



Intelligent automation can help insurance overcome demographic change threat



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With half the insurance workforce set to retire in the coming decade and just 4% of millennials looking at a career in the industry, new ways of working and attracting talent will be crucial.

As the Covid-19 pandemic began to ravage countries in early 2020, the resulting lockdowns and restrictions announced by governments were a shock to people and businesses across the globe. Almost overnight, hundreds of millions of people switched to remote work and a variety of online conferencing platforms and connectivity tools became the indispensable new norm for business communication.

Despite the huge shifts brought about by the pandemic, business did not stop. Many companies barely missed a beat, deploying a range of intelligent technologies to maintain business as usual, despite very unusual circumstances.

Historically, the insurance industry has been slow to adopt modern technology and it is still behind other parts of the financial services sector when it comes to leveraging intelligent automation. The remote workers, brought about by Covid-19, has accelerated

digital adoption across insurance organisations.

Within 12 months, many companies implemented technological changes that would have taken years to fully embrace under normal operating conditions. As a result, much of the time-consuming and manual work within the insurance ecosystem has now been (or is in the process of being) automated. As Gartner said: "Hyper-automation is now inevitable and irreversible. Everything that can and should be automated will be automated."

If insurers are to realise the benefits of digital enablement for customer experience and operational efficiency, they must retool significant areas of their organisations and fully use intelligent automation from now on, even after the pandemic allows for a return to normal operations.

Business imperative

There is a demographic and business imperative for doing this as quickly as possible. Some estimates suggest half of the insurance workforce will retire in the coming decade. Yet according to a media report, only 4% of millennials are presently interested in a career in the

insurance industry. Finding new ways of building, staffing and doing business will be vital for re/insurers to survive.

Until recently, insurance organisations using smart technologies – such as artificial intelligence, machine learning, natural language processing, optical character recognition, blockchain and robotic process automation (RPA) – were innovation front runners.

Today, those technologies are often a core component of many insurance projects and they are deployed to deliver extraordinary operational improvements through the entire policy lifecycle. Such capabilities can transform underwriting, quoting, binding, invoicing and submission clearance through to policy issuance, claims, finance and renewals.

Consider a large specialty insurer that deployed data extraction and RPA to accelerate submission handling. Previously it had multiple rules applied at the clearance stage. Moreover, there was a need to manually extract data for more than 50 elements from various documents, then validate and enter the data into a policy administration

system. The process led to accuracy issues and a higher risk of human error, while simultaneously occupying more than 80% of the team's work time.

The solution was to introduce a data extraction model that reduced turnaround time from two days to just a couple of hours for most submissions. The system extracted relevant data needed by the insurer from the multiple document fields and applied a clearance engine that could be customised quickly. The process was then automated using RPA.

Quicker and more accurate

Once the system was operational, the company not only realised the turnaround time benefit but also achieved 100% data accuracy. This automated approach allowed underwriters to devote more time to value-driven, customer-facing or decision-making tasks and reduced the strain on internal resources by 30% across many offices.

In another instance, a major commercial insurer implemented RPA to streamline its invoicing process. The solution helped automate data entry and eliminated duplicate entry, reducing the number of team

members involved in the process by 50%.

The coronavirus continues to be a global tragedy. However, one potential silver lining for business is the once-in-a-generation opportunity for companies across industries to rapidly implement new technologies to streamline processes, enhance customer experiences, and improve operational efficiencies – all of which can improve profitability. While it has been slow to adopt new technology in the past, the insurance sector can use this time to catch up and change its technology trajectory.

Increasingly, innovative re/insurers will leverage technology to operate more efficiently, enabling insurance professionals to drive significant business outcomes using their industry knowledge and expertise in a far more effective way.

The time for insurance organisations to prioritise the adoption of intelligent technology and expansive digital enablement is now.

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