

2020 GUIDE:

4 Digital Claims Trends to Watch

How to reduce costs and delight customers by digitising your claims management process



Increasing digitisation continues to disrupt the insurance industry, calling for insurance companies to *pick up their game and embrace new technologies*.

The ultimate priority? Deliver an exceptional customer experience to build authority and trust in a fiercely competitive market. The obvious place to start is the claims management journey, often a source of frustration for insurance customers.

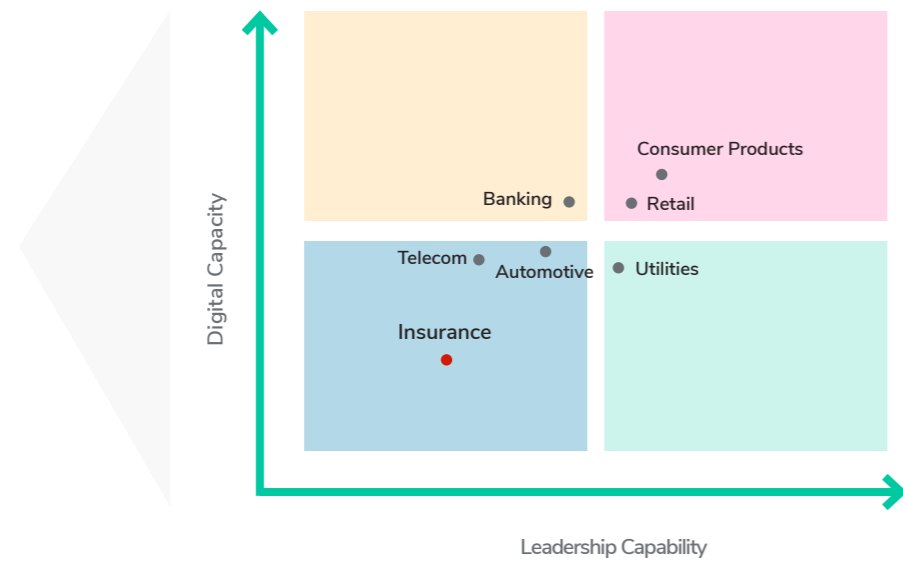
The benefits for insurance companies willing to invest in cutting-edge technology are manifold. An easy-to-use online end-to-end project management tool saves time, reduces operational costs and promises a ROI on clever digitisation. In contrast, the consequences of sticking with the old way of doing things carries with it the risk of being left behind, potentially losing considerable market share.

This guide addresses **four key areas** with the potential for pioneering new ways to make the industry world a simpler, happier place for customers and insurance providers alike.

1. Close the Customer Experience Gap

The customer experience is becoming a progressively important factor for successful differentiation in the insurance industry. In fact, nearly 60% of insurance executives class an individualised customer experience as 'having the highest impact on successful competition.'

Insurance providers are confronted with a customer landscape where consumers demand a fast, simple, and satisfying experience. Traditionally, insurance has been slow to adopt digital transformation, clinging to legacy systems that result in data fragmentation and a lack of data visibility.



A 2018 study conducted by Capgemini's Digital Transformation Institute concluded that the insurance sector is not keeping in step with digital mastery compared to the consumer products, telecom, automotive, and banking industries. Fifty-six per cent of insurance businesses are classed as digital beginners while the consumer products industry boasts the highest percentage of digital masters (36%). The crucial customer touchpoint is the claims process, demanding the insurance provider to deliver on its promise.



56% of insurance businesses are classed as digital beginners

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Sadly, the opposite is true. Policyholders view insurance companies as slow to pay, creating the image they're eager to take their premium yet reluctant to pay out. This negative image continues to plague the industry but provides outstanding opportunities for insurers willing to think outside the box.

To make matters worse, the claims process is often a frustrating ordeal, causing additional stress for a client who's already going through an emotional time. Ernst & Young published a paper outlining that more than half of surveyed European respondents who reported poor claims experiences would change providers¹.



50% of customer with poor claim experiences would change providers

To stay ahead of the pack, insurance companies must prioritise a digital-first process with faster turnaround on claims and streamlined communication across the supply chain. Using technology to align their operations to meet customer demands is paramount to remain competitive. The 2018 Capgemini study highlights the fact that 71% of digital masters use digital technology to link customer-facing and operational processes in new ways.

2. Improve Key Performance Indicators

McKinsey reports that digital claims transformation impacts three key performance indicators essential in the claims process:



Customer experience



Efficiency



Effectiveness

Today's insurance customer expects a modern, digital-first experience as is the norm in other industries. A fast, easy, and hassle-free digital claims process is the gateway to achieving a uber-esque customer experience. For example, Codafication's virtual triage tool, Virtual Assist, consistently receives a satisfaction score of 9/10 when evaluated by insurance customers.

Efficiency leaves a lot to be desired in the current claims process due to the lack of visibility and poor communication across a distributed workforce. Reducing multiple points of contact is essential to improve efficiency across the claims lifecycle. The automation of manual processes, such as data entry, reduces human error and directly impacts operational efficiency.

Accurate reporting across the supply chain is paramount to enhance effectiveness of the claims process. Access to a powerful, simple, single source of truth with verifiable history and attribution for all parties involved is imperative.

On the quest for digital maturity, insurers need to create a centralised claims ecosystem that adds value for customers and incorporates customer feedback. In addition, adopting a problem-solving mindset is essential to achieve a truly innovative customer journey.

Investing in an intuitive end-to-end platform that brings together the three KPIs while removing manual processes is undoubtedly the way to the future. Relentlessly pursuing a customer-centric approach while digitising claims management will pay dividends in the long term, as clients remain loyal to a brand that has proven to be trustworthy and authentic.

Having access to a true all-in-one platform that brings people, data, and software into one simple user-friendly hub is paramount. Eliminating the disconnect between insurance provider and customer by having a powerful yet flexible digital solution is the next step in the digital claims process transformation.

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3. Review Legacy Systems

A recent Economist Intelligence Unit survey highlighted the fact that 46% of insurers are operating with a legacy system which is hindering their digitisation process. Outdated, clunky legacy systems result in data fragmentation and poor data visibility.



46% of insurers are operating with a legacy system which is hindering their digitisation process

"Insurance companies don't have to lag behind with high-maintenance legacy systems," explains Daniel Sandaver, Managing Director of Codafication. "Today's insurance customer expects a digital-first, omnichannel experience. We've seen how in-home entertainment, transport, and food service industries have been transformed with tech. The insurers of tomorrow have already begun that transformation now."

Some of Australia's leading insurers have embraced a digital-first approach by incorporating a virtual claims process. Codafication's flagship product **Virtual Assist** allows insurers to connect with customers in real-time, anywhere, on any device, with high-definition video streaming. This innovative tool drastically reduces the claim lifecycle by up to two weeks and consistently receives a customer satisfaction score of 9/10.

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- Dan Sandaver

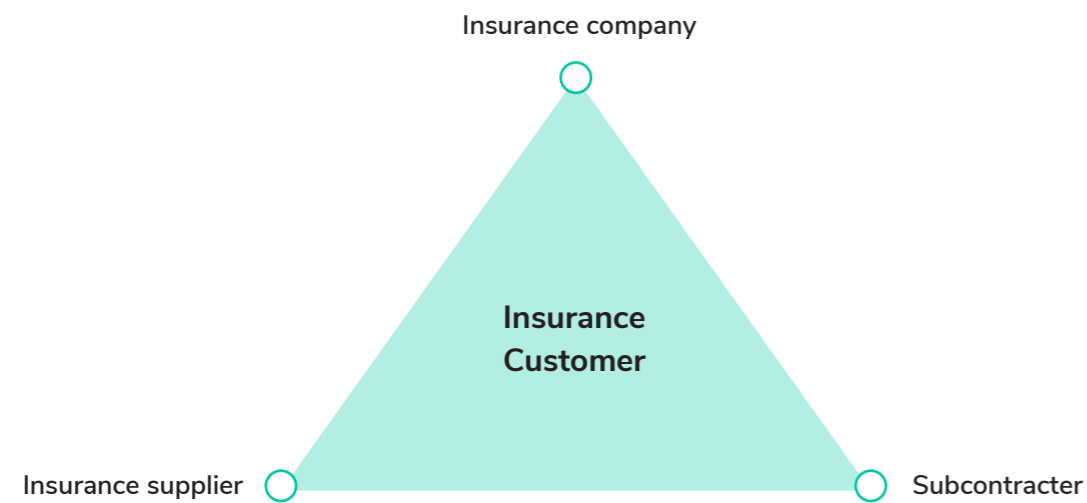
Managing Director, Codafication

The next step is to digitise the entire claims process by interconnecting the supply chain, automating manual processes, and many other steps to drive even greater customer outcomes. The result? The potential of millions of dollars of savings across travel time, overheads, resource costs, customer retention, and other strategic areas.

Digital-first tools are critical to interact with customers to give them the experience they now expect. A fully digital project management software that reduces the claims lifecycle while increasing productivity promises to be the next industry disruptor.

4. Untangle the Triangle of Confusion

Confusing or lack of communication throughout the claims process is a major customer complaint, and for good reason. The current claim management system involves three parties:

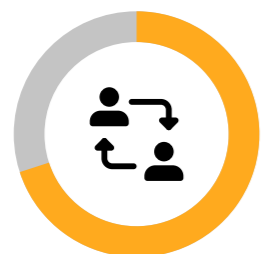


Customers who lodge a claim soon find themselves tied up in a triangle of confusion as multiple parties are appointed to deal with the claim without having access to the data and communication of other stakeholders. Different systems of reporting and performance result in a deeply dissatisfactory experience for the client who's likely not to renew the policy. A global study by Capgemini concluded that 32% of insurance customers reported a positive customer experience while 70% of customers were at risk of switching insurance ².



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while



70% of of customers were at risk of switching insurance

"The necessity of one communication platform has never been more pressing to ensure communality of data and an API-first framework."

The necessity of one communication platform has never been more pressing to ensure commonality of data and an API-first framework. Bringing together different systems of reporting and performance is key to untangling the triangle of confusion. The result? Customers who benefit from a smooth, clear, and fast claims process that restores their confidence in the insurance industry. An added bonus is an improvement to the insurer's bottom line and improved business performance as a result of the customer's restored confidence

Project management software that enhances collaboration between builders, customer, and the supply chain will help gain a market advantage with a scalable, configurable system powering your business forward.



The Path Forward

The insurance industry is at a critical crossroads. Customers expect fast and smooth claims management, delivering an exceptional customer experience. As the competition heats up in the marketplace, it's essential to invest in an all-in-one project management software that has everything you need to transform the digital claims journey and drive your business forward.

Digitisation directly impacts on customer retention, creates a competitive advantage, and reduces costs. Most importantly, adopting a digital-first approach places forward-thinking insurance companies on the path to establishing a strong foothold in this competitive market. The opposite is also true. Insurers reluctant to explore and invest in digital processes risk being left behind, loss of market share and finding it difficult to adapt and pivot quickly in the future.

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