PROPERTY CASUALTY360°

🖶 Click to print or Select '**Print**' in your browser menu to print this document.

Page printed from: *https://www.propertycasualty360.com/2019/2019/12/06/automation-in-the-insurance-industry/*

Automation in the insurance industry

Modernizing core systems helps insurers automate some repetitive tasks and positions them for future growth.

By **Naresh Kothari** | December 06, 2019

Automation built on robotic process automation (RPA) and artificial intelligence (AI) have seen a spike in adoption by insurers as many of these manual processes can now be automated with minimal investment and time. (Photo: Shutterstock)

The mature insurance industry was able to withstand most of the macro-economic challenges thrown at it this year. However, they are feeling the stress from savvy InsurTech companies who are introducing new products quickly and identifying new opportunities to engage with customers using the latest digital technology.

While core systems modernization has helped insurers close the gap, they are realizing that true competitive advantage can be harnessed only by moving away from legacy infrastructure and systems that are putting pressure on the business. Within insurance, routine processes like claims management, policy administration, accounting and others still remain repetitive and manual in nature.

These legacy processes require interaction between multiple systems built on different technologies like web, mainframes, java, excel, pdf and others. There are also external systems that are beyond the control of most insurance companies. The re-engineering and integration efforts required to digitize such tasks still remain high and this is where automation is gaining significance with insurers today.

Automation built on robotic process automation (RPA) and artificial intelligence (AI) has seen a spike in adoption by insurers as many of these manual processes can now be automated with minimal investment and time. Automation is helping early adopters to improve underwriting results, accelerate faster go-to-market time for new products, and grow premium income while freeing up time for their agents and advisors to focus more on critical processes.

An RPA bot is not a robot

One of the first misconceptions insurers had to break was that automation is not about physical robots performing tasks that humans want them to do. Before embarking on automation, insurers had to understand the significance of RPA bots in improving service quality, reducing costs and increasing efficiency.

Generally, bots are software programs built on automation technologies like robotic process automation (RPA). RPA in a pure form, however, is just the beginning. Intelligent bots also leverage other advanced technologies like artificial intelligence (AI), machine learning (ML), deep learning (DL), optical character recognition (OCR),

natural language processing (NLP), and many others. They are designed to automate keystrokes, clicks, and reduce manual intervention while providing accuracy and speed.

A bot allows insurers to process large amounts of data; from front to back-office regardless of the complexity. More importantly, it handles repetitive and predictable processes and can run 24×7 to increase efficiency, improve quality, reduce errors, increase sales and enhance customer satisfaction.

Starting the automation journey

Many insurers who took the lead using traditional approaches to automation have failed to meet the desired expectations. The process of choosing an automation platform, identifying the right processes, building on the required skills, integrating various systems, configuring business rules, testing, deploying and supporting them have resulted in lengthy projects with higher than anticipated costs.

To be successful, consider collaborating with a company that offers an automation assessment bot. This bot identifies actionable automation use cases with projected cost savings for the given context and environment without having to upset the current business workflows. Implementation allows insurers to automate the discovery process to identify automation opportunities in the business.

An alternative to building automation from the ground up that caught the attention of insurers involved the pre-configured bots for specific processes. These bots are purposely built for claims, billing, accounting, underwriting and more and are ready to deploy with configurable rules that meet the needs of the insurer within 4-6 weeks. This is one cost-effective approach to embark on in the automation journey while realizing quick returns.

Meeting regulatory and compliance needs

Every task performed by a bot can be monitored and recorded to show the number of transactions processed along with any escalated exceptions. Insurance companies can maintain an audit trail of actions and events to demonstrate

regulatory compliance and to ensure transparency. This was one more incentive for insurers to consider automation in their enterprise.

Applying automation to insurance

Automation using bots is accomplished in several processes within insurance businesses. A document audit bot can generate daily reports for underwriters or claims heads and can trigger missing information alerts to policyholders. By deploying similar RPA bots, many of the manual and repetitive processes can be automated without any changes to the existing insurance management system or others used by insurers.

Automation and the use of bots can also free up precious time for agents, brokers, carriers, underwriters, risk managers and claims professionals allowing them to focus on more complex and critical tasks.

As more consumers embrace digital means of interacting, insurers should consider automating their manual processes to better utilize their workforce and to offer improved customer experience. The latest technology introductions will empower insurers to make a start.

Naresh Kothari is the chief digital officer for Beyontec Solutions. Visit www.beyontec.com (http://www.beyontec.com) for more information.

Related:

'Digital transformation' can be a misnomer in the insurance industry (https://www.propertycasualty360.com/2019/12/04/digital-transformation-can-be-a-misnomer-in-the-insurance-industry/)