



A WHITEPAPER ON

RPA's impact on Insurance Industry challenges

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EXECUTIVE SUMMARY

RPA enables insurers to create cognitive capabilities that solve pressing challenges and underlying pain-points.

#1: The Challenge of Relevancy

- ◆ Easy synthesizing of data
- ◆ Ability to pull out data from disparate sources effortlessly
- ◆ Overcome problems of data silos
- ◆ More potent fraud detection capabilities

#2: The Challenge of Personalization

- ◆ Collate real-time information regarding the customer from various sources
- ◆ A better understanding of the customer

#3: The Challenge of Speed

- ◆ Improved back-end processing
- ◆ Robust self-service capabilities
- ◆ Instant processing of complex procedures through robot-agents

#4: Ensuring Seamless Policy Administration

- ◆ Answer complex customer queries easily, in real-time
- ◆ Effortless scale-up
- ◆ Improved transparency and visibility to key processes

#5: Challenges Related to Flexibility and Innovation

- ◆ Adoption of a modular structure for improved flexibility
- ◆ Dynamic pricing strategies
- ◆ Leverage advanced capabilities to adjudicate complex cases

WHITEPAPER

Robotic Process Automation or RPA is the use of robots to drive tangible business benefits or specifically creating cognitive capabilities to enable machines to perform tasks normally reserved for human intelligence. The concept encompasses advanced analytics, data mining, Big Data processing, machine learning, natural language processing (NLP), machine vision, emotion recognition, optical character recognition, and other capabilities. The insurance sector faces several challenges in today's highly competitive and extremely fluid business environment. The stakeholders look at automation in general and RPA in particular with interest as a lodestone to resolve most of such challenges.

1. CHALLENGE OF RELEVANCY

Enterprise collects information by the terabytes in today's age of Big Data. However, the sheer volume of data, the unstructured nature of the data, and velocity of data overwhelm traditional analytic processes. Insurers face a mounting challenge of having to cull out relevant and up-to-date information from such data swathes. Acting on the basis of obsolete information does more harm than good in terms of positioning the wrong product, engaging the customer on terms he or she may no longer prefer, and so on.



SOLUTIONS:

- ❖ Deploying RPA based solutions enable easy collection and synthesizing of vast amounts of data, and to generate powerful insights and connections from such data. This inherent capability of RPA solutions to self-learn, delivers powerful and highly relevant insights which increase the effectiveness of agents manifold.
- ❖ Implementation of RPA allows insurers to pull information from many systems on a live basis, even when the agent is on a customer service call. The insurer can thus commit on an informed basis.
- ❖ Integration with legacy systems and other emerging technologies such as Big Data, IoT, cloud, and more facilitates a much-desired breakdown of data silos across the enterprise, enabling the establishment of a single source of truth and delivery of a unified data model.
- ❖ RPA facilitates fraud detection capabilities by employing entity analysis techniques using machine learning along with advanced analytics. This bridges the gap between who customers really are and who they claim to be, leading to more accurate and highly relevant processing.

2. THE CHALLENGE OF PERSONALIZATION

Personalization is the flavor of the season. Today's customers prefer to be engaged on a one-to-one basis, with the agent providing individual attention. The best underwriting is anyway on a case-by-case basis, factoring in individual applicant risk.

SOLUTIONS:



RPA empowers insurers with the ability to provide an improved customer experience and highly personalized offerings.

- ❖ Robots powered by RPA pull in information from disparate sources, and also makes critical interpretation of such data, to give insights such as whether the person is an avid traveler, indulges in adventure sports, or spends more time in the library, or more, to estimate risk accordingly.
- ❖ Robots, powered by emotion recognition capabilities and sensing technologies, improve understanding of customer queries and grievances, to provide a unique and personalized customer experience.

3. CHALLENGE OF SPEED

Speed is a critical parameter of success in today's extremely fluid business environment. A policyholder may file a claim at any time, anywhere. The claim could relate to emergency hospitalization, an automobile accident, water or fire damage in the home, or anything else. Historically, such claims involve a lot of paperwork from the customer end, and a lot of aggregating information from multiple sources



and paperwork filing at the backend. Delays which are commonplace frustrate the customer, more so when they have suffered a huge loss and are looking for reimbursement to recoup and carry on with their lives.

Quick turnaround time is a critical factor in customer satisfaction. About 41% of policyholders who leave an insurer do so because of poor customer experience.

SOLUTIONS:

- ❖ RPA speeds up processes through faster back-end processing and automation of routine tasks. Smart Dubai, for instance, could reduce the time taken to complete one request from 15 minutes to 45 seconds, through RPA.
- ❖ RPA facilitates easy linkage, allowing policyholders the convenience of an easy self-service portal. About 27% of the Gen Y and 23% of Gen X policyholders prefer interacting with their insurer through digital self-service.
- ❖ Replacing human-agents with robots equipped with language processing capability in the front line such as First Notice of Loss (FNOL) and customer support improves the process and makes it more robust. For instance, with an RPA-enabled system, customers could potentially send pictures from an accident site and the robot positioned at the other end assess the extent of damage, with a high degree of accuracy.

RPA, by both eliminating cost intensive human hands and saving agent time enables processing more claims within the limited time available, all the while maintaining a 95% accuracy rate.

4. ENSURING SEAMLESS POLICY ADMINISTRATION

Large insurance companies are straddled with several complex issues such as:

- ❖ Keeping up with different regulations from different states and geographies
- ❖ Keeping track of changes in regulations.



Scaling up processing capabilities when natural disasters strike and hundreds or thousands of claims are filed at the same time.

SOLUTIONS:

- ❖ RPA facilitates sales policy administration.
- ❖ Robots, through its ability to gather and collate information from multiple, disparate sources in real time, can answer complex customer queries effortlessly. For instance, a customer query, “What are my expenses other than Home Loan EMI, for the past three months?” would require a human agent to painstakingly gather and compute the answer, despite the availability of the latest conventional computing and analytical tools. A robot could answer such questions in real time, in English, without human intervention.
- ❖ Robots achieve scale effortlessly, without emotional wear and tear or natural human fatigue.
- ❖ RPA facilitates automatic scale-up in a crisis situation. With RPA, it is easy to simply increase the number of robots, sparing the hassles and time-pressure of training new workers to handle the overflow.
- ❖ The improved transparency brought about by RPA delivers complete audit and traceability of supplier information.

Overall, RPA results in a 70% increase in efficiency, 80% improvement in productivity and 95% improved data maintenance.

5. CHALLENGES RELATED TO FLEXIBILITY AND INNOVATION

Today’s extremely complex world requires different solutions and different approaches to different problems. There is also a pressing need to innovate and break out from the crowd. In a tech-neutral world, simply offering the same product, with the same efficiency everyone else offers will not cut the ice with customers.



SOLUTIONS:

- ❖ Implementation of RPA unlocks various possibilities for insurance companies, not possible before.
- ❖ With RPA, insurers can deploy a series of modular services such as “personality insights,” “visual recognition,” “text analytics,” and more, and pick-and-choose the required capabilities to build intelligent applications.
- ❖ Insurers can leverage RPA to build new insurance products. The intelligence and insights on offer find use to roll out dynamic pricing strategies.
- ❖ RPA leverage technologies such as machine vision and optical character recognition to assist humans in adjudicating complex cases.
- ❖ Adoption of RPA transforms insurance from a policy-centric industry to a customer-centric industry. It allows insurers to become more potent and offer more robust services.

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Learn more: www.suyati.com

Get in touch: services@suyati.com

