ABBYY®
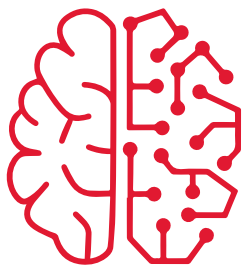
Digital Intelligence:
End-to-End Process Improvement in Insurance

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Adapting to the Winds of Industry Change

In their race to keep up with the digital age, insurers are exploring the advantages of emerging technologies such as artificial intelligence, machine learning and data analytics.

As **billions of investment dollars pour into the rising InsurTech industry**, traditional insurers target new technologies at attracting and retaining their customers through modern and seamless experiences at every touchpoint. From claims management to underwriting to legal disputes, these insurers are turning to new solutions to enhance their agility, accelerate their responsiveness – and stop InsurTech start-ups from siphoning off their customers with smarter consumer-centric processes.

Yet, despite the adoption of targeted automation solutions like OCR and RPA, the industry's modernization is still incomplete. Insurers' attempts to harness digital tools for automation are consistently undermined by the same problem. Improving both automation and customer experience begins with process — not technology — and the essential but often overlooked measure of insurance process competency is its effectiveness at consuming documents.

The insurance industry runs on documents. From work bids to policy applications to claim reports, teams must process documents from a variety of sources and accurately extract, digitize and share their data with other teams and process systems. Yet many insurers struggle to leverage that data for competitive advantage and business intelligence. This inability to process documents and their data quickly and accurately with AI is an ongoing source of friction in both customer-facing and supporting back-end processes — even for insurers who've adopted new technologies such as RPA.

Many insurers have accepted this status quo, even when it consists of processing bottlenecks, delays in response and customer attrition, because they don't realize they can evolve into greater efficiency. What's needed is the ability to understand the end-to-end processes that serve customers, where those processes break, and the capabilities that can actually enable insurance companies to benefit from modern automation technologies.

From Disruption to Digitization

97%
of insurance CEOs stress the importance of data in understanding customer preferences.[1]

BUT ONLY

10%
believe the data they receive is comprehensive.

Top 3 growth concerns for Insurance Executives[2]

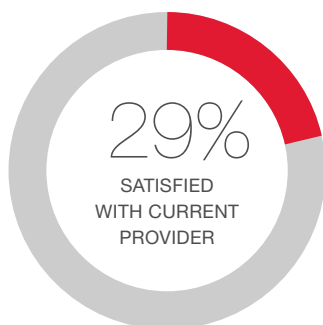| 30%	21%	10%
SPEED OF TECHNOLOGICAL CHANGE	**CHANGING CONSUMER BEHAVIOR**	**NEW MARKET COMPETITORS**

45 percent of insurers say that changing customer expectations is the business driver triggering investments in new technologies.[3]

29%
SATISFIED WITH CURRENT PROVIDER

Only 29 percent of insurance customers are satisfied with their current providers.[4]

15%
SATISFIED WITH DIGITAL EXPERIENCE
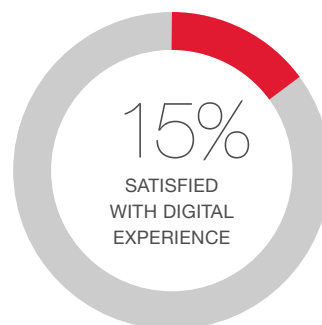
Only 15 percent are satisfied with their insurers' digital experience.[5]

[1] PWC Insurance Trends 2019
[2] PWC Insurance Trends 2019
[3] SMA – Customer Experience in Insurance: Insurer Strategies, Plans and Progress
[4] Accenture – *Capturing Insurance Customer of Tomorrow Report*
[5] Property Casuallty 360 – Digital transformation can help insurers keep customers loyal

Halfway There:
Completing the Digital Insurance Journey

Most insurers have mastered digitization basics, such as electronic document acquisition. Many are also familiar with automating processes like claims and underwriting with best-in-class platforms and workflow applications. While these tools work well with good relational data, that data typically comes from documents and unstructured content – which need to be processed in specific ways to yield the right information for insurers' purposes.

As a result, when documents enter the insurance company through various channels (even predominantly digital channels such as email and file transfers), manual key-from-image entry is how they are processed. This manual entry problem is made worse by the processes themselves, which tend to put document intake at the end of the business process as an archiving function, instead of at the beginning where data could expedite the process. To avoid manual errors and productivity loss, some organizations have adopted OCR tools. But useful as it can be, OCR bumps up against these process limitations as it comes at the end of the process, rather than its point of entry. Even when documents appear early in a process, most often as an email attachment, workers still open files and key data into their applications. Moreover, deploying OCR tools tends to be tactical, often embedded in a custom development project isolated from the processes in which it lives.

Robotic process automation (RPA) is the latest tool to enter these processes. As organizations strive to become more agile, strategies typically focus on streamlining processes to simplify operations and offer customers more convenience and value. Automation has become the go-to solution, due to its ability to liberate workers from tedious tasks and focus their skill sets on more profitable projects. RPA assists insurers through software programs, or "bots," that can be easily programmed to perform these repetitive or mundane tasks.

But RPA is often used as a quick fix, leaving the larger process problems unaddressed. Without the right insights, insurers don't always know which process to automate or how to measure success post-implementation. There's no doubt that RPA can simplify insurance processes and cut operational costs. But because RPA can't learn as an AI tool would, insurers must understand the nuances and downstream repercussions of automating each process so they can program their RPA solution for the correct tasks.

Despite their adoption of these modern technologies, insurers often run up against these obstacles:

Incomplete Picture

They need intelligence to extract the right data. OCR is often seen as an automation solution itself. But it almost always fails when implemented as such precisely because it is the process in which it is embedded that delivers the real value. OCR, like RPA, is simply a tool designed to perform specific tasks – in this case, directed data extraction for a process. But it must be part of an end-to-end process to offer any real benefits.

Unoptimized Processes

Insurers aren't automating the right processes because they cannot see how data and content flow through the complex processes built across multiple business functions, platforms and tools. An RPA investment can yield tremendous results, but only when the right processes are optimized. If flawed or weak processes aren't corrected ahead of time, insurers will only earn incremental gains from their automation initiatives.

Limited Visibility

Insurance operations tend to default to using tools to fix points of inefficiency without looking at the processes end-to-end to see where and how well automation can work. Their current tools for viewing process performance offer a schema of event and response within mapped processes, but not with a living interaction between tools, policies, and the people who interact with them. This limits their insights and, consequently, the effectiveness of their ability to recommend complete process solutions.

The collective cost of these challenges is high:

- Failed compliance
- Lost business
- Heightened susceptibility to fraud
- Productivity loss
- Employee turnover

To offer fast, simple and responsive service, insurers must start by understanding how their processes work with content. Without that visibility, their customer experiences will feel slow and frustrating, and customers will likely take their insurance business to competitors. To break through barriers, streamline processes with automation and achieve true efficiency, these insurers need more sophisticated and fuller intelligent document-processing capabilities - that is, the ability to process documents to yield precisely the right data for each process.

The Automation Ascent

Deloitte predicts the RPA industry will be worth **$5 billion USD by 2020**.[6]

91 percent of insurance CEOs are worried about the challenge of integrating automation and cognitive robotics into their existing business models.[7]

A study at Everest Group found wide discrepancies in RPA returns, noting that companies with digital readiness and process intelligence **earned nearly 4X more than companies without**.[8]

[6] Deloitte – How Robotics and Cognitive Automation will Transform the Insurance Industry

[7] KPMG – Robots have arrived in the insurance industry. Are you ready?

[8] Forbes – Two Key Enablers for ROI in Robots Process Automation

Innovating the Evolution of Insurance:
ABBYY Digital Intelligence
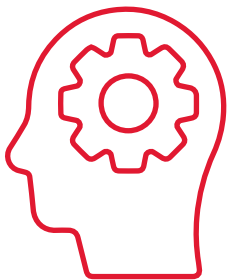
ABBYY's Digital Intelligence platform offers a roadmap to automation excellence by illuminating the best targets for process intervention and change. Insurers can unlock their own data and leverage it for more appealing customer experiences while obtaining granular insights into process performance.

ABBYY's Digital Intelligence platform provides access to the valuable, yet often hard to attain, insight into operations that enables true business transformation. Insurers can discover where inefficiencies in their processes exist and strategize how to adjust their processes to drive stronger results in claims management, onboarding, reinsurance, policy qualification and other core processes. ABBYY's Digital Intelligence platform offers a process-first approach that endows insurers with the 360-degree visibility of their processes, end-to-end – so they can determine the most valuable opportunities for investment in RPA and other tools.

Process Intelligence

▎ DISCOVERY

▎ ANALYSIS

▎ MONITORING

▎ PREDICTION

Typically, insurers have been limited by traditional process mining and BI tools that can only take a snapshot of pristine process schema from past data using discrete sources and data types. While that data is better than none, it doesn't fully analyze process effectiveness or provide a focused view that reveals how each process is performing over time and who touches it. Both of these attributes require seeing how much time processes take and where time and money are being spent in them. By looking at process timelines, functional business leaders will discover surprising truths about how their workflows perform separately and as a whole, the accuracy of their data capture, and where the breakdowns are occurring. This knowledge helps them identify new and more productive ways to put their staff skill sets to the most valuable use and find new ways to deliver exceptional customer experiences. Their automation investment drives a bigger impact in efficiency, agility and Return on Customer Experience (ROX).

Content Intelligence

INTELLIGENT
DOCUMENT
PROCESSING

Given the primacy of documents in insurance business processes, from customer onboarding to meeting regulatory compliance and fraud detection, every organization must be able to process and consume the right content from the right materials. But in a multichannel world, documents can enter the organization from social media, email attachments, scans, hard copies, online portals, file transfers, smart devices and other channels. For end-to-end content processing, ABBYY integrates all modern document input channels into automated processing with flexibility and ease. Organizations can capture and process any documents at any point of the insurance lifecycle: customer onboarding, underwriting, policy analysis, reinsurance, claims, subrogation, legal disputes and more. Insurance companies can content-enable their processes for efficient engagement, records management and fraud detection; measure their Service Level Agreements (SLAs) with fact-based process monitoring; and efficiently handle all documents, no matter how or where customers provide them.

 When insurance leaders try to make RPA work with content, ABBYY provides a boost to bots and BPM applications – enabling them with the skills and understanding to turn unstructured content into structured, actionable information. These skills can be consumed only as needed inside the process and on the RPA or BPM host system without any need for a separate platform or IT infrastructure to run them. Insurers can not only automate the flow of content through their processes, but continually measure their actual performance.

Transforming the insurance customer experience demands not just the right technology, but the right intelligence about the processes serving it. Through ABBYY Digital Intelligence solutions, insurers can refine their process efficiency and document management and join market leaders in intelligent digital transformation.

ABBYY Products for Insurance:

ABBYY **Timeline**

ABBYY **FlexiCapture®**

ABBYY **Vantage**

ABBYY **FineReader Server**

What Customers Say about ABBYY Digital Intelligence

"

A rise in workforce expenses and data accuracy requirements made us switch to new technologies. However, having tried out different data recognition solutions, we found out that there was no opportunity to achieve the necessary accuracy level while using them. Then we opted for the international brand ABBYY and its data capture solution. Now, almost a year after the project's deployment and optimization the quantity of invoices that are processed on a fully automatic basis (that is, there are no mistakes in data recognition, and invoices do not go through a verification stage involving an operator) has risen to almost 70%. The results have exceeded all our expectations. At the present moment we are completely satisfied with the stability of the software and the high efficiency of recognition."

JOHN ZHOU
YUM PROJECT MANAGER

"

The solution can scale to handle virtually any workload. Since implementation, I have received near-zero questions from PepsiCo. It's going splendidly."

RUSSELL KENT
SOLUTIONS DEVELOPER WITH CRITERIA FIRST, PEPSICO

"

Amidst the continuously growing data flow, it is important for PwC to always keep its finger on the pulse, and process available information in a most efficient way. During an audit - every detail matters, every document, and every number therein contained. This opportunity to automate and enhance the accuracy of primary documents handling through ABBYY technologies enabled our team to complete routine tasks much easier and quicker, and, what is most important, to focus on more top-priority and complex business processes and client communication."

SERGEY SHALENIY
PWC REGIONAL PRINTING AND DIGITALIZATION SERVICE LEADER

"

Everyone liked the FlexiCapture solution. It saved the end authorizers a lot of time – and their time is very valuable."

TRUDY COLLINS
CREDIT, BILLING & AP MANAGER, PAPCO

ABBYY®

For more information, please visit **www.abbyy.com**

If you have additional questions, contact your local ABBYY

representative listed under **www.abbyy.com/contacts**.

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