

Closing the Functionality Gaps: A Guide to Insurance Technology Vol. 2



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You might recall that in the first volume of this series, we discussed the critical roles which forms and documents play in collecting, storing, and presenting data. Does your business develop applications for the insurance industry? Or maybe you work on an in-house development team within a large insurance carrier. Your prime directive may have been to build software which could process claims, accept policy applications, and manage the financial workflows associated with them.

The insurance industry has increased its focus on data privacy and governance in recent years. This is driven in large part by greater regulatory compliance requirements from the European Union's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act. Like businesses across all industries, insurance carriers want their data quality to be decision worthy and actionable.

Let's revisit the gaps we identified in the first volume of this series, and explore ways developers can extend their applications to meet them with minimal cost and complexity. The technology remedies we are working towards don't require lots of custom coding, or iterative upgrades.

We're talking about APIs, SDKs, and configurable workflows here.

Ensuring Business Continuity with Digital Documents

We can all agree that paper insurance files are less of a beast than they were a decade or two ago, yet they still exist. Paper reduction is a leading environmental sustainability initiative in the insurance industry.

HR executives in the insurance industry are starting to realize the many benefits of enabling employees to work remotely. Document viewers can enable employees to have digital rights-based access to corporate documents from their browser of choice. Extending cloud based applications with capture, clean up, OCR and ICR functionality can transform a customer scanned document into auditable evidence of business process compliance.

Embedding a digitized document and making it accessible alongside structured data like your approved auto repair shops, repair estimates, and police reports can help your adjusters better serve your clients. As carriers like GEICO, State Farm, and Esurance continue to grow their direct business models, much of the administrative burden shifts from brokers and agents to carriers.





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Digitized Forms Recognition and Processing

A McKinsey study, Digital disruption in insurance: Cutting through the noise, found when 60% of customer and agent claims could be reported through online forms and automatically fed into an insurer's systems, a 20-30% reduction of loss-adjusted expenses could be realized. It also increases customer satisfaction due to less time on the phone with adjusters. A forms processing engine needs training and supervision to identify key data fields to start. Yet like your best employees, the more forms it processes, the more independently and effectively it will work.

The study found claims payments are reduced on average by 4%. Automating data collection can trigger client notification workflows, minimize customer status check calls, and automate as many as 50% of loss payments.

Extending your insurance application with forms processing functionality could add significant development scope to your upgrade cycles. A purpose-built forms toolkit can keep your team focused on the feature enhancements in your product roadmap.

Savings and Efficiency Through Automated Claims Processing

The McKinsey report above found that automated claims processing could reduce costs by as much as 30%. Complex business processes which were handled manually a few years ago can now be completed much more rapidly. RPA software company UiPath suggests that [automating insurance claims](#) cuts processing time in half.

A [2018 Accenture survey](#) found that 47% of insurance carrier executives they spoke to said they were either piloting or researching claim processing automation solutions. They say this automation will require intelligent use of software, data, and SaaS capabilities.

Firms which develop or run insurance applications which are augmented by [robotic process automation](#) (RPA) find it easier to extend their platform with API-based forms processing than building the functionality from scratch.

In the next chapter of this trilogy, you will learn about solutions for structured forms and invoices which serve as a data input source for RPA. When companies use RPA to automate data entry into legacy systems, that data has to come from somewhere. Before the rise of RPA, some data entry employees or contracted agents would key printed or handwritten data from sheets of paper. Others would key information from one computer screen into another which displayed the legacy application user interface.

Now, RPA performs the typing in place of the data entry person, but that data still has to be sourced from somewhere. If the data wasn't "born" digital, for example, it is, as in days gone by, on a humble piece of paper. That paper can be scanned and the data extracted with one of the products you'll read about in the next book in this series. It enables the RPA robot to rapidly type that data into the legacy application.

Document capture and RPA make great partners in this way, automating what was previously tedious and time-consuming jobs. Transporting that vital data into your business-critical systems faster allows your users to have quicker access to the data and make decisions based on current facts. And the people who were spending time doing monotonous data entry are freed up to do more valuable work which inspires creativity and strategic thinking.

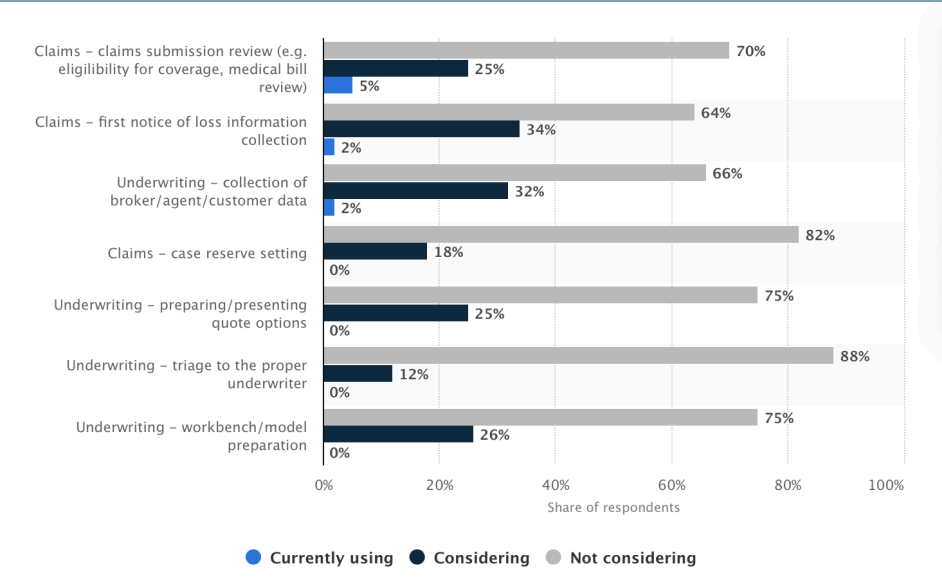
Automated claims processing could reduce costs by as much as 30%



Mitigating Risk, Preventing Fraud, and Ensuring Compliance

Manually reconciling claims is a highly detailed, time consuming, and thankless job for a human being. For health and dental insurance benefits providers, the reconciliation process can identify billing anomalies to discover any fraudulent claims and mitigate human error.

Some insurance companies leverage automated forms processing APIs as an onramp to adopting RPA to accelerate claim submission review. According to Statista research data, adoption has been slow, however many companies have plans to adopt RPA in the future.



By making contracts, policy documents, and claim forms available for viewing in the same application window as contextually relevant data, insurance carriers can react to changes in their policyholders' circumstances. Plus, they will have a digital document trail to back it up.

Digitizing Documents and Forms Enable Agile Self-Service

The McKinsey report found digitizing claims and policy application processes can raise the Net Promoter Score by 10 to 15 percentage points. By providing options to clients to fill out forms digitally or with pen and paper, your business can earn big points with prospects and customers. Once a scanned paper or digital form is submitted through your website or via email, the vital information in your form fields can be recognized and exported to your structured data app. That's the case whether those fields were:



Filled in with ink and captured via Intelligent Character Recognition



Typed in digitally with a keyboard and captured via Optical Character Recognition



Signed via digital signatures or selected via bubble fields or checkboxes

A home or business owner may be pretty emotionally shaken following a car accident, fire, or flood damage to their house or place of business. A well-structured form can help them gather key data points when details are still fresh in their mind, as opposed to waiting for the next business day to tell an adjuster on the phone.

Customer loyalty and retention are so critical to the insurance industry. Insurance companies should take every opportunity to leverage their digital investment to delight their customers.

Here's an example scenario you might identify with:

Mark is a loyal customer of a national mobile telecommunications provider. One day, he carelessly drops his Android phone, irreparably damaging his mobile device, for which they have replacement coverage. Mark contacts the telco, whose support representative said the only way to get a replacement phone is to go to their closest retail store, which was a 30 minute drive away. The third party device protection insurance carrier which supports this mobile telecommunications provider offers online claims filing services for broken or stolen devices.



Unfortunately, the mobile telco didn't tell Mark he could make an online claim with their device insurance partner. A replacement device could have been couriered to his home, and the damaged phone be returned afterwards.

Mark spent needless time driving to another location where the in-store staff could only provide their claims website, which he could easily access from home. Mark was very impressed by the device insurance provider's friendly, speedy service. Yet he was very disappointed in his mobility services provider.

The Path to Faster Service, Satisfied Customers, and Reduced Costs Continues This Way

Are you looking for ways to extend your insurance applications through self-service forms? Want to improve customer satisfaction and reduce claims adjustment costs by feeding data from digital forms into your application? Does the idea of accelerating claims processing time from days to minutes sound just like what you need?

Now that we've identified some critical functionality which your applications may be lacking, and quantified the benefits you can realize by addressing them, our final volume in this trilogy will identify the APIs, SDKs, and workflow solutions that could be the answer to these challenges.



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