

# THE FUTURE OF CLAIMS

Delivering on the promise of  
insurance with empathy and  
efficiency



# A CASE FOR CHANGE



## Shifting focus: From process to people

A seamless, empathic, and fair insurance claim experience is the single most valuable service that an insurer can provide. It is the fulfillment of the insurer's promise to their customer and an opportunity to build and reinforce lifetime loyalty. Despite this, customer churn is often driven by poor claims experiences. Why is this the case and how can insurers overcome this issue?

The driver of a poor claims experience is that insurers emphasize the operational aspects of the claims process rather than the customer's experience – and dedicate resources on facilitating claims processing over customer care.

Customer-centric design coupled with intelligent technology can instead create benefits on three levels:

- Enhanced customer experience
- Improved employee experience
- Increased cost benefits for insurers

## Exceptional claims experiences can translate into top-line benefits

Each insurance policy sets an expectation that legitimate claims will be fulfilled – and each claim creates an opportunity to build loyalty and strengthen brand resonance.

At the same time, the world has become increasingly digitalized and customer expectations have evolved – and yet not all insurers have kept up. In the claims environment, claimants are most challenged by delays, perceived poor claims decisioning, and a lack of transparency.

Our Future of Claims transformation approach is designed to help insurers effectively harness digital solutions, selected with the claimant in mind, to provide a streamlined, simplified, and effective fulfillment service that can strengthen retention and build long-term customer loyalty.

## Customer needs and employee experience are linked

Capgemini Invent has worked with many of the world's leading insurance companies to study the root causes of challenges within the claims process. We discovered that customers frequently identify the same pain points as employees.

We observed that digitalizing and simplifying the claims experience, and designing with the claimant at the center, have a positive impact both on claimant and employee experience.

## Insurers can realize bottom-line cost improvements

Claims process simplification and digitalization yields both top-line and bottom-line benefits.

Our Future of Claims transformation approach is designed to drive results throughout the claims organization.

# WHAT PAIN POINTS DOES THE FUTURE OF CLAIMS ADDRESS?

The three key areas claimants cite as issues with insurance claims service delivery are delays, poor quality decisioning, and a lack of transparency. Claimant concerns can quickly become pain points if they're not addressed quickly or adequately. When we drill deeper into customer desires in relation to claims experiences, we discover that what they truly want is to be heard, to be treated fairly, and to understand that the carrier cares about their needs.

## Customer-desired claims features



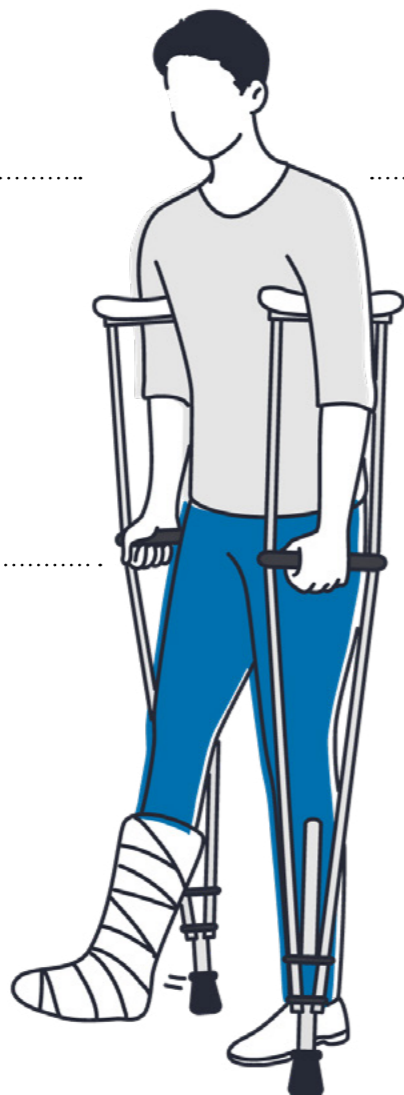
### CONVENIENT

Claimants are interested in a quick, easy, and fast claims processing journey.



### TRANSPARENT

Claimants want a simple, transparent (ideally real-time) process that allows them to collect what they feel they are owed.



### PERSONALIZED

Claimants want to be served 24/7, but also want to decide when to talk to humans and when to go virtual.



### PREVENTATIVE

Claimants want insurers to be more thorough and proactive on their behalf to prevent and avoid high-risk incidents.

# WHAT BENEFITS CAN THE FUTURE OF CLAIMS CREATE FOR INSURERS?

An investment in a future-ready claims program has the potential to yield benefits both for the top and bottom line. Improvements in simplification and digitalization may translate into retention benefits that set the foundation for ongoing revenues. A focus on delivering an exceptional claimant experience, regardless of the claim outcome, ought to be a key focal point for all insurers and a key metric for determining success. It's a contributing factor in decisions related to operational efficiency. We focus on supporting Insurers to streamline costs and operate as effectively as possible without sacrificing customer experience.

## Benefits for insurers



### REDUCED LAE

Create opportunities to reduce LAE and ULAE costs, legal charges, fines, and penalties.



### ACCURATE ESTIMATIONS

Understand how well you manage your loss cost triangle by putting together the most effective combination of expenses to produce a suitable level of loss payments and decrease reserve, so that capital can be reallocated.



### INCREASED EFFICIENCY

Assess unit costs and productivity to see whether your processes are producing the intended and expected results.



### IMPROVED CYCLE TIMES

Manage and consolidate internal processes of the claims value chain.



### IMPROVED ACCOUNTABILITY

Continuously scan for operational breakdowns, fraud, and problems that might cause reputational or financial pain.



### ENHANCED CUSTOMER EXPERIENCE

Experience a significant reduction in complaints and losses by keeping claimants satisfied.



### Some claimants want to be able to tell their story while others simply want their issue resolved

Design with the claimant in mind means that there is no single "optimal path" for all. Insurers can address this challenge by providing claimants with simple, omnichannel options. Some claimants may seek to manage the process themselves and interact solely via cellphone and chatbot; others may seek to speak to a human representative. In all instances, service ought to be personalized, well informed by solid data and reliable analytics, and involve a seamless transition between channels as required.

### Most claimants value risk mitigation advice and guidance

Insurers are increasingly shifting focus from pure claims fulfilment to supporting insured to mitigate the risk of future claims. They understand insured needs and risk exposures to provide guidance and support. Success starts with addressing these risks and demonstrating they care, all while mitigating longer-term exposure.

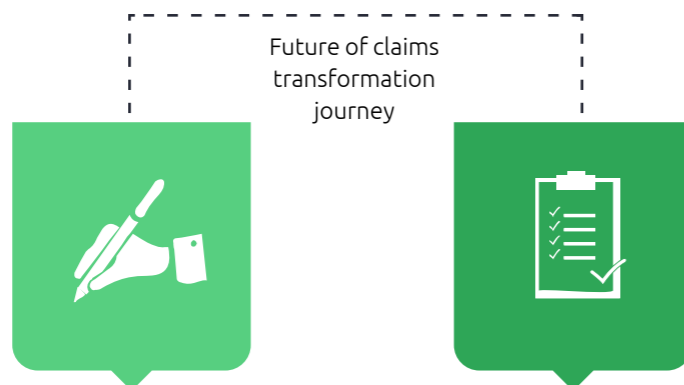
### All claimants want a fair outcome

Insurers want this too. We work with carriers to optimize data collection and analysis from various sources, plus explore training and coaching solutions to ensure that claims decision making is automated, where possible, and accurate and consistent when channeled through claims agents.

# REGARDLESS OF WHERE YOU ARE ON YOUR JOURNEY, CAPGEMINI INVENT CAN HELP BRING THE FUTURE AND BUILD THE FUTURE

Our teams work with insurers to identify their North Star – their fundamental objective aligned to their target customer segments and their needs. We're equipped to help optimize your employee experience and operational cost targets, and tailor purposeful, strategic solutions built on relevant technology solutions.

## MOST INSURERS CURRENTLY FALL HERE



### TRADITIONAL

- Call centers for reporting claim
- Manual processes
- In-person inspections
- Paper checks

### FOUNDATIONAL

- Core claims platform
- Digital claims intake
- STP for simple or small claims

## FUTURE OF CLAIMS CAN TAKE YOU HERE



### SELF-SERVICE

- Omnichannel communications
- Claims status trackers
- Remote assessment
- Vendor integration
- Automated flexible payments

### AUTOMATION

- Automated assignment
- Intelligent assessments
- AI-enabled estimates/inspection
- Third party recommendations
- Litigation/subro/fraud risk analytics

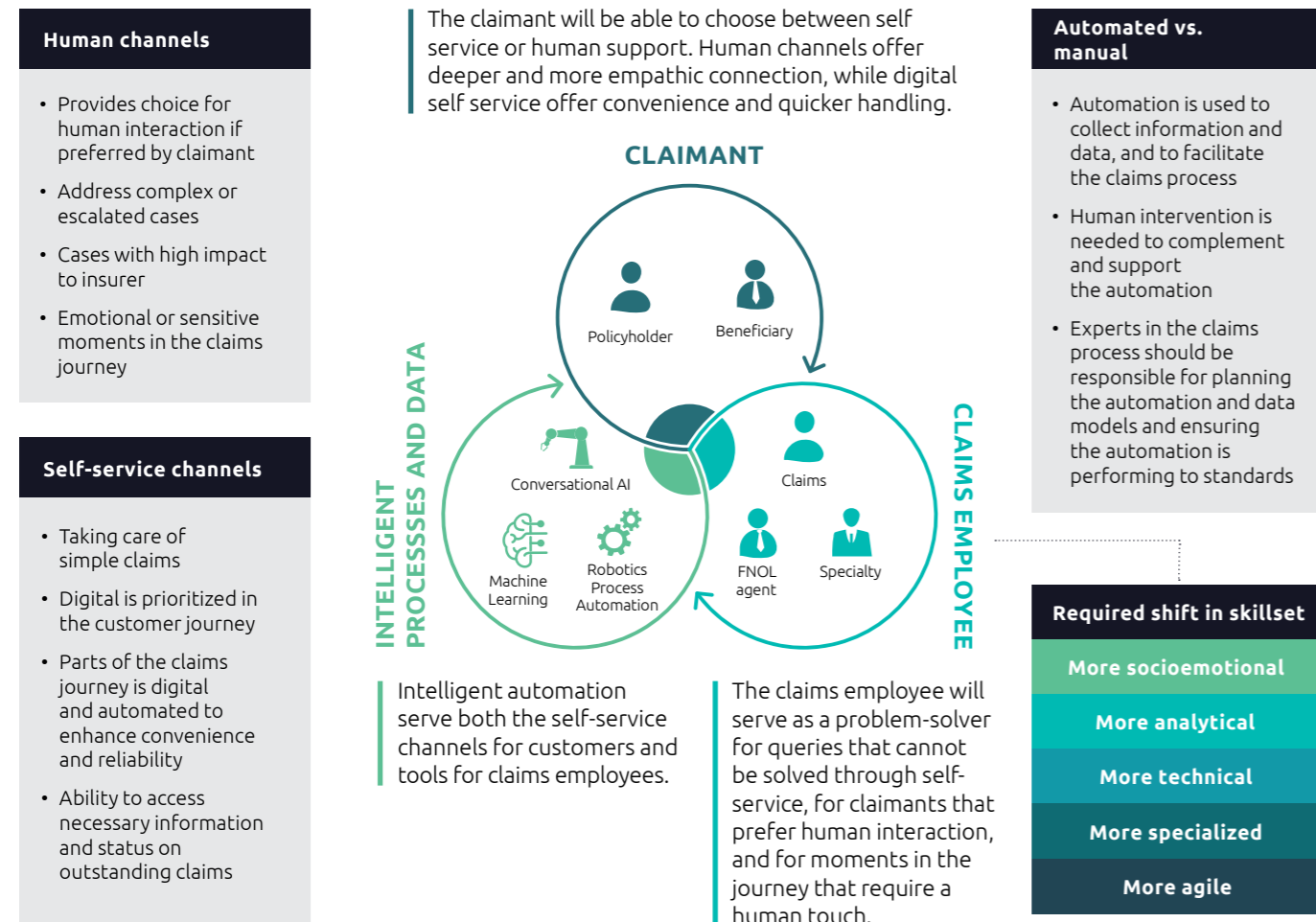
### NEXT WAVE

- Touchless claims
- Automated FNOL triggered by sensors and IoT
- Autonomous drones
- Smart contracts
- Automated loss prevention and control

# EMBARKING ON THE CLAIMS TRANSFORMATION JOURNEY

A transformed claims experience with optimized processes will result in fundamental changes to existing roles and functions. New technology solutions such as automation and advanced analytics augment and support existing teams' skillsets and capabilities.

The extent of the change depends on the breadth of your vision and ambition. Our clients typically explore organizational change, capability and skillset change, governance and KPIs, and change to processes and tools.



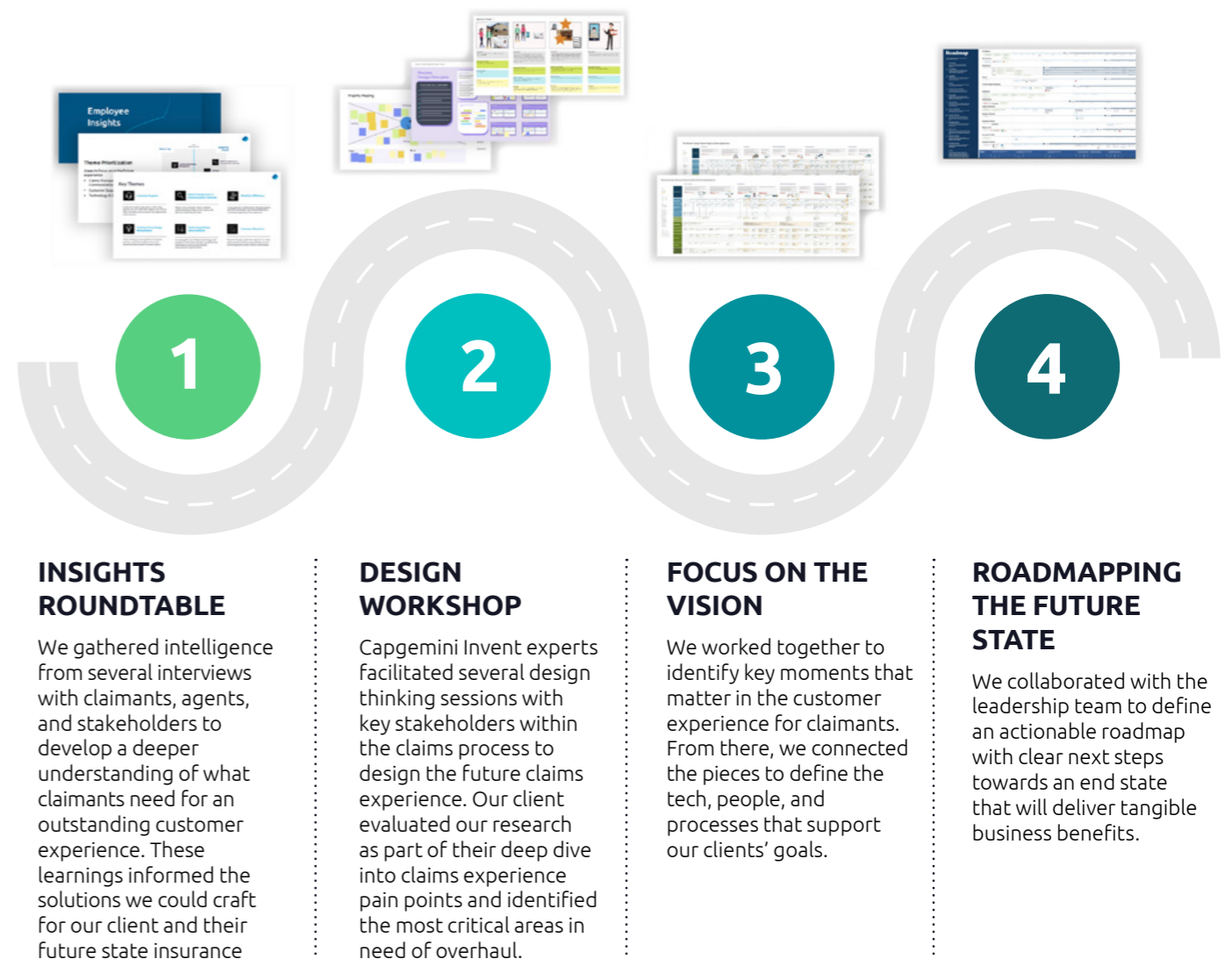
Designing and implementing a truly future-ready claims function may seem daunting – but you won't need to do it alone.

Capgemini Invent provides an end-to-end portfolio of services, from strategy to design to implementation to ongoing management, including well-recognized and emerging design and technology solutions to suit your needs.

At each step of the way, our multi-disciplinary engagement teams work with our clients to anticipate the challenges and navigate the transformation journey. Our collaborative and human-centered approach ensures that we design an experience that is tailored to your customers and employees' needs, and allows for us to jointly work with you to plan and execute a program that will achieve the business results that you expect.

# THE FUTURE OF CLAIMS IN ACTION: A CASE STUDY

Capgemini Invent partnered with a US P&C client recently to drive its strategic transformation. Our client had a core claims platform modernization project in flight and wanted to understand the next steps to drive value from these efforts. Here's how we developed a human-centered approach for its new Future of Claims strategy, step by step:





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Capgemini Invent is an integral part of Capgemini, a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 340,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2021 global revenues of €18 billion.

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