



Evolving with COVID-19

**How should Insurance Companies be Adapting?**

# The Impact on the Insurance Industry



Increasing death rate and medical treatment claims



Decline in GPW (Gross Policies Written) for insurers of hospitality, entertainment and auto



Decline in premiums earned and renewals due to increased job losses



Increase in commercial health insurance premiums (Ranging from 4% to 40%)



More than 3.5m lost Employer sponsored Health plans



Estimated more than 8.7m unemployment claims filed

# Evolving Market Condition



## Life Insurance

- Increase in death claims
- Push for adopting online channels for policy access and maintenance
- Self-service channels for new policy sales
- Tools for remote sales and digital marketing/ social media
- Delayed commission payment to Agents due to deferred premium payments



## Health Insurance

- Increased demand for Group Health Plans to cover pandemic
- Increase in hospitalization claims (Long Term care, disability)
- Premium Waivers and deferrals to ease individuals and small businesses
- Delayed commission payment to Agents due to deferred premium payments



## P&C Insurance

- Surge in workers compensation claims and number of commercial property claims.
- Constrained workforce processing the voluminous claims
- Decline in usage-based insurance premium (Travel, workers compensation etc.)
- Increasing lawsuits by aggrieved policyholders seeking to overcome ambiguity in coverage exclusions

# Regulatory Guidance

CDC/ FEMA/ National Association of Insurance Commissioners (NAIC) & U.S. State insurance guidance



## Life Insurance

- Waive copay and prior authorization for COVID-19 testing
- Permit early refills when consistent with doctor/pharmacist approvals
- Provide policy holders with accurate information on COVID-19 coverage, testing & treatment
- Expand telemedicine availability for policyholders , ensuring network adequacy given the anticipated increase in demand



## Health Insurance

- NY DFS to suspend expiration of licenses for individual producers for next 60 days, waive late fees for renewals
- Accept electronic health records and allow historical exam/ lab data instead of new exam recommendation



## P&C Insurance

- 30-day grace period extension for flood insurance policy renewals by FEMA
- No denial of claims under personal auto policies for drivers supporting essential businesses
- Ensure network adequacy to handle increase in demand

# How Insurers are responding to the situation



## Life Insurance

### Immediate Actions

- Deploy effective communication strategies to improve policy holder engagement
- Scale-up infrastructure to support increased traffic
- Process requests to defer premium payment from policy holders with financial burden

### Near to Mid term Plan

- Enable self-service capability to assist customers in claims, policy maintenance, etc.
- Automated claims creation and payout through digital means & reduce turnaround time
- Leverage RPA/AI to adjust and adjudicate claims
- Explore automated instantaneous underwriting of online policies and detection of fraud



## Health

- Waive co-pays for all diagnostic testing related to COVID-19 and extending free telemedicine services to everyone enrolled
- Add new ICD-10 codes to Covid-19 related diagnosis for claim processing
- Process requests to defer premium payments for individuals and small businesses

- Automation of entire claims process for Covid-19 related claims
- Developing digital payment channels for claims payout with seamless integration with billing and other downstream systems
- Clear guidance and education to employees to enhance customer engagement:

# How Insurers are responding to the situation

## Immediate Actions

## Near to Mid term Plan



P&C

- Find new ways to underwrite policies or create claims that do not require physical inspections
- Increased focus on self-inspection, remote video software and services for third party medical service providers in the space of workers compensation

- Control costs via automation in underwriting and claims business areas to reduce human dependencies
- Increased focus on fraud detection by adoption of AI/ML technologies to counter fraudulent claims
- Explore new self-inspection / remote video for claims inspection and service



Cyber-security  
and Fraud

- Enable end-point protection and multi-factor authentication to protect enterprise assets
- Proactively communicate about emerging trends in scams involving fraudulent claims
- Prepare process to weed out fraudulent claims in insurance

- Enhance fraud management controls to better protect customer and enterprise
- Refresh Cybersecurity guidelines via trainings
- Develop mechanisms to detect and act on stressed industries to better plan
- Revise software patching & upgrade strategy

# How Insurers are responding to the situation



## Technology

### Immediate Actions

- Scale remote work capability by enabling VPN, VDIs, and gateways for employees, vendors & partners
- Implement unified communication & collaboration capabilities across the enterprise

### Near to Mid term Plan

- Improve desktop & access solutions to support a wider scope of workforce
- Aggressively assess to move more workloads to the cloud
- Drive distributed agile adaption



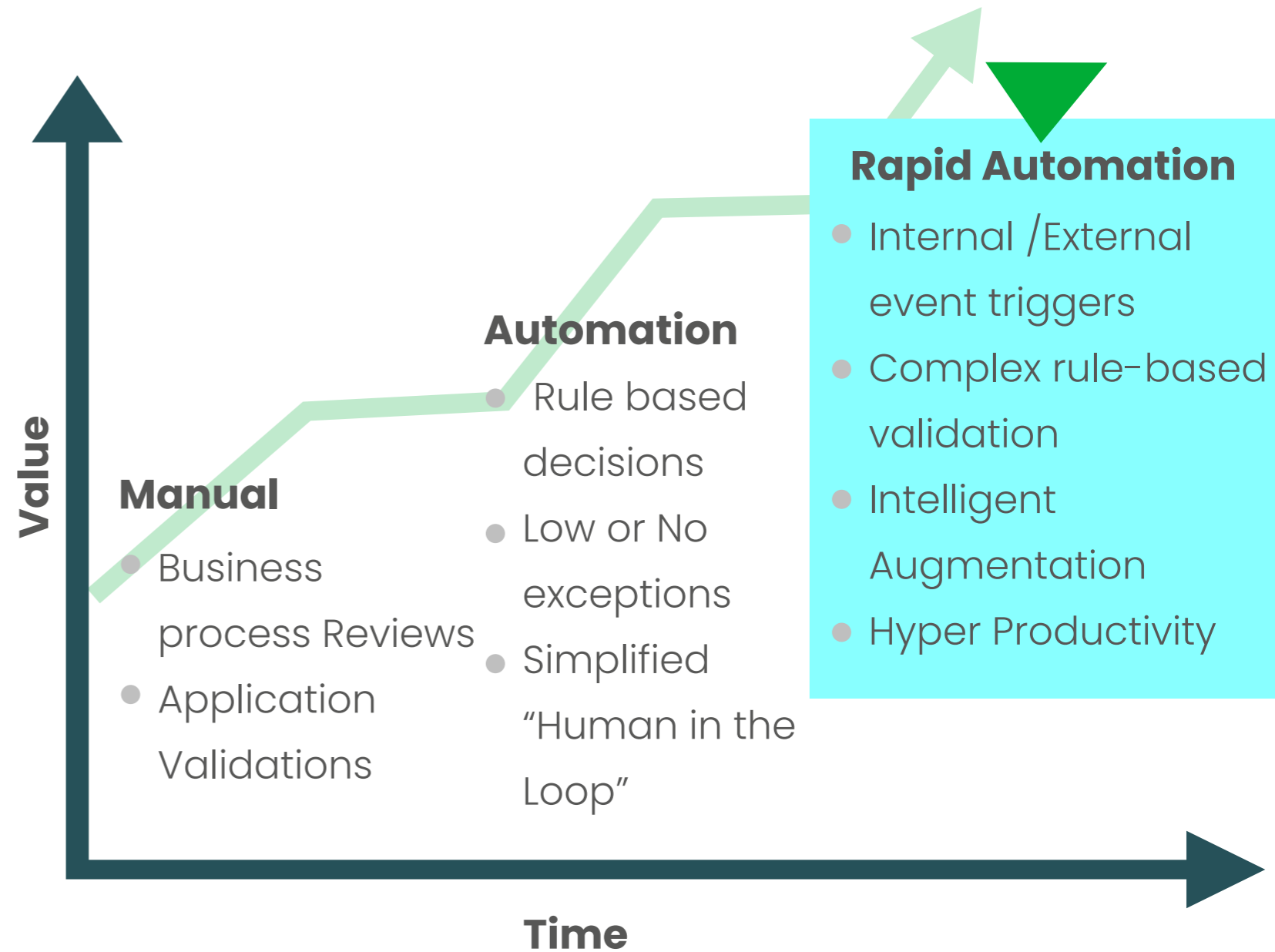
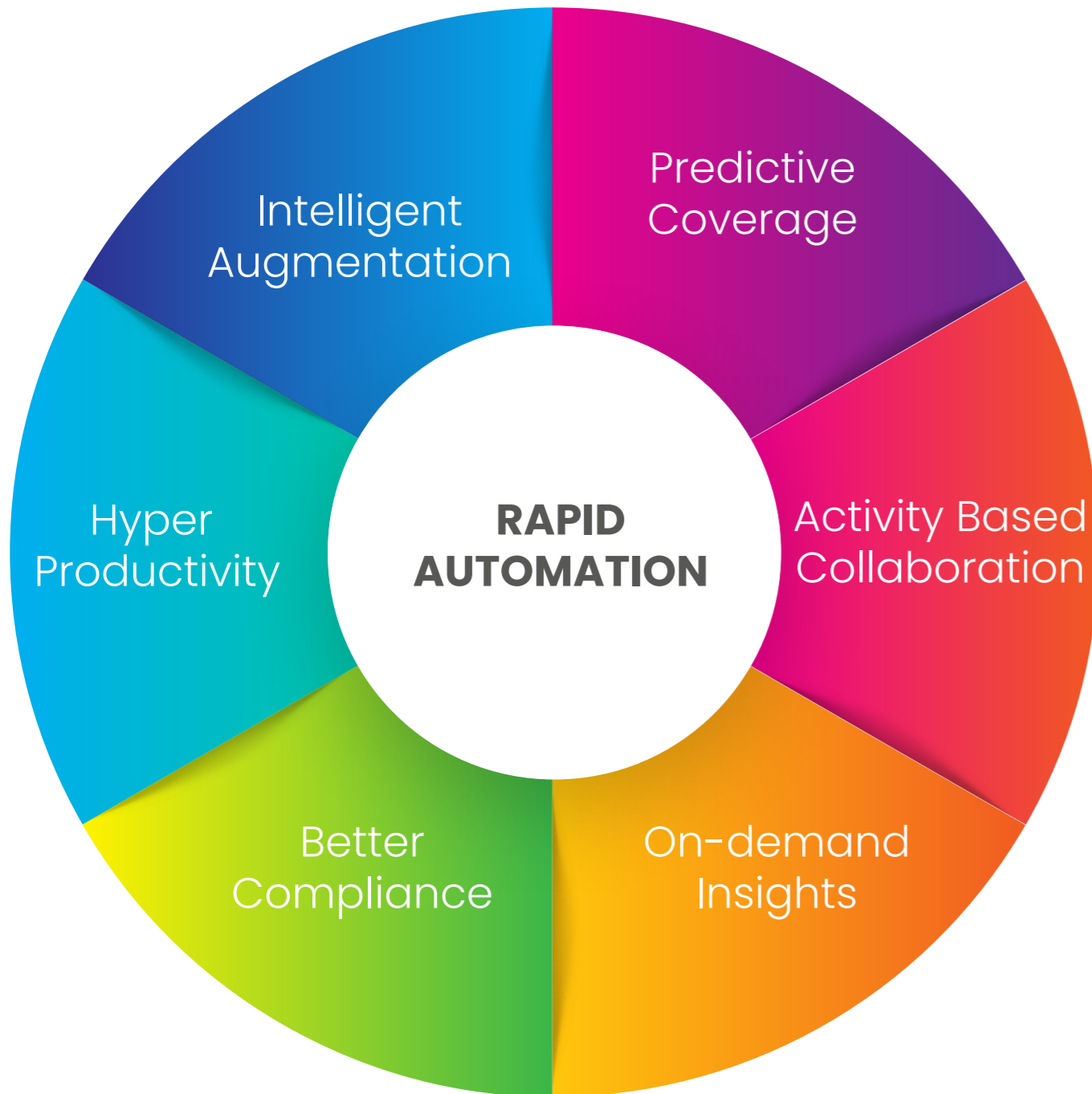
## Operations

- Gear-up operations for increased traffic from customers for claims and waive-offs
- Proactively communicate about the increase in traffic and what additional support channels customer can use
- Implement 'courtesy disconnect', so that customer can avoid long-waits

- Consider implementing AI enabled chatbots to reduce traffic on call centers
- Identify key operations for automation to reduce burden on ops personnel (Premium deferment, claims pre-processing, etc.)
- Plan alternative delivery sites to reduce risks

# Ingredients of Rapid Automation

Rapid Automation can help Insurance organizations respond to this situation





# Path to realize Rapid Automation

## ANALYTICS (FOR INSIGHTS AND REPORTING)

### PROCESS DOCUMENTATION

Analysis of enterprise processes (or tasks) for Automation



### WORKFLOW PROCESSING

Preparing the process or task for automation



### AUTOMATE

Software, BOTS to automate Application and the underlying Business process



### PROCESS MINING

### INTELLIGENT AUGMENTATION

### AUTOMATED TESTING

### ROBOTIC PROCESS AUTOMATION

## MICROBUSINESS APPS (FOR CUSTOMER ENGAGEMENT)

## RAPID AUTOMATION

SLK's Products for enabling Rapid Automation



# How will SLK help?

Let's figure out your next steps together and come out stronger



We propose to meet virtually to present our views:

- COVID-19 Impact on the Insurance Industry
- COVID-19 Insurer Challenges
- Share our experience
  - Self Service – Navigation Manuals, eSignature for onboarding, disclosures & consent
  - Customer Support – Agent Mirroring, AI enabled Chatbot
  - RPA – Premium deferment, claims pre-processing, etc.
  - Risk – PII Data masking, Omni Des
- Duration: 60 minutes

## Get in Touch with Us!

**Mohan Joshi**

Principal Consultant  
SLK BFSI Consulting Group

**Gururaj Karanth**

Principal Consultant  
SLK BFSI Consulting Group

**Chaithanya Krishnan**

Principal Consultant  
SLK BFSI Consulting Group

**Kulpreet Kaur**

Principal Consultant  
SLK BFSI Consulting Group

**Neville Savio Edal Behram**

Sr. Consultant  
SLK BFSI Consulting Group

**Mahalingam Bhaskaran**

Lead Consultant  
SLK BFSI Consulting Group

# About SLK

At SLK Software, we recognize the speed at which the world is transforming, the impact it creates and the opportunity it offers our customers. We are at the forefront of guiding and partnering with our customers through their transformation in order to maximize its value. We believe in the power of simplification and automation as a means to offer a whole new experience.

## Our Consulting Team

- SLK believes in ensuring continuous growth of customers by inspiring and empowering them to be the best in delivering solutions to meet global IT challenges. To further this mission, SLK is equipped with high quality BFSI Consulting Group supported by an experienced Business and IT research team.
- The team leverages industry experts, expert articles, analyst firms like Gartner, Forrester, IDC, Celent, Aite among others to bring you industry insights, trends, best practices and also proposes strategies for innovation and transformation.
- This research focuses on the impact of Covid-19 on Insurance services in North America and the various ways in which the industry is dealing with it.



## Disclaimer

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### **SLK America Inc.**

525 Vine St. Suite 2300,  
Cincinnati, OH 45202 USA

**Singapore | Netherlands | India | UK | Germany | France**