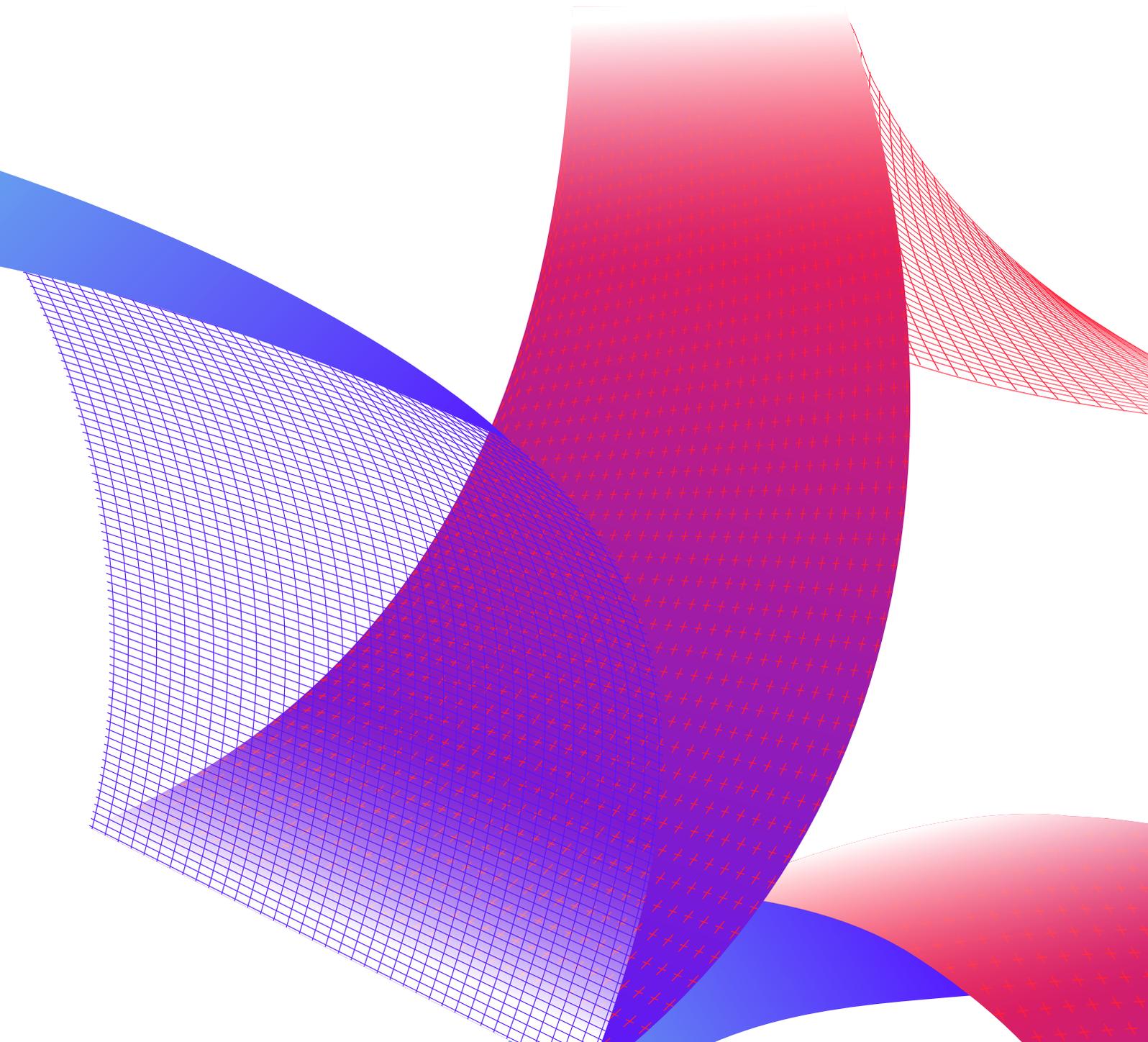


# Claims: the Genesis for Digital Transformation and Cultural Change

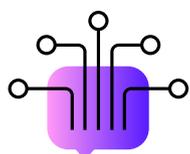




## Tim Evershed speaks to insurers about whether there are any digital skills gaps in claims departments, and if so, how they can be filled.

An insurance claim is the most vital interaction between insurer and insured. This is when the customer will need the insurer most. It is therefore imperative that insurers continually strive to improve the claims service they offer and increase the speed at which claims are resolved. Automation is vital to this process, with artificial intelligence (AI) and machine learning now key elements of efforts to increase the speed and accuracy of claims payments.

However, the process to becoming a data-driven, intelligence-led insurer and enhancing digital journeys for customers is a challenging one for insurers. As well as bringing new systems online effectively, the benefits must be communicated clearly to both claims handlers and clients if they are to succeed.



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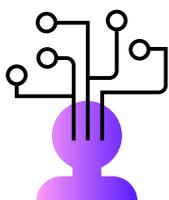
### **End-to-end self-service**

Melanie Kill, claims transformation director at Axa UK, says: "The first phase of our transformation journey leveraged a new platform, a comprehensive data strategy, and some internally built analytics models. These analytics models, along with some automation, facilitate augmented decision-making for our handlers."

“The next phase of our transformation has been to move beyond those augmented decision possibilities, and to link our platform and analytics capabilities with careful supplier integration and orchestration—leading to end-to-end digital journeys for our customers.”

“Customers are able to self-serve online in many industries now, and that expectation is growing exponentially due to the pandemic driving more interaction online. Our intention, even pre-pandemic, has always been to provide our customers with more choice on when and how they choose to interact with us to make a claim.”

Axa recently launched its straight-through electronic processing tool which delivers seamless, end-to-end digital claims capability for some claim types in retail motor.



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## Starting point for innovation

To support the cultural change necessary to allow these new automated systems to succeed, claims handlers must understand how the technology supports their role, allowing them to focus on the value they bring to the claims process. And some insurers have used the claims function as the starting point for innovations because it is considered an area that is often more receptive to new systems and processes.

Robin Challand, claims director at Ageas Insurance, says: “To [support a cultural change], you need to invest in the skills and training empowering teams to make the right decisions for customers and importantly, take them on that journey with you from the start. It’s something we did when introducing new technologies within claims. There was also an important element of test and learn tracking to refine and adapt as necessary, so we took an agile approach. It’s also important for us to work in true partnership with our supply chain so we did things like hosting strategy days with suppliers to really ensure they were involved too.”

“By taking that holistic approach against the backdrop of a period of change, all levels of our five-generation workforce have embraced AI and machine learning across claims.”

According to Challand, one of the biggest challenges across the board, not just in the insurance industry, is that people think that things like AI, automation, and machine learning are not accessible to them. He adds: “But what we’re trying to do at Ageas is democratize it and make it available for all. That’s not to say it’s easy, but creating the awareness and knowledge of the potential helps to build confidence, knowledge, and results. For example, we’re using an automated machine learning platform to support not just claims but also underwriting, fraud detection, and marketing. That’s helping us to dramatically reduce the amount of time and resource it takes to create machine learning models and ultimately, to be smarter, faster, and more affordable.”

Alastair Robertson, head of continuous improvement and automation at Zurich UK, says: "Start small in one function and then, as time goes on, it becomes more and more accepted. We do try and get a bit of momentum. This means involving the staff, using social media or meetings to communicate our successes—from the frontline, right up to the execs."



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↳ Melanie Kill

## Automation support

Insurers must also consider what automation might mean in terms of upskilling existing claims handlers, as well as future recruitment, to fill any skills gaps that might now exist in claims teams. "A moment of truth with customers is when they have a claim," adds Robertson. "In essence, policies may sit there idle for years not being used, but when they make a claim, and when they are quite often in difficult situations, that's when customers need empathy, support, and care. In claims, if you can use automation and digital tools to do things faster, better, and right the first time, that frees people up to actually speak to customers."

"In insurance, a balance needs to be achieved," Kill comments. "Customers prefer the speed and ease of online self-service for some types of interaction. But, given the nature of claims, there will also be a requirement for personal interaction in some of those instances where the empathy, compassion, and skill of an experienced claims handler is essential." Tim Smyth, CEO, UK General, says: "As we progress, we need to develop future-forward capability in data and technology building, but we also see an increasing need to focus on those skills that help us to understand our customers. Skills in innovation, product development and operations, such as claims handling and customer service, can support the changes to our business that the outputs of AI will determine."

"We expect there to be a huge demand for these skill sets as AI progresses in our industry. So, it is essential that we develop a strong strategy to attract and retain these critical skills in order for us to maintain pace. Where it is inevitable, some specialist roles will need to be recruited externally, and will require the input of external business partners to support our existing in-house capability. But we think there is a mutual benefit in focussing on the upskilling, personal development and role enhancement of our existing staff to meet the needs of our evolving industry."

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