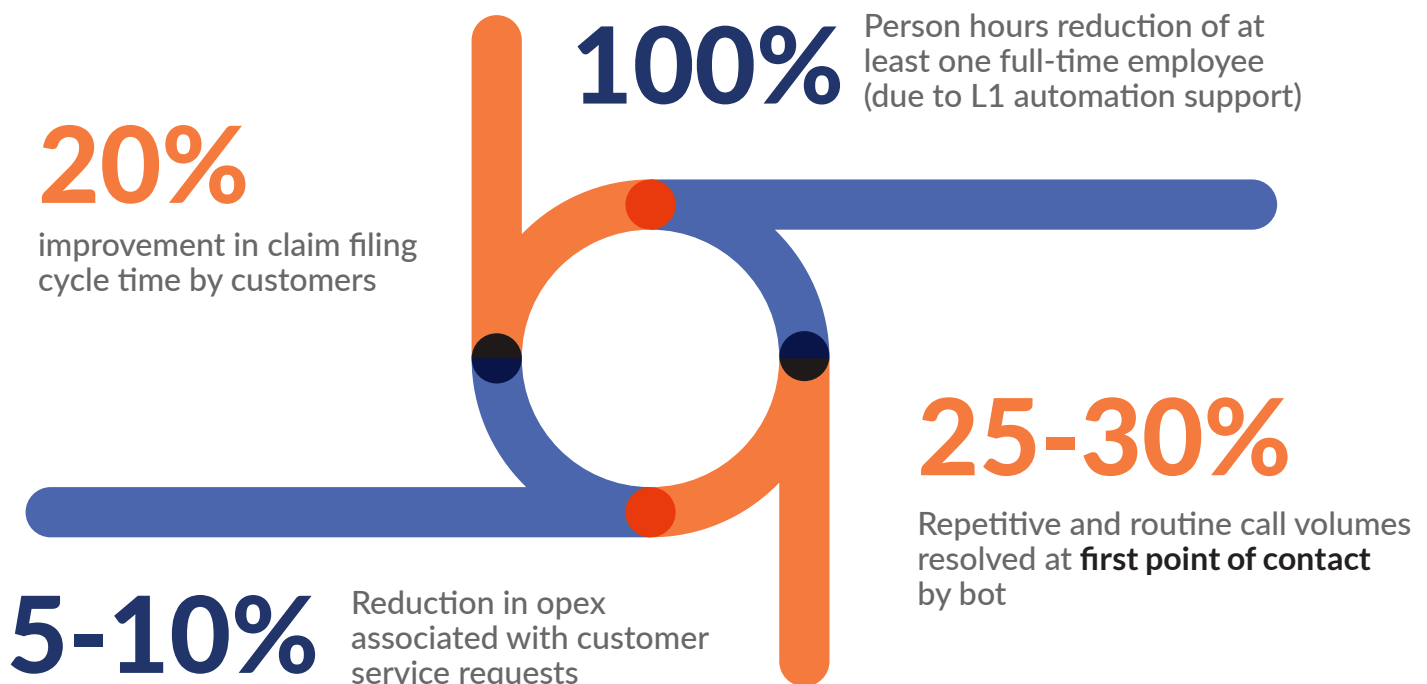
as a result of analytics-driven, improved accuracy in payouts (with minimal human interference)

Digitization of claim servicing lifecycle and its impact across the workflow



The insurance platform depicted above has the entire claims process digitized. This has changed radically to a digital channel which now functions as a self-service application. The product engineering methodology used for evaluation of the customer adopts a customer-centric design. The customer, assessor and agent as the stakeholders will have federated logins enabled with biometric and facial authentication. The loss reporting can be done in less than two minutes with validation of the data being done by an IQ RPA bot, which sends a successful claim validation and claim generation. The assessor or the surveyor gets the notification entry of a schedule and arrives at the site of inspection comes with digitized assessment reports. The surveyor sends the report back to the agent, who then conducts a contractual due diligence with the application dashboard, enabled by document check automation, resulting in a settlement invoice generated by the insurer within minutes.

The total value addition expected from such a platform is expected to yield the following results:



Next Gen Insurance Technologies (Predictive Claims, Telematics) (Future of Insurance and Changes)

The insurance industry is riding on a wave of digital disruption. Innovation continues to simplify the claims journey. Certain technologies are getting the majority of the focus in an effort to make the digital journey more robust and foolproof. Here are a few:

Predictive analytics and sentiment analysis

Past data can be used to get actionable insights on claims management. Various parameters, such as the type and frequency of claims, type of queries, average resolution time, claims processed, fraudulent claims, cross-channel analytics, and more can augment the insurer and the customer service agents in better handling customer queries and grievances. Sentiment analysis (speech and text analytics) can play a pivotal role by making customer service agents better equipped to handle customer queries and grievances.



Telematics

Auto insurers are beginning to experiment with pricing strategies backed by telematics data. This technology focuses on driver behavior and vehicle condition to determine conformance with insurance policy terms. Insurers use a device called a dongle, which is installed on the OBD-II port of the vehicle upon the customer's consent. This technology is still at a very nascent stage.



Preemptive notifications based on weather patterns

Weather-based preemptive notifications have not yet been completely explored and leveraged. Integration with weather forecasting and tracking agencies like NOAA can enable insurers to help their customers with precautionary measures against catastrophes to avoid weather-related damage. This can be complemented with audience-generated content (such as do-it-yourself videos) uploaded by customers to the insurer app or platform, informing customers in an effort to prevent damage and loss.



Conclusion

In essence, the days are not far when the insurance industry lines get blurred enough to move in an agile manner and explore new business models. Usage-based insurance, peer-to-peer insurance, and AI-based claims resolutions are already disrupting the market. Many more progressive models are being developed, giving insurers opportunities to meet customer demand. Zensar provides state-of-the-art, end-to-end solutions for P&C and life insurance companies. Zensar's transformation team offers insurers innovative, core product engineering and practice capabilities to create a digital claims servicing platform.

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