

A global P/C insurance and reinsurance firm achieved over \$3M in efficiency gains across multiple areas of underwriting and claims by building a platform to automate business processes

SNAPSHOT

Industry & Region

Insurance, USA

Project Highlights

A global P/C reinsurance and insurance carrier leveraged AI-enabled technologies to automate business processes triggered by incoming emails. The automation project brought over \$3M in efficiency gains across multiple areas of underwriting and claims and drove over \$5M in premium growth.

Benefits



Defined a framework and capability to deliver value at speed to market



Improved customer service, operational efficiency, and data quality



Accelerated business growth to the tune of \$5M and \$3M+ in efficiency gains



Reinforced the organization's industry-leading expense ratio

Technology Stack

- Email Processing & Storage: Microsoft Azure
- AI & Analytics: IBM's Watson platform
- API Platform & Business Rules Management: IBM
- Optical Character Recognition Engine: Open-source Tesseract

CLIENT OVERVIEW

The P/C carrier is a leading international reinsurance and insurance group with an extensive distribution network that spans multiple continents. The carrier offers property, casualty, and specialty products through its various global subsidiaries. The insurer aims to deliver exceptional customer experiences by offering customized products and services. To this end, the insurer focuses on creating long-term value for its shareholders and business partners through underwriting excellence and strong risk & capital management.

BUSINESS CHALLENGE

The insurer's business processes, in particular those triggered by incoming emails for claims and new business submission, were traditionally manual and hence prone to human error. With an overwhelming uptick in submissions and a goal to gain efficiency in the hard market, the carrier sought to leverage NLP (Natural Language Processing) with other machine learning techniques to build an automation framework across its enterprise. The company started the journey of replacing its mainframe-based systems consisting of 5 major instances across the globe with a single global instance on the Galaxy platform. As this took shape, the more specific goal of creating a seamless experience for stakeholders powered by automation and cognitive analysis emerged. The envisioned platform not only required the carrier to employ new technologies, but also to seek deep expertise in operationalizing the platform and making plans for educating business partners on revised processes.

SOLUTION OFFERED

As the first step, the insurer worked closely with its business leaders to collect and consolidate requirements for the platform. The carrier then carried out focused proof-of-concept phases to test the new technologies with strong support from IBM. With the help of ValueMomentum, its IT services partner, the insurer was able to build a platform based on a vended solution from DXC, leveraging AI-enabled technologies on a multi-cloud environment, to automate its business processes on Galaxy.

The development of the platform was done in three phases using agile methodology: 1. Building the core foundational platform (3 months); 2. Implementing a facultative casualty business process in the system and piloting with several brokers (3 months); 3. Adding claims correspondence and facultative property business process automation (4 months).

The carrier also built its own underwriting workstation and reporting module, leveraging IBM Watson to establish an automation framework covering all its business processes, with ValueMomentum's help in development and testing. One of the critical steps involved in the business processes was documentation – converting from images to text. To ensure the accuracy of the data, testing the platform was essential. This required a different mindset and deep expertise in using various leading-edge tools and technologies such as Microsoft Azure, Tesseract, and IBM's Watson and API platform. Collaborators from the carrier and ValueMomentum effectively shared knowledge, creating useful technical frameworks upon which the automation functionality could be efficiently built. This coordination among all stakeholders enabled the insurer to successfully achieve improved project outcomes.

VALUE DELIVERED

The newly built platform enabled straight-through processing of submissions and indexing of claims correspondence, including First Notice of Loss (FNOL). The automation of business processes reduced the time taken for submissions down by 95%, to as little as 30 seconds. Additionally, the platform works 24/7, facilitating submissions around the clock, thereby increasing productivity and improving customer service. Aside from speed and availability, the platform also enhanced data collection, allowing the carrier to increase from capturing under 10 to 30+ key data elements per submission.

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The established automation framework and the global platform helped the insurer to gain the incremental benefit of delivering value at speed with improved operational efficiencies. Additionally, the insurer started exploring the other components of IBM Watson for automation of on-track contract wordings which helps underwriters efficiently review claims documents.

This AI-enabled innovative platform reinforced the carrier's industry-leading expense ratio. The project is credited with supporting over \$5M in premium growth, with additional increase in reinsurance business expected over the first year. Furthermore, the project has resulted in over \$3M in efficiency gains across multiple areas of underwriting and claims with more gains anticipated over the next few years.

In partnering with ValueMomentum, the P/C carrier is provided with innovative solutions that significantly increased efficiency and returns, making it a strong competitor and leader in the global reinsurance and insurance business.