EigenTechnologies

How can the intelligent automation of insurance documents and data be a driver for profitability?

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1. Introduction

The insurance industry continues to be a critical enabler of global commerce. Rates are rising in many lines and geographies, particularly in US Specialty, where the E&S market nears the $100 billion mark. There is a positive outlook for global premiums and the expectation is for above-trend growth this year. Market conditions suggest that positive momentum will continue across all lines and regions. But is this growth sustainable? How can insurers maintain profitability as new business slows down? And support their employees with tools that enable them to be more productive and improve performance?

While the world is making a strong comeback from the COVID-19 pandemic, its impact is still being felt and recovery is far from smooth. The ride is getting bumpy, and some are holding on in preparation for the jolts. Growing political instability, inflation, climate change and its impact on catastrophe risk, and multiple additional concerns put profitability at risk.

While current forecasts foresee above-trend growth in premiums, this could be severely eaten into with the challenge of a continued uncontrolled rise in costs coupled with the issue of attracting and retaining talent. There is one tailwind to the rising headwinds for carriers though: digitization.

2 Increasing productivity and driving down costs with AI-powered solutions

The C-Suite and heads of operations, innovation, technology and transformation within the industry are aware of and leading from the front on the automation agenda. What intelligent automation and document processing solutions offer is an intuitive and integrated way to extract data for analysis or insight and automate repetitive document processing tasks.

Driven by artificial intelligence (AI) and application programming interfaces (APIs) these solutions can be used throughout workflows to automate document and data processing. Helping insurance companies save the money, time, and human effort required to organize and analyze their documents and data thereby increasing throughput and productivity. These solutions empower and enable the workforce to focus on higher-value work by automating mundane and repetitious document review and data entry tasks.

The result of implementing these intelligent automation tools is productivity gains, while simultaneously reducing or avoiding costs. The insights distilled from the granular data that these solutions compile also enable firms to generate more revenue. For example, optimizing underwriting capacity by 50 per cent and gaining 50x faster access to higher quality data, enables a carrier to prioritize the best opportunities and respond to brokers faster, leading them to win more business. Underwriters can provide a better level of service and have more time to spend interacting/negotiating with brokers. By automating mundane and onerous tasks, employee satisfaction and retention improve as well as customer satisfaction and retention, enabling carriers to outperform the competition on multiple fronts.

Written premiums have been at a high, but claims have also been rising and have eaten into insurers' profits. To maintain profitability in the future as premiums plateau it will be necessary to both reduce costs and increase productivity while equipping underwriters and decision-makers with better access to risk data. Minimizing the expense ratio by adopting intelligent automation tools will become a key driver for profitability during an economic downturn.

We've helped clients achieve cost savings of up to 80 per cent in the handling of their documents by automating the data entry, checking, and rekeying processes – see client success metrics in figure 1 below. The resulting data was also more accurate and readily available within internal systems. The faster access to better quality data can support underwriting decision-making to help firms lower their loss ratio in addition to improving their expense ratio.

Delivering results for insurance firms

Key metrics

50%
Capacity increase in underwriting and new business

50X
Faster access to better data compared to manual processing

80%
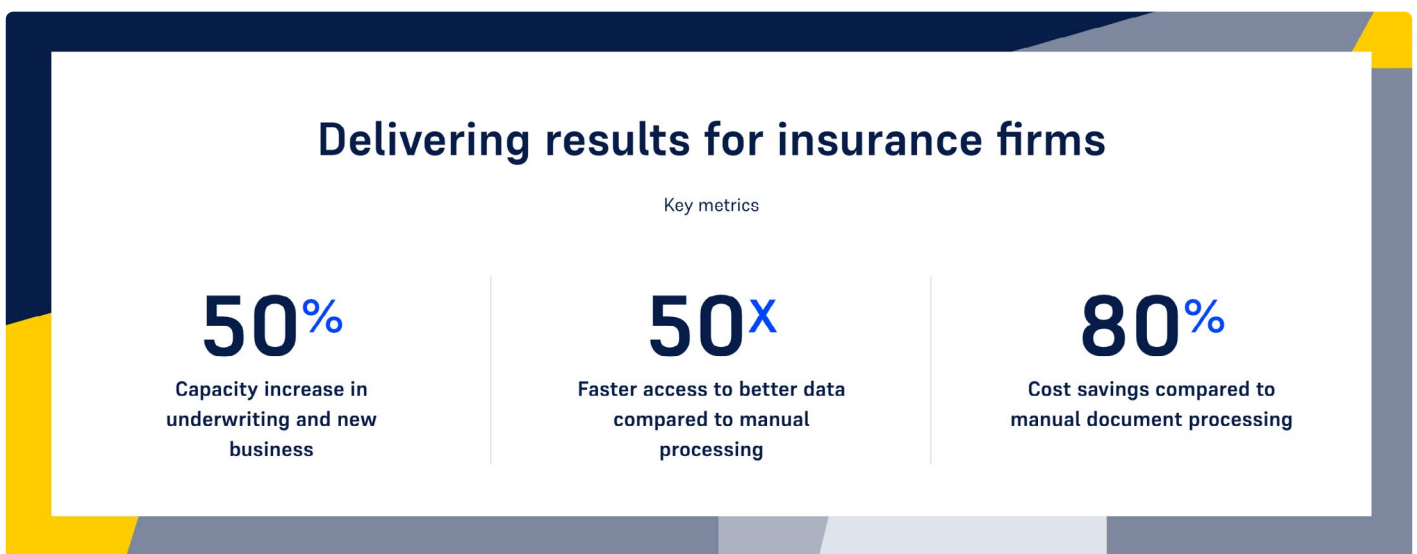Cost savings compared to manual document processing

Figure 1. Client success metrics that Eigen has enabled within insurance

3 Enabling digitization and efficiencies throughout the insurance value chain

By starting at the submission stage, the downstream benefits are maximized, and data can feed into the subsequent stages in the life cycle.

There are opportunities to reduce operational overheads, accelerate processing times, and provide better quality data for risk modeling and decision-making along the end-to-end policy life cycle through digitization. With every step in the life cycle, there is natural wastage and productivity loss. By eliminating repetitive but necessary document and data processing tasks, team members have a greater capacity to think strategically and act tactically giving them a sense of achievement that leads

to improved job satisfaction and employee retention. This is particularly important with the huge market demand for highly skilled insurance professionals.

By using AI, insurers have the potential to analyze existing and incoming data from within slips, submissions, policies, and claims documents in new cost-effective ways that give them a distinct advantage over their competitors. Being able to analyze and understand the information in a way that turns data into a driver of profit requires the right tools to digitize and automate business processes throughout the value chain – see figure 2 below.
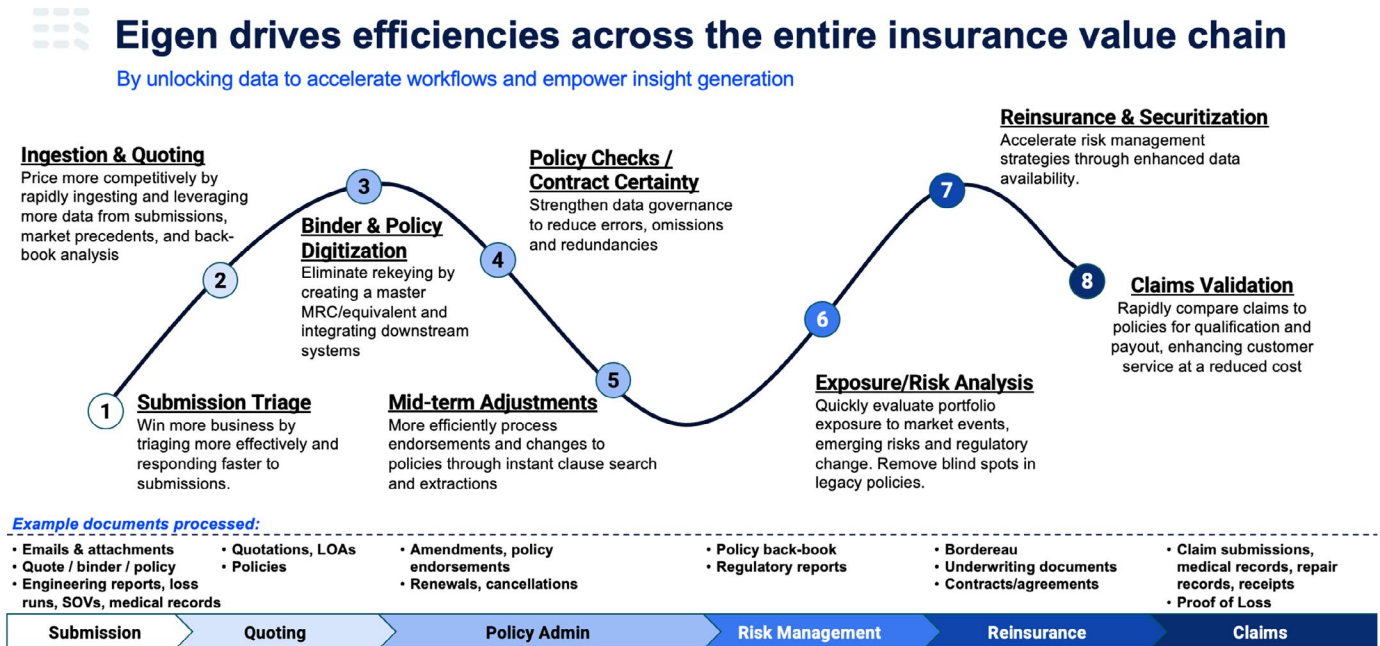
Eigen drives efficiencies across the entire insurance value chain
By unlocking data to accelerate workflows and empower insight generation

Ingestion & Quoting
Price more competitively by rapidly ingesting and leveraging more data from submissions, market precedents, and back-book analysis

Binder & Policy Digitization
Eliminate rekeying by creating a master MRC/equivalent and integrating downstream systems

Policy Checks / Contract Certainty
Strengthen data governance to reduce errors, omissions and redundancies

Reinsurance & Securitization
Accelerate risk management strategies through enhanced data availability.

Claims Validation
Rapidly compare claims to policies for qualification and payout, enhancing customer service at a reduced cost

Submission Triage
Win more business by triaging more effectively and responding faster to submissions.

Mid-term Adjustments
More efficiently process endorsements and changes to policies through instant clause search and extractions

Exposure/Risk Analysis
Quickly evaluate portfolio exposure to market events, emerging risks and regulatory change. Remove blind spots in legacy policies.

Example documents processed:

Submission	Quoting	Policy Admin	Risk Management	Reinsurance	Claims
• Emails & attachments • Quote / binder / policy • Engineering reports, loss runs, SOVs, medical records	• Quotations, LOAs • Policies	• Amendments, policy endorsements • Renewals, cancellations	• Policy back-book • Regulatory reports	• Bordereau • Underwriting documents • Contracts/agreements	• Claim submissions, medical records, repair records, receipts • Proof of Loss

Figure 2. Driving efficiencies throughout the insurance value chain

4 Alleviating pain points and increasing productivity in underwriting and operations

Underwriting is the foundation of the insurance industry. Optimizing underwriting and underwriting operations is crucial to the success of a carrier and any intermediary with binding authority and sits at the beginning of the value chain. While it is tremendously important and highly valued,

the underwriting workflow still has several unresolved pain points relating to data compilation, analysis, input and rekeying. In the diagram below (figure 3), we highlight four data-specific pain points within the underwriting workflow starting with poor submission data.

Four pain points within the underwriting workflow

POOR ORGANIZATION OF SUBMISSION DATA

Incomplete or incorrect client data is a problem for brokers and carriers. Carriers can help solve the issue by automating the compilation and verification of information received from brokers that prospective insured parties have supplied into submissions. Automating these steps reduces turnaround time and errors leading to end-client satisfaction and a higher likelihood of winning and retaining their business.

ABILITY TO MAKE FAST UNDERWRITING DECISIONS

Once the submission documents hit it can feel like a race against time to make an underwriting decision. While speed is of the essence it often isn't conducive to making an informed decision backed by a full review of all the available data. By automating the gathering of salient information from within submission documents you can expedite and improve underwriting decision-making.

INSUFFICIENT ABILITY TO QUICKLY ANALYZE HISTORICAL DATA

As well as wading through and making sense of submission data, underwriters need to review and analyze the relevant historical documents and claims data so they can price effectively. Having the relevant data at their fingertips within the underwriting workbench gives the underwriter the confidence to take on more business and price more effectively based on risk.

POST BIND DATA ENTRY IS TIME-CONSUMING

Post-bind the relevant policy and insured party details need to be entered into various internal systems to complete the policy creation process. By simply speeding up this data entry task, and crucially, getting the input of data correct the first time around, the speed at which premiums can be collected and revenue generated improves as well as improved response time to broker partners. As the ones who enter and rekey the data required for the entire system to work, operations can be a choke point at this stage of the value chain.
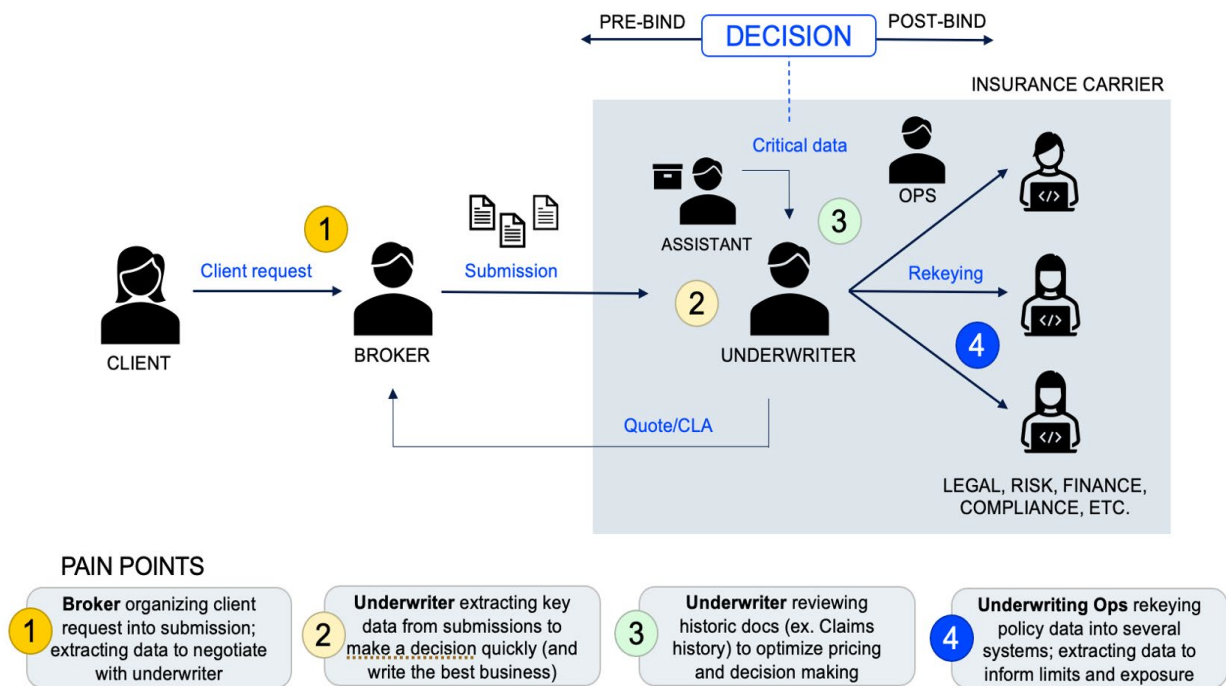
Figure 3. The underwriting workflow has several unresolved pain points

Intelligent automation and document processing solutions can automate these repetitive tasks, eliminate manual rekeying and alleviate bottlenecks as well as free up time for other high-priority work. Despite this, many firms are still manually wading through a constant flow of documents and requests.

By using an AI-powered automation tool with natural language processing (NLP) and machine learning

(ML) capabilities, it is possible to process and extract data from documents and send them to downstream systems in minutes to save time, increase productivity and improve accuracy. This operational efficiency can increase revenues because more business is won, faster. By optimizing underwriting productivity and having much faster access to high-quality data, the best opportunities for new business can be prioritized, allowing faster responses to brokers, thereby winning more business.

5. Balancing technology adoption with the human touch to deliver customer satisfaction

Intelligent automation technologies drive efficiencies and enable people to expand their capabilities by eliminating repetitive manual processing. The automation of document processing and data extraction reduces bottlenecks and delays while controlling operational costs.

But far from doing away with the need for human expertise, these solutions help to put the right information, with a richer set of data points, in front of key decision-makers so they can act with confidence. By using technology to streamline processes, time is freed up for people to focus on their customers' needs. And the accuracy and quality of data are typically higher than human-powered data extraction.

Intelligent document processing and automation aims to accelerate both cost and business transformation programs in a post-pandemic world that focuses on customer service and maintaining long-term growth. Can you afford not to achieve these productivity gains and increase your profitability in the current climate?

If you would like to find out more about solutions for your insurance firm, sign up for a free, no-obligation demo of the Eigen no-code AI-powered platform now at eigentech.com/demo.

ABOUT EIGEN TECHNOLOGIES

Eigen's AI-powered, intelligent document processing capabilities provide insurance firms with the ability to quickly and accurately extract, classify and interpret virtually any information from any document to make smarter business decisions, eliminate manual processing and optimize data flow. Find out more about ways we can help insurance firms to reduce costs and increase productivity while improving data access and quality.

Our clients include some of the most well-known and respected names in finance, insurance and law, including Goldman Sachs, ING, BlackRock, Aviva and Allen & Overy. Eigen is backed by Goldman Sachs, Temasek, Lakestar, Dawn Capital, ING Ventures, Anthemis and the Sony Innovation Fund by IGV.

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