Touchless claims in P&C – evolving into an "inventive insurer"

P&C insurers that develop and implement a future-ready touchless claims operating model leveraging intelligent automation, innovation, and right-shoring with customer service at its core will be considered true champions in adopting touchless claims.

Property and Casualty (P&C) insurers today leverage traditional, manually intensive claims handling processes across disparate systems. Reluctance to change, extensive use of costly workforce throughout the claims process, and lack of trust on artificial intelligence (AI), renders P&C insurers with a high loss adjustment expense (LAE), which represents, on average, 12% of their premium.

P&C insurers also face a number of internal barriers around readiness to change and adapt. This ranges from legacy systems, outdated operating models, talent/skill gaps, and funding commitments, to having a clear vision for their future design. Other forces holding insurers back are technology choices and selecting new providers, many of which don't offer an end-to-end solution.

In addition, with customer interactions spanning multiple channels, the quantity and variety of data, as well as its subsequent interpretation, analysis, and integration compounded by legacy systems, poses another set of challenges for traditional claim handlers.

From traditional to touchless

The World Insurance Report 2020 highlights Millennials' demand for a digital, omnichannel, hyper-personalized experience and convenience, as well as affinity towards non-traditional, BigTech firms. A recent study found that, although some P&C insurers continue to favor the traditional claims process, the demand for faster cycle times, reduced expenses, and improved customer satisfaction is driving increased automation and an eventual migration from traditional – through fast-track and virtual – to touchless claims.

Although P&C insurers are relatively new in the innovation space and are currently building insight, acquiring talent, and learning along the way, many have made investments into modern P&C claims administrations platforms, and now sit somewhere between a fast-track and virtual claims experience.

Another finding from the same study demonstrates the proven success of automated claims process, where the cycle time of 10–15 days in the traditional claims handling environment has been reduced to a single day in the touchless claims handling environment, and touchpoints reduced from 3–4 touches to 0–1 touch.

A win-win situation

A touchless claims operating model is one in which claim handlers work in paperless environment enabled by intelligent automation, AI, analytics, and InsurTech for complex decision-making and straight-through processing with minimal or only a single touchpoint. This gives insurers the time and resources to sustain and address the human touch and empathy quotient effectively and efficiently.

For customers, this represents a win-win situation, with multi-channel loss reporting, quicker and accurate claims settlement, increased level of empathy, and an enhanced claims experience through leveraging digital.

However, while automation is the norm for most processes, insurers should retain human intervention to strike a balance between automation and empathy, while adopting a right-shoring strategy to protect their cost optimization needs. This can result in greater levels of client satisfaction, reduced cycle times, and a strengthened customer relationship.

The benefits of touchless claims

Some of the benefits of adopting a touchless claims processing operating model for P&C carriers include:

- Customer experience with best-in-class interactions and quick settlement
- Reduction in loss adjustment expenses
- An "automation-first" mindset that delivers best possible straight-through processing
- Access to InsurTech that leverages the latest innovations in AI, intelligent automation, and core technology
- Highly efficient, faster, and improved loss adjustment.

P&C insurers that develop and implement a future-ready claims operating model leveraging intelligent automation, innovation, and right-shoring with the customer experience at its core will be considered true champions in adopting touchless claims.

It is these insurance companies that will evolve into, what we term, "inventive insurers."

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Click here to learn about how Capgemini's Touchless Claims for P&C Insurance solution transforms your insurance company into an agile, data-driven, customer-centric function that delivers improved customer experience, operational efficiency, and accuracy across your entire claims value chain.

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