GENERATING INSURANCE IMPACT

Insurer transforms claims process and improves productivity by 15%

New processes and effective technology help reduce cost and improve productivity

Client

A leading property and casualty (P&C) insurance carrier—part of a leading financial group in Australia

Industry

P&C insurance – homeowners

Business need addressed

A leading (P&C) insurance carrier was witnessing a surge in vendor spend and settlement time for homeowners claims despite significant efforts to build a network of vendors and preferred contractors. The insurer's immediate business need was to identify opportunities for reducing claims cost, curbing loss leakage, and improving claim handler productivity

Genpact solution

Diagnosed claims process to identify gaps and implemented a new, well-defined process for an effective and efficient claims management function

Business impact

In the first year of implementation:

- Achieved an annual benefit of $3.7 million
- Better controllership and improved allocation accuracy
- 15% increase in claim handler productivity

DESIGN • TRANSFORM • RUN

A leading P&C insurance carrier was incurring huge costs on its homeowner insurance business due to lack of visibility through the claim value chain from validation to settlement, inaccurate allocations and disparate front- and back-office systems. The insurer needed to reduce claims expenses and gain greater control over claims processing through increased efficiency and productivity throughout the value chain.

Business challenge

The insurer had a disparate, sub-optimal claims management process, which led to soaring costs and thinning profit margins. Key issues included:

Increased settlement cost due to inaccurate assessor allocations

Poor communication rhythm between front and back office, lack of training within the lodgment team, and complex decision criteria with multiple factors were all contributing to high settlement costs.

Loss leakage attributed to poor vendor management and settlement processes

The scope of repair work and quotes provided were not detailed enough, leading to excess and duplicate payments. Moreover, the lack of controllership for approval on variations, combined with the lack of a process for comparing assessor performance, also added to overall losses.

Inconsistent service delivery

Incoherent processes and lack of insight into data and task management resulted in low productivity and increased settlement time.

Susceptible to fraud, overpayment, and duplicate payments

Lack of insight in vendor/assessor information, quotes, and invoices led to increased susceptibility to fraud, overpayment, and duplicate payments.

Genpact solution

Genpact helped the insurer build a high-performance claims process function by using an objective diagnostic view of the claims process to map appropriate solutions.

The solution included:

Diagnostics and analysis

Genpact's insurance team completed a diagnostic assessment to gain an enterprise-wide understanding of the process, identify gaps, and study value drivers across the claims value chain.

Tools and process optimization for allocation accuracy

- A weekly dashboard was implemented to track and report lodgment accuracy and top error types

- A monthly quality forum was scheduled between front and back office to create better synergies

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- A coaching and feedback plan was devised and implemented for new employees as well as bottom performers in the claims processing team

- A new assessor tool was implemented to error-proof incorrect allocations based on post codes and estimates

- Genpact's team also documented and implemented a new process flow and logic in the assessor tool for desktop assessment

Builder assessor framework to streamline service delivery

- Genpact created and implemented a builder assessor framework, which included a detailed scope-of-work template as well as a new detailed template for vendor/assessor quotes

- New process was implemented to approve variations greater than $5,000

- A pilot project was also conducted for new temporary accommodation process

Established new process and built a team for desktop assessment

- Developed a new process flow and logic for desktop assessment, including audit procedure

- Built a feedback and training mechanism

Business impact

Tighter process integration, greater control of the claims supply chain, reduced losses, and end-to-end visibility into the entire claims process resulted in:

- An annual benefit of $3.7 million within the first year of implementation

- 15% increase in claim handler productivity

About Genpact

Genpact (NYSE: G) stands for "**generating business impact**." We are a global leader in digitally-powered business process management and services. Our **Lean Digital**^{SM} approach and patented Smart Enterprise Processes^{SM} framework reimagine our clients' operating models end-to-end, including the middle and back offices – to deliver growth, efficiency, and business agility. First as a part of GE and later as an independent company, we have been passionately serving strategic client relationships including approximately one-fifth of the Fortune Global 500, and have grown to over 70,000 people. The resulting domain expertise and experience running complex operations are unique and help us drive choices across technology, analytics, and organizational design.

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