Improving CX with analytics – Case automated claims processing in car insurance

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Agenda

1. Background & Challenge
2. Requirements
3. Solution
4. Outcome & Next Steps

Background & Challenge

Company

- A European multi-national insurance company
- Over 3 million customers

Challenge

1. Traffic insurance products are very similar with little differentiation
2. Needed to stand out from the competition
3. Customers dissatisfied with unpredictable processing times
4. Constant cost pressure

Goal

1. Have the highest customer satisfaction in the market
2. Decided to be the easiest insurance company to deal with
3. Promise: process at least 70% of claims within 24 hours and pay immediately after

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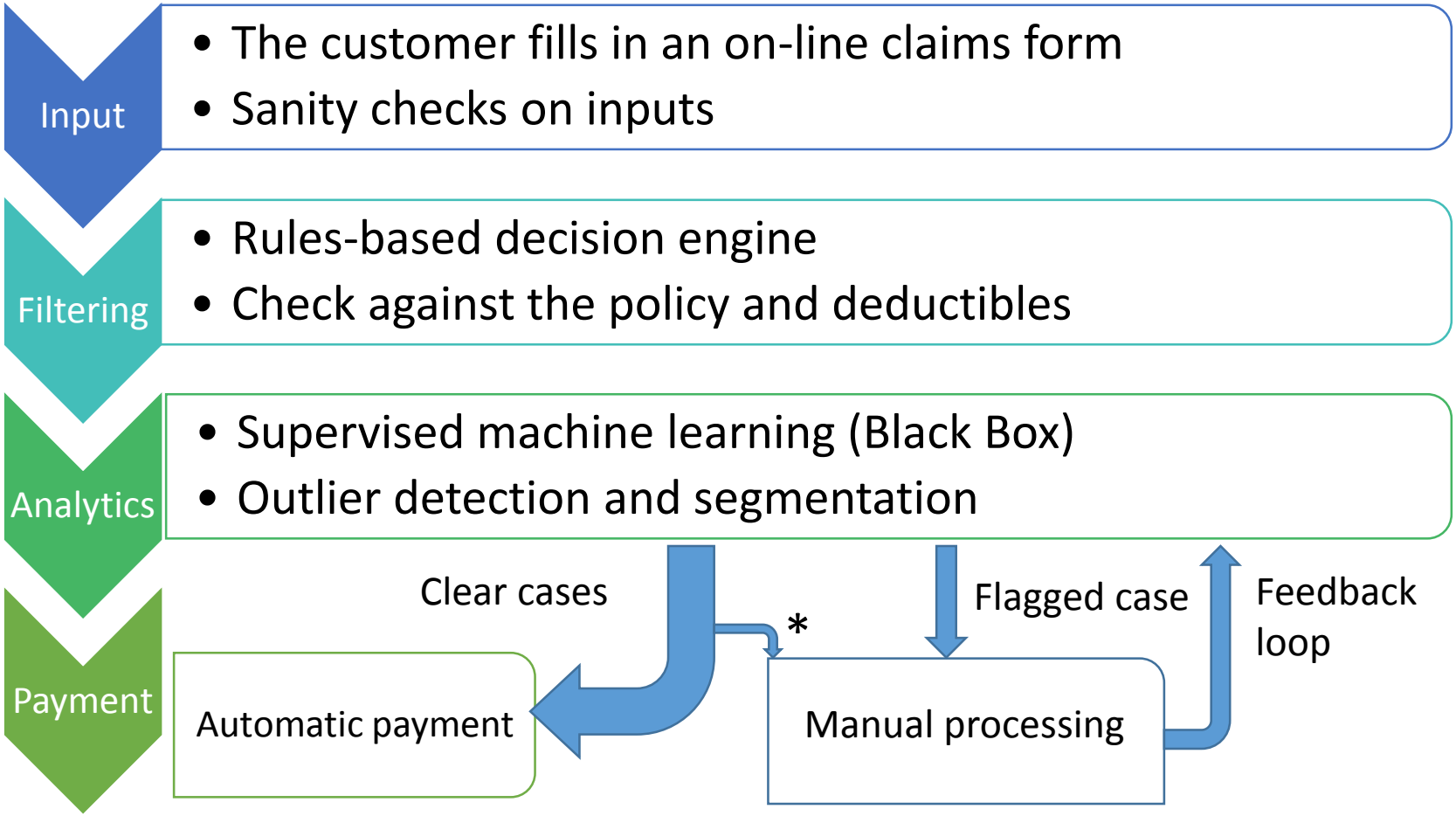
Requirements

1. Easy to use for the customers
2. Keep the customers informed
3. Process clear cases immediately
4. Concentrate human resource on the unclear or suspicious cases
5. Identify claims that are:
    a) Not covered by customer's policy
    b) Incomplete
    c) Unclear
    d) Disputed
    e) Untypical
    f) Fraud

Solution

- New digital customer journey for the car insurance claims
- On-line input by customers
- Automated processing (except specific cases)
    1. Rules based
    2. Machine learning
- Automated payment or permission to invoice (for garages, rental companies …)

Process


Input
• The customer fills in an on-line claims form
• Sanity checks on inputs
Filtering
• Rules-based decision engine
• Check against the policy and deductibles
Analytics
• Supervised machine learning (Black Box)
• Outlier detection and segmentation
Payment
Clear cases
*
Flagged case
Feedback loop
Automatic payment
Manual processing

Model

- The model is trained by previous cases flagged by claims processors
- Clear (can be paid automatically) “1”
- Flagged (needs to be checked manually) “0”
- Output is a propensity number between 0 and 1
- Setting the threshold is an optimisation problem between:
  - False positives – someone is paid unnecessarily
  - False negatives – additional resources are needed and lower customer satisfaction

- To monitor model accuracy some clear cases are randomly selected for manual checking
- The results of manual checking are fed back to the model

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Outcome & Next Steps

- 90% (previously 73%) of customers either satisfied or very satisfied with the automated claim process
- The insurance company wants to extend the new customer journey to cover more insurance products

Improvement areas and the next steps:

Improve the touchpoints and the interactions

1. Improve the design of the on-line claim form
2. Import the customer data to the form automatically from the CRM
3. Add more automatic communications channels for updating the customers on the status of their claims

Contact Information

Do you need more information?
We are glad to continue the conversation.

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