



SLK's POV

# Manage Your Claims Like Never Before With Our AI Augmented Claim Processing Framework

The claim settlement process stands as the insurance provider's ultimate test. It's the moment where promises are fulfilled, trust is solidified, and customer satisfaction hangs in the balance. Consumers seek swift resolutions, transparent communication, and a personal touch, all while insurers aim for efficiency, precision, and the eradication of fraud and litigation risks. A breakdown in the claims process exacts a dual toll: consumer satisfaction dwindles, and insurer costs soar, making it a significant process. Claim handlers must painstakingly scrutinize multiple policies and delve deep into the particulars to ascertain the rightful claim amount. It's a laborious task—one where AI can wield its transformative powers.

McKinsey predicts AI will bring about a significant **\$1.1 trillion** value-add to the insurance industry. But what is disconcerting is that **80%** of claims executives acknowledge missing significant opportunities like digital first notification of loss to automatic payments, ushered in by AI. In our pursuit of not overlooking these forthcoming opportunities, we spotlight the top use cases and sub-processes we designed to enhance customer satisfaction, reduce costs, and boost profits.

# A Look at The Latest Trends and Innovations

Pandemic's turmoil, climate change challenges, unyielding profitability worries, the relentless pursuit of competitiveness, and the relentless squeeze of inflation, insurers are navigating a whirlwind of challenges. But here's the silver lining – technology is evolving at breakneck speed, offering a powerful arsenal of tools to assist insurers in their journey. Insurers today are strategically teaming up with technology partners to up their game. We have curated here some such intriguing developments and innovations in the claims processing to inspire you.

## 1 AI-Powered Claims Triage

Chatbots and virtual assistants are now on the frontline of claims, making it easy for policyholders to report incidents. Lemonade, the AI insurance pioneer, has set the stage with chatbots that swiftly process natural language descriptions. They are automating claims, eliminating manual data entry in the rearview mirror, and turbocharging FNOL (First Notice of Loss).

## 2 Intelligent Damage Assessment

Insurers like GEICO are making precision their policy. They have implemented image and video analytics to decode property and vehicle damage with laser-like accuracy. They are now delivering instant damage estimates that speed up the claims process.

## 3 Predictive Decision Enablement

Analytics plays a pivotal role in aiding carriers with crucial claim decisions with tasks like assigning adjusters, evaluating fraud risks, and gauging claim intricacies. Zurich Insurance, for instance, relies on predictive analytics to ensure that intricate claims receive the right expertise.

## 4 Augmented Reality

Augmented Reality (AR) is making waves in property insurance, offering a unique way to assess damage. It overlays digital data onto real-world images, allowing insurers to replicate physical structures or vehicles in AR for accurate assessments of property and auto damage.

## 5 AI-Enabled Subrogation

Insurers are going digital for subrogation success too. AI takes charge, spotting opportunities, slashing expenses, and supercharging subrogation. It's a win-win, boosting insurers' bottom lines and ensuring financial fairness in multi-party claims.

## 6

### Claim Processing Personalization

Allstate's QuickFoto Claim allows customers to submit claim photos through a mobile app, enhancing personalization and real-time communication throughout the claims process.

## 7

### Vehicle Maintenance and Recall Analytics

Some auto insurers are partnering with car manufacturers to access real-time vehicle data, including maintenance needs and recalls, enabling proactive communication with policyholders.

The data-backed evidence is clear: AI is reshaping claims processing, and insurers that proactively embrace these technologies are poised to deliver faster, more accurate, and customer-centric claims experiences while optimizing operational efficiency.

## Claims Processing 2.0: A Holistic Perspective

While these innovations and advancements provide a competitive edge, many companies are still taking a piecemeal approach. Leaders often start with pilot projects to test the waters, but unfortunately, **most fail** to transition to enterprise-wide implementation and scale.

Insurance companies must now pivot toward a more holistic approach. Embrace a blend of cutting-edge technologies to automate entire processes, especially those associated with simple claims, while reserving complex claims for expert review. Also, use traditional AI/Generative AI to aid the experts with recommendations & decision making. This balanced approach promises efficiency and agility.

We advocate starting this transformative journey by targeting high-value processes and sub-processes within the claims workflow. To add some extra flair, we've crafted a robust framework to guide you through this exciting transformation.

## 1

### IoT-backed FNOL: First Notice of Excellence to Customer

FNOL (First Notice of Loss) is the insurance industry's first chance to demonstrate its commitment to customer service. A smooth and responsive FNOL process not only addresses policyholders' immediate needs but also sets the stage for a positive claims experience – an important factor to **85% of customers** that can make or break loyalty. With the tech upgrade that insurance is undergoing, and the better connectivity driven by telematics in vehicles, smart home assistants, fitness trackers, and healthcare wearables, insurers can expect automatic intimation and to gather comprehensive customer data. For example, in the near future, AI-integrated IoT sensors can instantly create detailed accident reports, including the sequence of events, fault analysis, and injury assessment, reducing the need for human investigation and expediting claims processing for car insurance.

This wealth of information can shape claims management into a faster, more impartial, and error-resistant process. With an estimated **50 billion** devices by 2025, insurers must proactively develop their long-term capabilities, positioning themselves as attractive partners within the IoT ecosystem. By doing so, they can create genuine value for their customers, offering competitive services and cost savings.

## 2

### GenAI for Personalized Guidance and Real-Time Clarity

GenAI is another advanced household buzzword that can transform the claims experience by providing personalized recommendations to policyholders while simultaneously offering real-time feedback on missing or incomplete information.

When a claim is initiated, GenAI can analyze the available data and promptly alert the claimant if any crucial information is missing or requires clarification. It can even generate personalized guidance for the policyholder, suggesting the most appropriate course of action, such as preferred repair shops, healthcare providers, or temporary accommodations. Round-the-clock immediate assistance, transparency, quick resolution, and personalization all contribute to strong customer loyalty.

## 3

### Smart Analysis For Faster Claims Settlements

Machine learning algorithms tirelessly sift through incoming data, replacing the traditional role of insurance agents, and expediting settlements for end-users. Computer vision enters the fray, estimating damage costs by analysing videos and photos.

For instance, Deep learning algorithms can analyze images of damaged vehicles submitted in insurance claims. These algorithms can accurately assess the extent and severity of the damage, distinguishing between pre-existing and claim-related damage. Cherry on the top? Machine learning and deep learning algorithms autonomously refine themselves over time, yielding increasingly accurate and intricate insights.

AI also brings a higher degree of precision and adaptability to the reserve calculation process. It can respond swiftly to new information and recalculate in real time, ensuring that the reserve amount remains aligned with the evolving circumstances.

## 4

### The Next Wave in Fraud Detection

Advanced analytics, meanwhile, also prove invaluable in fraud detection and prevention, employing intricate coefficients associated with insurance fraud. Did you know? Fraudulent claims cost the insurance sector a whopping **\$40B every year**, just in the USA!

In the not-so-distant future, car insurance fraud detection can reach a level of sophistication unimaginable today. When a claim is initiated, an advanced connected system can meticulously cross-referencing real-time data from telematics devices, IoT sensors within the vehicle, traffic cameras, wearable health tech of the claimant, and more. It examines every angle, from the claimant's driving behavior before and after the incident to the visual evidence provided, instantly detecting any inconsistencies or red flags. This serves not only as a fraud detective but a deterrent, sending a clear message that fraudulent claims won't go unnoticed.

## 5

### A Case for AI-Powered Revolution in Case Management

With **more than half** the population keen on purchasing insurance online, and recognizing that millennials and Gen Zers will become **decision-makers by 2030**, insurers face an urgent need for transformation.

The old-fashioned methods involving printing and scanning documents must give way to the AI-driven solutions at hand. Through dynamic inbox monitoring, AI steps in to categorize and index incoming data, instantly sorting it by claim type, severity, or policyholder information. Claim forms and photos can be meticulously extracted and indexed leading to better data access and a truly connected system.

Assessing urgency and complexity of every single claim every day, especially given the volume, is not humanly efficient. With AI spotlighting and prioritizing the claims accurately, insurers can stop profits from bleeding due to interest payments on delayed payout.

However, it's important to note that AI doesn't function in isolation; it thrives through collaboration with humans. Take workload balancing, for instance, where AI ensures fairness by considering adjusters' current workloads, areas of expertise, and availability. It aligns claims with experts in specific areas, streamlines financial authority management, automates approvals, and diligently handles deviations from standard procedures.

With these advanced technologies in play, claims management can now be accomplished in mere seconds, replacing the days-long tedious process.

## **6** Superior Adjudication: A Moment of Truth for Claims Processing

AI is changing the game in insurance claims adjudication too. Adjudicators can make better informed, data-driven decisions with AI's assistance. Identifying key information, assessing damage, and validating the accuracy of the submitted materials can be left to AI. For so long, the lack of traceability in how AI arrived at a particular decision has been a red flag. But with explainable AI, we can now have clear explanations for AI recommendations, making it easier to manually validate the decisions.

And with hyper-personalized communication at every step of the process for the claimants, an arrangement of the latest AI technology bouquet provides insurers with the much-needed respite. The benefits are clear: AI reduces Average Handling Time (AHT), ensures faster resolutions and improves customer satisfaction. It also automates processes, minimizes manual work and errors while boosting employee morale.

## **Efficiency, Accuracy and Happy Endings: The Future of Claims Processing**

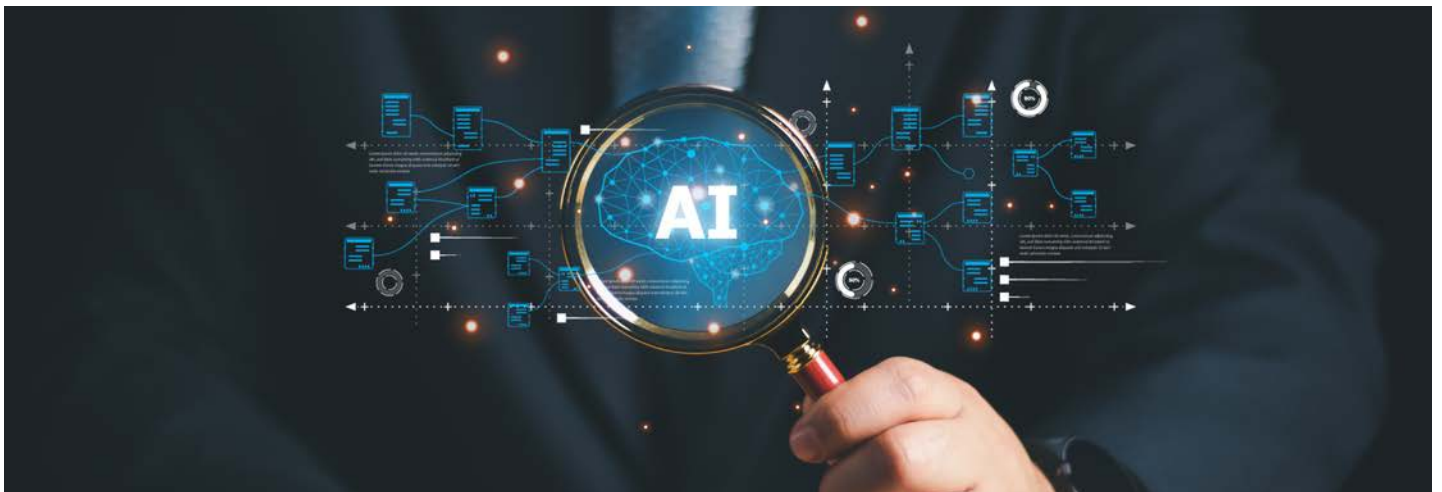
While **10% claims** turn out to be fraudulent, at least 90% of claims happen immediately following a loss or tragic event experienced by the customer. From a digital start to the first notice to a swift payment can even be defining moments of their life, one they will either cherish or hate for life. The entire journey should be seamless.

The claimant's car is involved in an unfortunate accident. An automated trigger from his car sends a FNOL to the insurer. Behind the scenes, AI springs into action to analyze the claim submission, automatically extracting critical details such as the accident's date, time, and location. Using predictive analytics, Gen AI assesses the claim's urgency based on historical data and the reported damage and assigns a seasoned claims adjuster known for her expertise in handling auto accidents. In the blink of an eye, the claimant receives the guidance and payment necessary.

# INSURAI for Seamless Insurance Value Chain

SLK offers a state-of-the-art INSURAI platform, coupled with our vast experience in the insurance sector and an arsenal of AI/ML, Data, and Digital capabilities. INSURAI brings this AI vision to life, ensuring that critical and high-value broker requests are prioritized for maximum efficiency. From redefining underwriting with faster policy issuance to leveraging cutting-edge computer vision for accurate rooftop damage assessments, INSURAI revolutionizes claims management. With the added capabilities of deep learning, fraud detection becomes more intuitive, safeguarding businesses from potential losses. Beyond claims, the platform's agile core, integrated with a robust Data Hub, casts away the shadows of legacy systems, offering a panoramic 720° view of every customer. This holistic perspective is further bolstered by our AI Ops platform, that predicts IT anomalies, ensuring that your operations run seamlessly. And as the digital age progresses, INSURAI ensures businesses aren't left behind, facilitating smooth transitions to cloud-based solutions. Through cognitive analysis, it captures the pulse of customer sentiments, ensuring their needs are not just met but anticipated.

Explore the INSURAI difference for your business. Connect with us at [hello@slkgroup.com](mailto:hello@slkgroup.com)



## About Us

SLK is a global technology services provider focused on bringing AI, intelligent automation, and analytics together to create leading-edge technology solutions for our customers through a culture of partnership, led by an evolutionary mindset. For over 20 years, we've helped organizations across diverse industries - insurance providers, financial service organizations, investment management companies, and manufacturers - reimagine their business and solve their present and future needs. Being A Great Place To Work Certified, we encourage an approach of constructively challenging the status quo in all that we do to enable peak business performance for our customers and for ourselves, through disruptive technologies, applied innovation, and purposeful automation. Find out how we help leading organizations reimagine their business at <https://www.slksoftware.com/>

---

SLK is a global technology services provider focused on bringing AI, intelligent automation, and analytics together to create leading-edge technology solutions for our customers through a culture of partnership, led by an evolutionary mindset. For over 20 years, we've helped organizations across diverse industries - insurance providers, financial service organizations, investment management companies, and manufacturers - reimagine their business and solve their present and future needs. Being A Great Place To Work Certified, we encourage an approach of constructively challenging the status quo in all that we do to enable peak business performance for our customers and for ourselves, through disruptive technologies, applied innovation, and purposeful automation. Find out how we help leading organizations reimagine their business at <https://www.slksoftware.com/>



[www.slksoftware.com](http://www.slksoftware.com)