

INSURANCE | eBook

Accelerating Digital Agility in Insurance

Unlocking Exceptional Customer
Experiences with Automation

ABBYY

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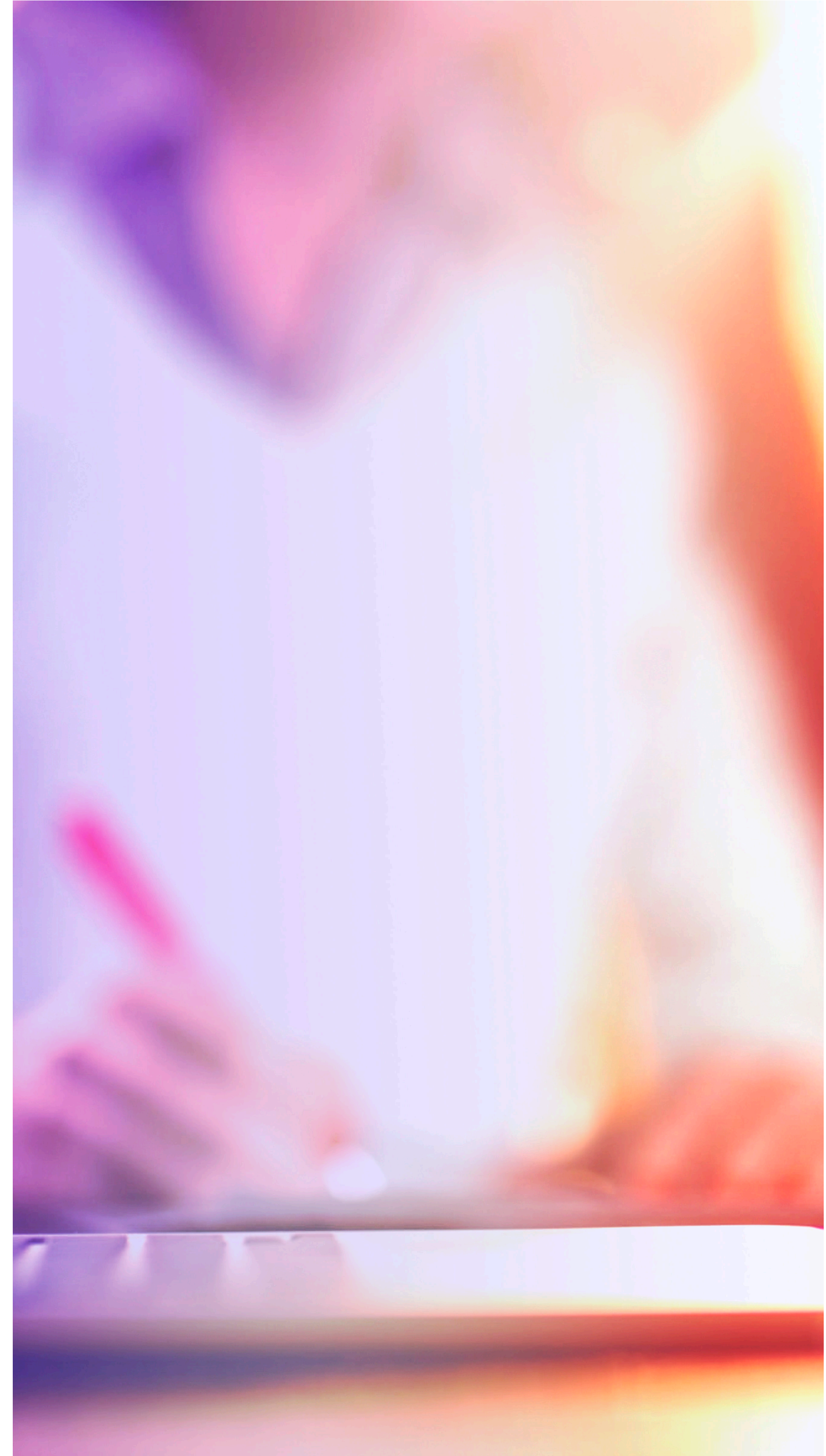
Captivating insurance customers in the digital age

Insurance organizations compete for business directly through customer service – which is why they face intense disruption from digital transformation.

While digital transformation may be an overused term, its practical application in insurance means targeting smart technologies to remove points of friction in key processes. Insurers in every major category—including property and casualty, life, reinsurance or commercial—are urgently hunting for modern ways to compete for customer intimacy, efficiency, fraud detection, and compliance as new Insuretechs, Fintechs, and established competitors raise the bar with app-driven service experiences.



In this sense, insurance leaders are still trailing behind most of their customers—especially the younger, tech-savvy customers they are seeking to attract. While leaders are still developing savvy strategies for new tools, digital transformation is already their consumers' daily reality. Choosing media and entertainment (iTunes, Netflix, Hulu, Amazon Prime, for example), getting a ride (Uber and Lyft), using social media (Facebook, LinkedIn, Instagram), and even home security have become “appified” experiences. Consumers access these services as they please from their smart devices and use intuitive visual, tactile, and personalized navigation to complete their transactions quickly with as few steps as possible. Increasingly, insurers are asking how they can enable these aspects of customer experience in delivering their services, citing the need to compete for the new generation of consumers. These questions quickly lead to re-examination of their processes—both customer-facing and supporting back-end—as friction points.



Moving from ROI to ROX

As a customer service industry, insurance competes through more convenient and customer-centric experiences. A recent [McKinsey study](#) found that U.S. auto insurers that provided customers with best-in-class experiences have generated two to four times more growth in new business and 30 percent higher profitability than firms with an inconsistent customer focus.

But those experiences begin with the right strategies—and the right definition of success. Digital experience, however, is fundamentally changing how we measure success for technology investments and utilization. Measuring only return on investment is yesterday's model, based almost entirely on optimizing existing processes without

taking risks; insurance leaders of tomorrow are also chasing return on experience (ROX). As PwC's [10th annual Global Consumer Insights Survey](#) defines it, "Measuring return on experience, or ROX, will help companies understand the return they're getting on investments made into the parts of the organization directly related to how customers interact with their brand." The survey added, "Delivering a superior experience will be what makes you a winner."

For insurance leaders, this means fast-tracking their technology proficiency—but within the framework of a customer-centered strategy. The new paradigm is no longer the traditional "brick and mortar" but a new "click and order" dynamic.

Technology fuels this new paradigm by aiming intelligent automation at removing friction from customer experience and gleaning deep insights into patterns of behavior, manifest in content exchanged, that can be used to identify opportunities for up-selling and spotting irregular and potentially fraudulent activity—both of which drive directly to the bottom line.

To compete at this higher, digitized level, insurance leaders must offer speed, responsiveness, simplicity, and seamless interactions that gather quality information. But many make the mistake of focusing more on internal operations instead of the customer experience because it seems to be the easy win.

Digital transformation expert [Daniel Newman](#) of Futurum calls this the difference between digital optimization and digital transformation, and it becomes a trap for missed opportunities. In a recent Forbes article, he stated, “You need solutions that bring you closer to your customers and allow you to serve them better, faster and stronger. That’s what digital transformation is about.”

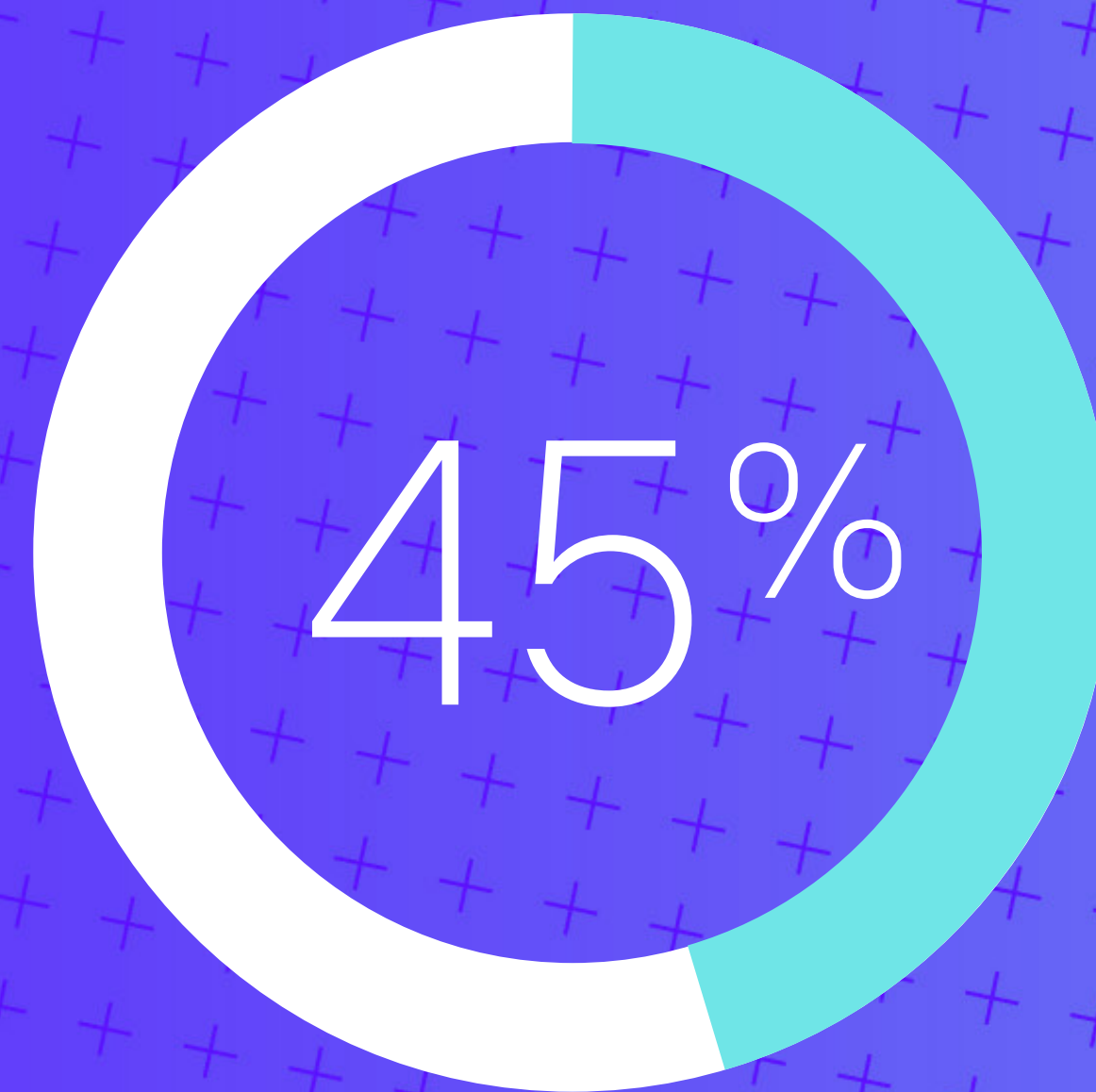
2-4x

GROWTH

30%

PROFITABILITY
INCREASE

Often, leaders assume that more technology, specifically automation, can fix old processes to achieve that excellent customer service. But often, they find the results miss expectations because they are automating the wrong things. To drive truly impressive results, they must first change their processes as well as adapt how content and data flow through them. But before they can do so, they must know how effective their processes are to identify which ones to change—and they typically lack that visibility.



Forty-five percent of insurers say that changing customer expectations is the business driver triggering investments in new technologies.

↳ [Strategy Meets Action](#)

The smart road to digital transformation

Let's be clear: digital transformation, automation, and customer experience are process problems.

Digitization initiatives must take a process-first approach to solving them. But insurance companies face an industry-specific set of challenges. The interface between customers, insurers, reinsurers, compliance entities, and auditors occurs almost entirely through the exchange of documents. Document-centric processes dominate the insurance industry and continue to be a major friction point in insurance interactions often because these are the last places to get noticed as the point of failure in both experience and operation.



When they do get attention, leaders instinctively throw automation, primarily RPA, at the problem without first understanding where the problems are and how they work, most urgently in the processes that consume document content in customer interactions. Without a clear discovery of the success and weaknesses of those processes, as well as how processes consume content, they tend to waste their budget on automating the wrong tasks.

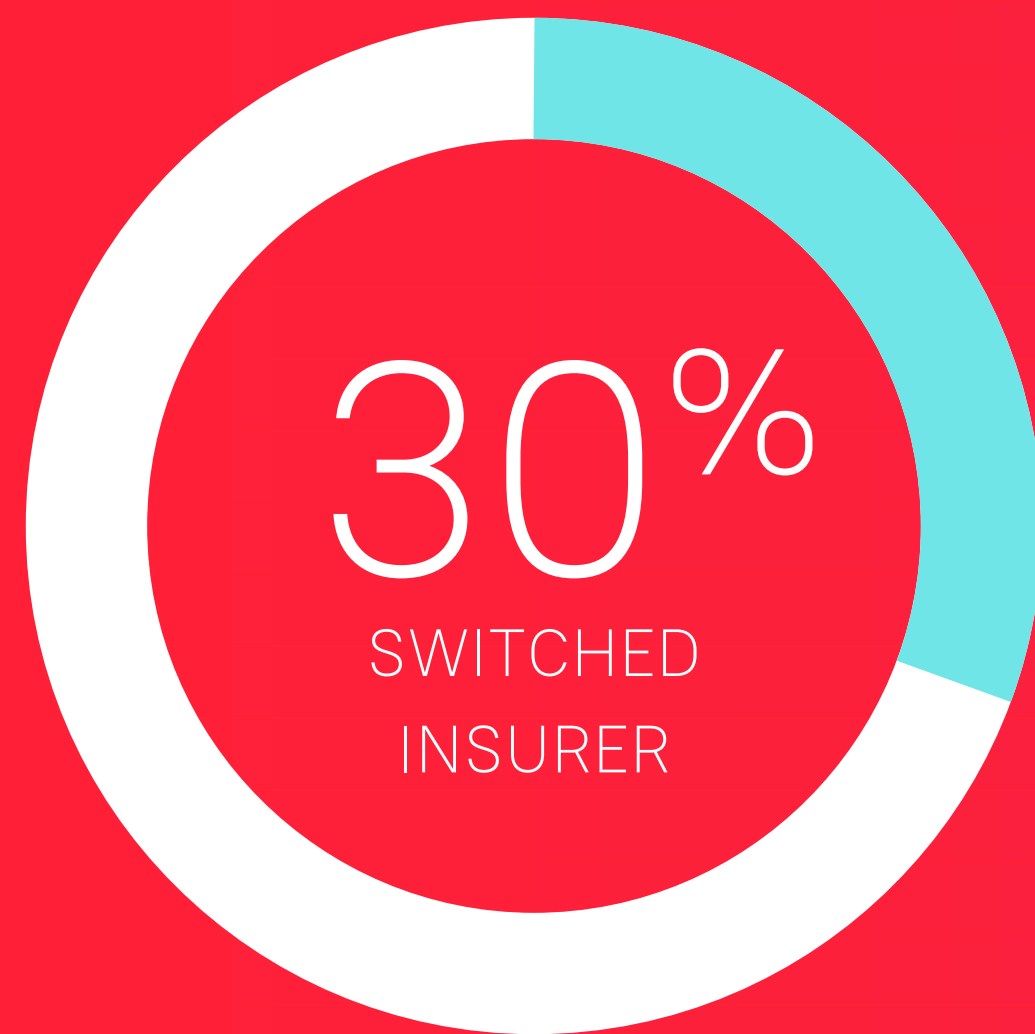
To attract modern customers and compete with tech-savvy Insurtechs and Fintechs, insurance organizations must be able to translate document information into efficient, focused customer intimacy.

To enhance customer experiences, streamline operations, and capitalize on new business opportunities, leaders must sharpen their Process Intelligence. But few know where to start, or even worse, focus on what they think they know without being equipped with truthful data on how their processes work and how much time they spend on specific tasks.

Without understanding how content flows through their processes, these businesses typically suffer from

- Customer dissatisfaction and attrition
- Lost opportunities for upselling and cross-selling
- Inability to detect fraud
- Failed compliance audits and costly fines
- Limited visibility into process performance and lost opportunities across the business

The cost of poor customer experience



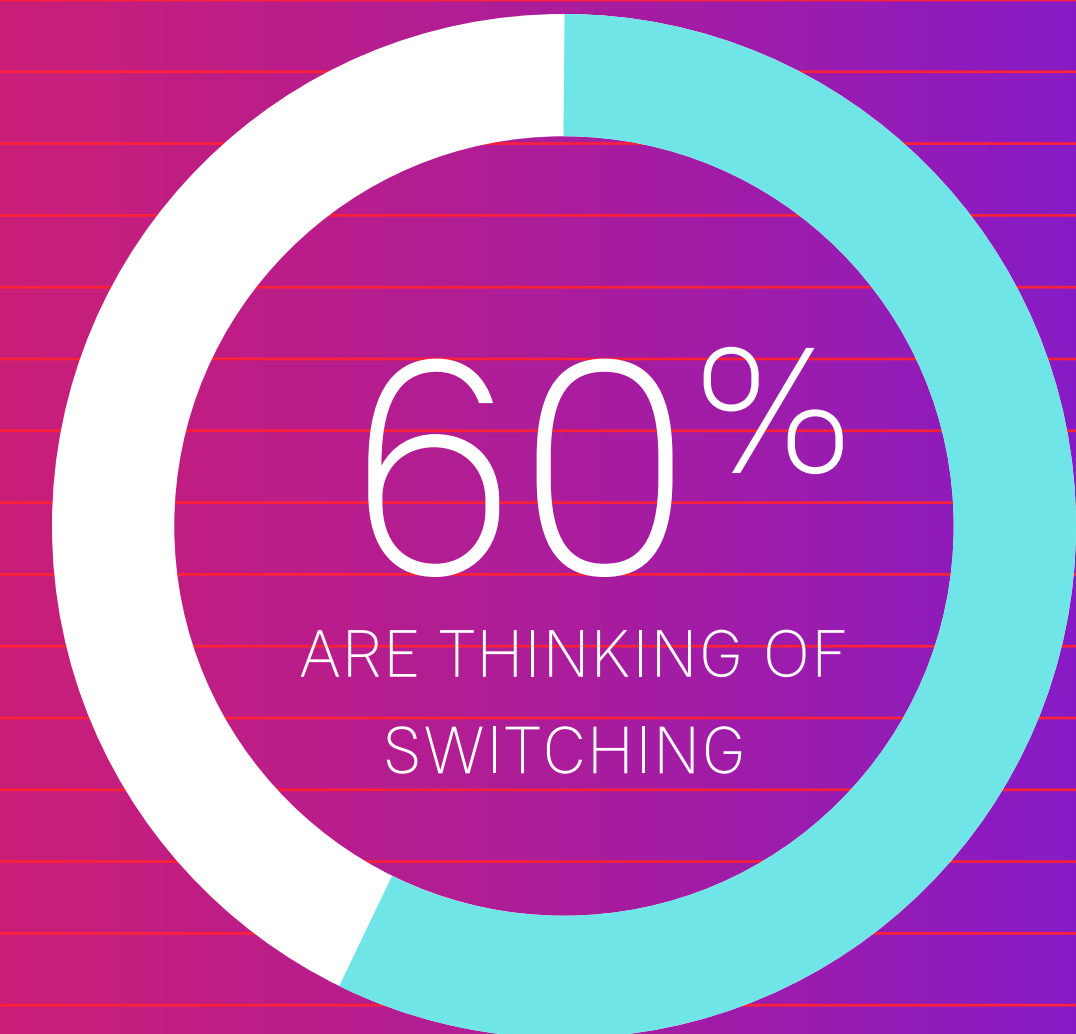
More than 30 percent of customers who endured a bad claims experience switched insurers within a year of the incident.

↳ [Forrester](#)



Only 29 percent of insurance customers are satisfied with their current providers—and only 15 percent are satisfied with their insurers' digital experience.

↳ [Accenture Strategy Report](#) and
↳ [Propertycasualty360](#)



60 percent of customers who were "indifferent" or "displeased" with their insurance claims experience said they would shop for a new carrier within the year.

↳ [JD Power](#)



Moving from process blindness to enlightenment

Driven by the hype, insurers often turn to robotic process automation (RPA) to tackle processes handling documents, specifically around collection, routing, and verification from electronic sources (email most frequently). Ironically, most leaders are not seeing enhanced customer experience or the return they expected from RPA precisely because software bots are focused on tasks without understanding the larger processes in which they participate. These leaders have also discovered that task-level automation cannot transform insurance companies in one blow.

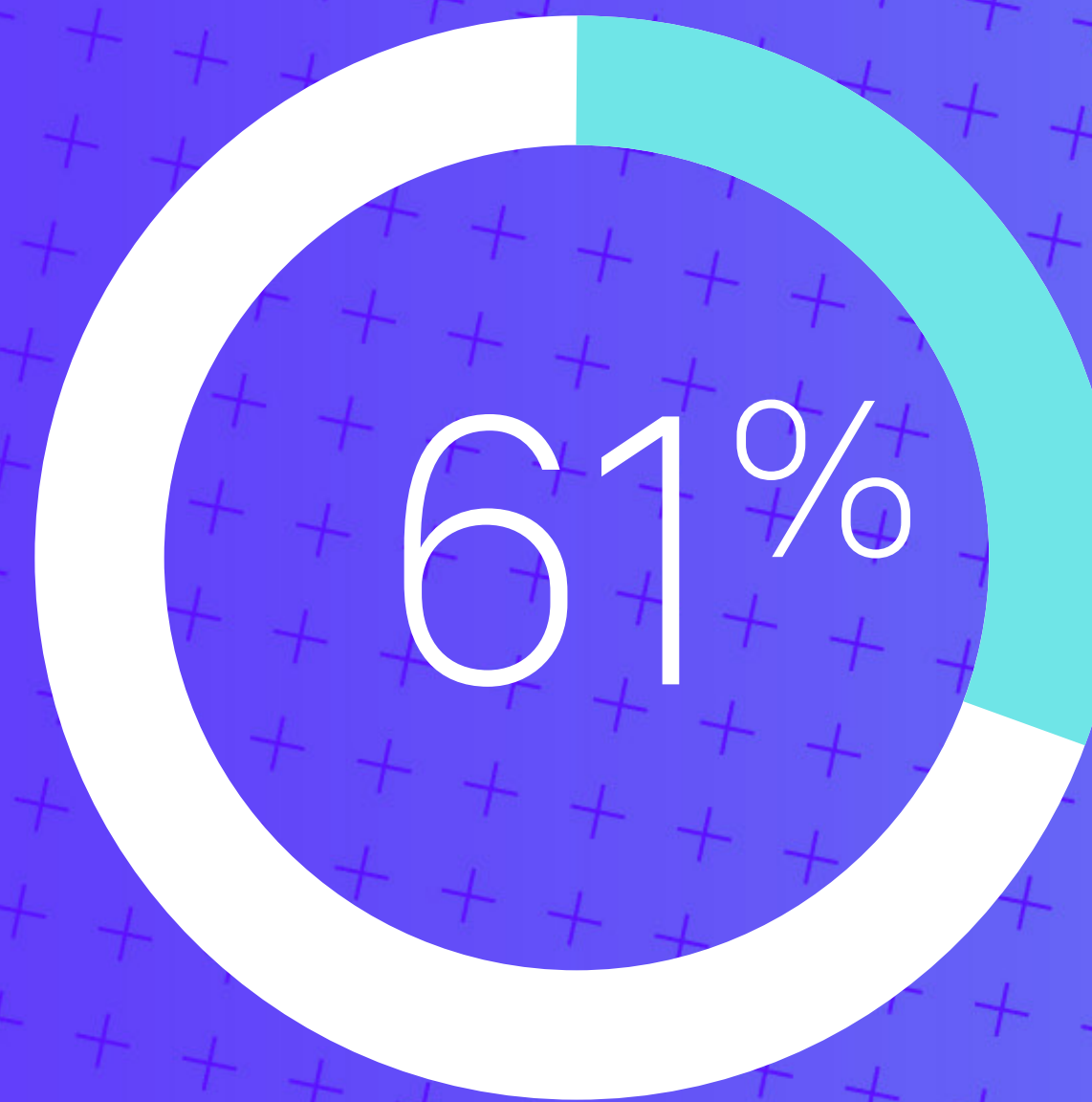
The only path to effective digitization is taking an honest, fact-based look at their processes as they are working in and over time. Only then will leaders spot the most valuable opportunities for improvement, whether through automation or redesign.

These process analysis areas include

- 1 How much time does it take to process a customer request?
- 2 How long do claims stay open, and which documents are slow to process?
- 3 Where are exceptions occurring, how much time is spent on them, by whom, and where are the bottlenecks or redundancies?
- 4 Which input channels (email, portals, file transfers) are creating bottlenecks, and what are the causes?
- 5 How rapidly are customer questions and concerns resolved? Are customers complaining? Taking their business to a competitor?
- 6 Are documents' chain of custody secure and efficient?
- 7 Is the insurer's brand image modern, efficient, and responsive?
- 8 Are there suspicious activities in processes and documents being submitted to them?



By discovering and assessing process performance as a timeline, rather than a schema, companies can visualize and understand exactly where their weaknesses are, where roadblocks must be dismantled, and where their profits and opportunities wait. Automation can be applied where it does the most good, helping insurers achieve greater customer satisfaction, demonstrate compliance, and detect fraud. Most importantly, automation empowers insurers to compete with Fintech and Insuretech apps by offering streamlined agility and an appealing, user-friendly experience.



Of the top 100 global insurers, 61 percent are still in the early stages of digital transformation.

↳ Digitization, Automation and Value Creation in the Insurance Industry

Digital Intelligence: A process roadmap to revenue

ABBYY's approach to helping insurance companies make digital transformation work is rooted in a simple philosophy: You can't improve what you don't first understand. Today's enterprises have a wealth of information that is locked within their processes and the content that fuels them but do not use the right tools to gain insight from them. Digital Intelligence means gaining access to this data, understanding how it drives processes and decision-making, and using that information to optimize customer experience and gain efficiencies.

Using a process-first approach, ABBYY starts with visually mapping processes to help insurers discover and understand how well their processes are working; next, insurers identify the flow of content and data through those processes, so they know

where and how to target automation for the biggest impact. With documents typically representing the greatest friction point in the insurance customer experience, ABBYY helps to identify where those friction points are, then steer insurers away from automation for its own sake and instead provides a roadmap to automating the most impactful opportunities for success. Insurance organizations can achieve significant ROX by continually asking where digital automation can make the biggest difference.

Digital Intelligence empowers organizations to unlock actionable insight and knowledge from their data and increase enterprise workforce intelligence through a combination of process and content discovery, skills, and capabilities.

Process Intelligence

Discovery, analysis, monitoring, prediction

Typically, insurance leaders have been limited by traditional process mining and business intelligence (BI) tools that can only take a snapshot of pristine process schema from past data. While that data is better than none at all, it doesn't provide what leaders need: a focused view that reveals both how each process is performing along a timeline and process effectiveness. Both of these attributes require seeing how much time processes take and where time and money are being spent in them. By looking at process timelines, leaders will discover surprising truths about how their workflows perform separately and as a whole, the accuracy of their data capture, and where breakdowns are occurring. This knowledge helps them identify new and more productive ways to put their staff skill sets to the most valuable use or find new ways to deliver exceptional customer experiences.

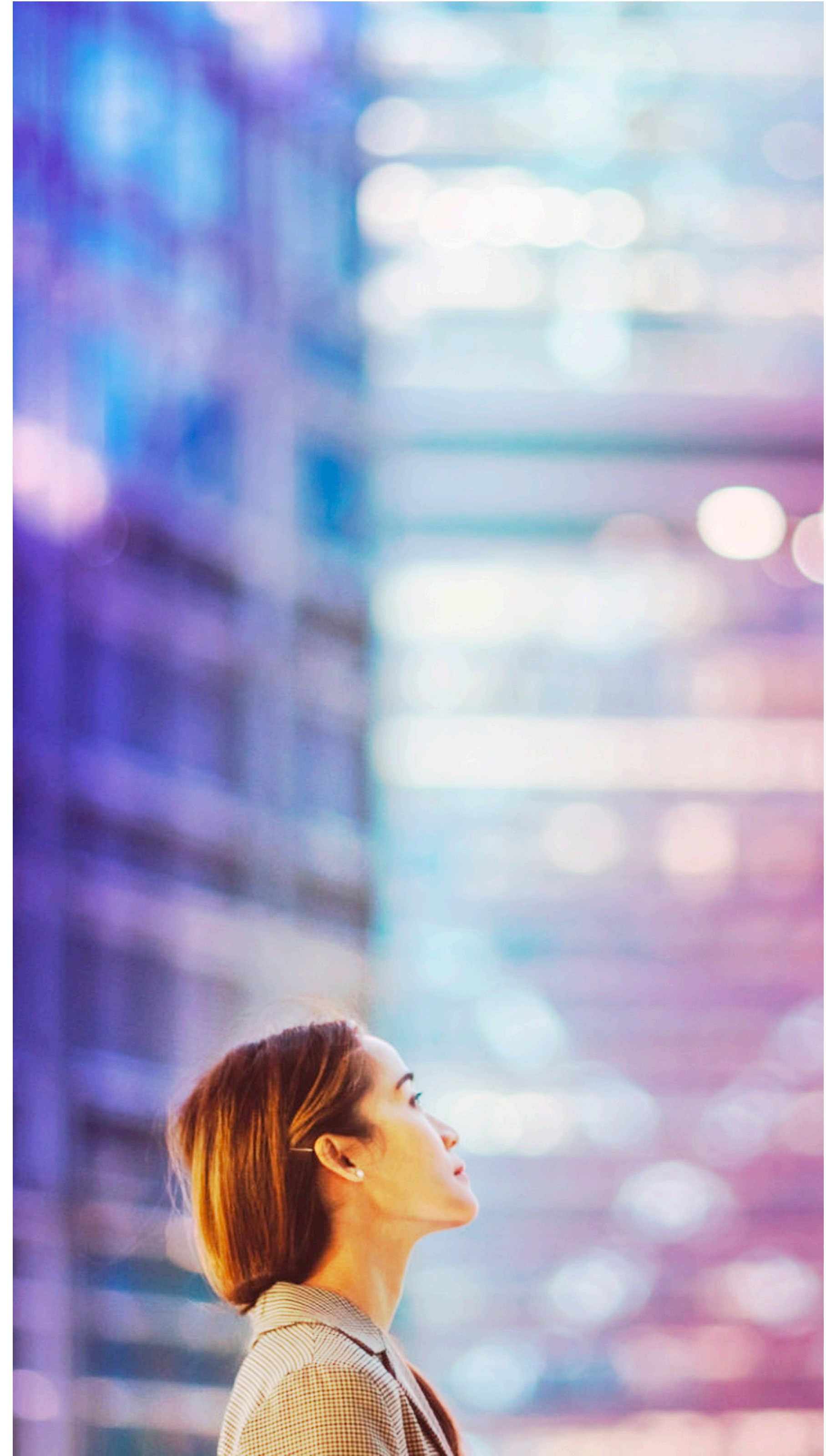
The end result:

Their automation investment drives the biggest impact in efficiency, agility and Return on Customer Experience (ROX).

Content Intelligence

Intelligent Document Processing

Given the primacy of documents in conducting insurance business, every organization must be able to process and consume the right content from the right documents. But that's been a tall order in a multichannel world where documents can flow between social media, email, scans, hard copies, online portals, file transfers, smart devices, and other channels. Process Intelligence often reveals that organizations need a solution for end-to-end handling of content as it enters the organization. ABBYY integrates all modern document input channels into automated processing with flexibility and ease. Organizations can capture and process any documents at any point of the insurance lifecycle: customer onboarding, underwriting, policy analysis, reinsurance, claims, subrogation, legal disputes, and more.



Insurance companies can content-enable their processes for efficient engagement, records management, and fraud detection; measure their Service Level Agreements with fact-based process monitoring; and efficiently handle all documents, no matter how or where customers provide them.

When insurance leaders try to make RPA work with content, ABBYY provides a boost to robots and BPM applications—making them smarter, faster, and more effective with the focused “content skills” they need to process content. These skills can be consumed only as needed inside the process and on the RPA or BPM host system without any need for a separate platform or IT infrastructure to run them. Leaders can now automate the flow of content through their processes and continually measure their actual performance.

ABBYY products for Insurance:

ABBYY Timeline

ABBYY Vantage

ABBYY FlexiCapture®

ABBYY FineReader Server



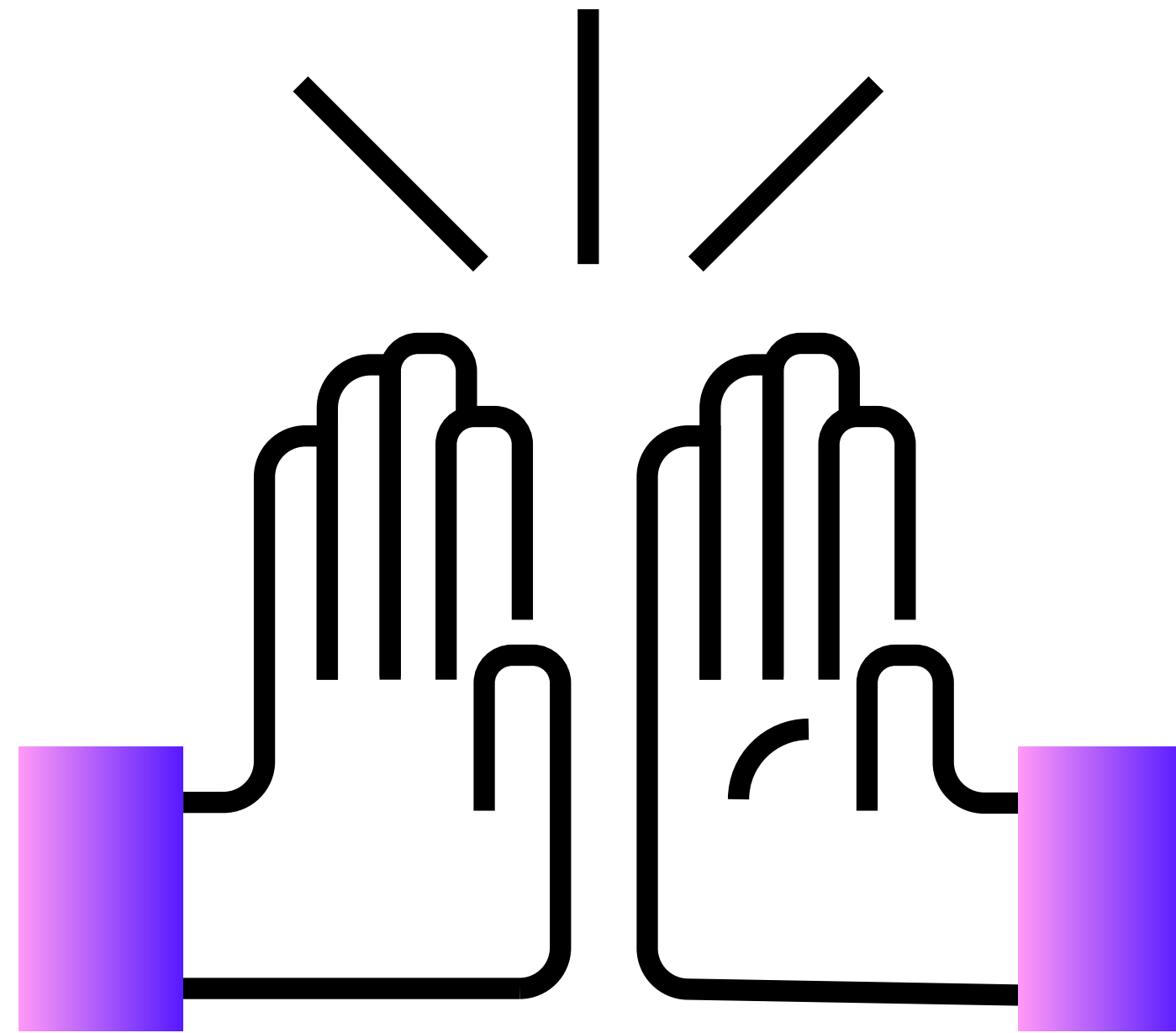
The road to radical ROX

Insurance companies are at a critical juncture in how they deliver customer experience and gain transformative insight from it. This is precisely what is driving digital transformation and its hyper-focus not only in how consumers interact with services through technology, but their expectations for how those interactions will work. The hype, even urgency, around RPA and digitization, though symptomatic, has obscured the root causes of customer alienation (content-driven processes),—and its opportunities for transforming the insurance experience through process-targeted, content-enabled automation.

ABBYY's Digital Intelligence platform helps organizations gain an understanding of how their processes are working, then identifies real opportunities to target digital automation where it will make the biggest difference.

This proficiency drives results that can elevate the entire organization:

- 1 Insurance leaders refine their document management and processes for greater power by applying automation to the areas with greatest potential.
- 2 Companies can identify and remove critical bottlenecks to act faster, increasing responsiveness and agility.
- 3 By accelerating claims management, onboarding, policy qualification, reinsurance, and other core processes, organizations can offer a captivating user experience for rising return on customer experience.
- 4 Sharper document capture protects document integrity, such as proofs of identity, appraisals, compliance reports, accident reports, work quotes, and policy reports to efficiently and accurately extract, digitize, and transfer data—paving the path to successful compliance audits, fraud elimination, and customer retention and attraction.
- 5 Insurers enjoy lower TCO while the solution earns faster ROI.



Numerous platforms, technologies, and applications have flooded the insurance market, with solutions promising easy automation regardless of application—but until now, these tools have had dubious results because they continue to leave insurance leaders in the dark on how their processes are working. ABBYY’s Digital Intelligence platform turns on the light on process, providing a fresh starting point for addressing customer experience at the point of process interaction. ABBYY then helps unlock the door to smarter automation opportunities and powerful digital transformation for insurers and their consumers.

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For more specifications, visit www.ABBYY.com.
If you have additional questions, contact your local
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