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Insurance Claims Reimagined

Why Broken Claims Processes Are Breaking Your Bottom Line
(and how you can fix it)

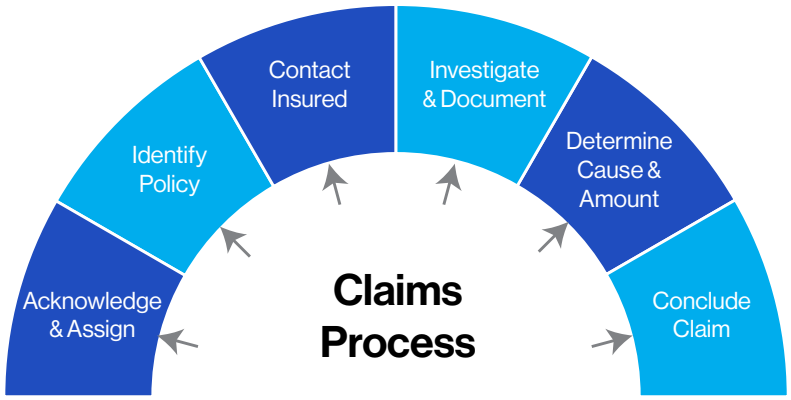
Executive Summary

This guide has been developed for insurance executives who are concerned about their ability to quickly react to the changing world of claims processing. In this guide, executives will learn:

1. Why traditional claims processing is not meeting the needs of the insured
2. How claims processing is making use of modern technologies to evolve.

Traditional claims processes are broken

Little has changed over the past decades in the way traditional insurers process claims. However, a new generation of disruptive insurers have defined their place in the market by using new technologies to rip up the rule-book and re-invent claims processing. This means that **traditional insurers reliant on legacy claims processes, are falling ever further behind the new leaders**, but there are specific challenges that can be addressed quickly to regain relevance.



The Current State of Traditional Claims Processing:

- After a consumer uses an app to provide a first notice of loss (FNOL), claims managers must manually assign them to an adjuster, leading to days of delay before the company acknowledges receipt of the FNOL.
- Claims adjusters and other team members manually initiate Investigations, leading to delays, errors, and claims leakage.
- Erroneous omissions in the claim documentation happen more frequently with manual safeguards, and can lead to regulators assessing punitive damages against the insurer.
- Insurers struggle to identify fraud and overpayments, which consume claims expenses and impact profitability.
- After arriving at a settlement, customers experience further delays while insurers produce and mail paper checks.
- Customer satisfaction suffers throughout the process; via poor communication and a lack of transparency into the claims process: 84% of customers switch insurers after a poor claims experience.

The Re-imagined Claims Process

Digitization has brought opportunity to the insurance industry — but it has also sown confusion. Insurers today must manage technology and information they never planned for when they built their existing claims processing systems.

Customers demand this kind of next-generation experience because they see it everywhere in the digital world. When national pizza delivery chains make it easy to track an order in real time, and Amazon automatically sends dog food when it's running low, customers grow to expect transparent, seamless experiences that anticipate their needs.

Now, **insurers can create a connected, user-friendly claims experience that works faster, makes customers happier, and reduces claims leakage**. Imagine the claims process today's technology makes possible:

- After detecting an event associated with damage or loss, a connected car or home or wearable device automatically creates a FNOL.
- Upon receiving the FNOL, automated systems dispatch emergency services, like medical and towing, and even notify emergency contacts if required.
- The system assigns the claim to an adjuster automatically, based on skill set, availability or any other variable.
- Claims automation generates a default electronic claim file automatically, with drag-and-drop placeholders for required documentation.
- The insured receives automated notifications about the claim's progress.
- Chatbots collect critical information from the insured at the time of FNOL, and AI determines

which policies and coverages were in effect at the time of the loss.

- Automated straight-through processing handles claims that meet certain criteria, while human-attended workflows begin for more complex claims.
- AI initiates automatic investigation, initiation, and fraud detection scans, using techniques like sentiment analysis, link analysis, and predictive modeling.
- The insured uploads documentation with a mobile app, and AI files documents like police reports and Attending Physician Statements with the correct claim.
- Claims adjusters use new sources of data to determine fault, like weather, road conditions, maps, and social media.
- Funds transfer automatically once a settlement is achieved, for a faster process customers are happy with.

Conclusions

Since the claims process is not seen as revenue-generating, the insurance industry has a tendency to hold back on improvements and modernization projects.

In a world of competition based on customer experience, **it's time to change the view that claims comes last or isn't part of the revenue generation engine**. Insurance offers limited opportunities to positively impact the customer experience, and claims processing is often the most stressful interaction customers have with their insurer.

It is at this moment — when customers are at their most vulnerable — that the insurer must not only meet, but exceed their expectations. Success will bring satisfied customers who spread the word and can more easily be targeted for cross-sell and upsell opportunities. The price of failure is simple: loss of the customer and brand reputation, at a time when a single negative experience has the potential to "go viral."

Is your organization ready to re-imagine the claims process to deliver a streamlined, friendly customer experience for every claim? Nuxeo has the tools and experience to make it possible.

For more information on how Nuxeo can power your next-generation claims experience, visit our Claims Management page.