SUTHERLAND®

Whitepaper

BEYOND THE HYPE:
HOW AI IS TRANSFORMING INSURANCE CLAIMS

An effective claims process is the cornerstone of the insurance industry. Discover how AI-powered solutions are transforming P&C insurance claims.

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It's Time To **Reassess Claims**

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> *AI gives insurance providers the opportunity they need: to go beyond the transactional and forge meaningful connections with customers.*
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> *Vijay Pahuja, SVP, Global Head of Insurance, Sutherland*

A quick, easy, and effective claims experience is the ultimate test of customer-centricity for policy providers: potentially stressful situations where customer expectations and emotions run high, and they want to feel valued and supported. All too often, a negative claims experience leads to customer churn and possible aftereffects. As they voice their dissatisfaction to others, that negative experience can have a snowball effect, leading to a detrimental impact on the policy provider's reputation. Delivering personalized service experiences that anticipate and address customer needs is crucial for turning a typically challenging process into a positive experience.

Transforming the claims experience – for both insured and insurer – is a priority for P&C leaders. To do so, they need to simplify and strengthen the claims processes to accelerate outcomes, increase efficiency, and reduce error, fraud and costs.

60%

of insurance providers say that claims represent their greatest customer experience challenge.[1]

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1   HFS/Sutherland research amongst 400 insurance leaders across North America and Europe, April 2024

Maximize the Value
of Your Data With AI

AI is widely recognized as the game-changing technology of our time. It can, and will, transform not only claims but the entire insurance industry.

The foundation for any AI-powered transformation is data, but so much of it currently goes untapped. With advanced analytics and AI, insurance companies can unlock the power of data to generate actionable insights, streamline operations, and deliver a superior, more personalized customer experience.

When responsibly trained (with large data sets that have been expertly labeled by humans to mitigate any biases present), AI enables us to:

/ Predict customer behaviors, preferences, needs, and risks with unparalleled precision

/ Improve experience for all stakeholders: customers, employees and third parties

/ Accelerate business outcomes

/ Reduce error, fraud, and operational costs

/ Simplify compliance and enable continuous improvement: AI effortlessly generates all the appropriate call evaluations, end-of-day summaries, and audit trails

As with all technologies, AI's ability to deliver significant improvements depends on how you adopt and implement it. We'll look at that in more detail further on. But first, let's explore some of the claims use cases where AI is helping insurance providers to accelerate outcomes, strengthen knowledge, and improve stakeholder experience.

Accelerating Outcomes With AI

When it comes to claims, what customers really want is a hassle-free process that pays up fast. They don't have the patience to wait for the cogs of the claims process to turn at analog speed.

>70%

STP of claims

>40%

improvement in claims cycle times

DOCUMENT AI AND ANALYTICS

Manual data capture is time-consuming and error-prone. With the potential of AI, such routine, repetitive but critical tasks can be automated and optimized for higher speed and accuracy. AI seamlessly extracts and summarizes the key data in claims documents and maps incoming information from customers and third parties. With advanced data and analytics capabilities, AI identifies reasons for failure demands and assesses authenticity and accuracy to reduce fraud.

INTELLIGENT AUTOMATION

By triaging and prioritizing cases, AI is already powering the straight-through processing (STP) of more than 70% of claims for our clients. More complex cases are automatically escalated to the appropriate handler, along with the insights they need to improve customer satisfaction. They can then add their human skills of empathy and judgment to steer toward timely resolutions.

AI and automation work together to increase efficiency, enhance productivity, and ensure that claims flow faster through your organization.

Enhancing Knowledge With AI

One of the strongest use cases for AI in insurance is its proven ability to strengthen knowledge management.

FACTS AT YOUR CUSTOMER'S FINGERTIPS

AI constantly updates your knowledge database and recommends the most relevant information. Your customers get tailored answers to their most pressing claims-related questions at the click of a button.

HELP AT HAND FOR YOUR TEAMS

Trained to your specific requirements and standard operating procedures, AI provides your claims handlers instant access to the knowledge and support they need. It empowers them to excel in their roles, providing the clear, informed, and personal human-to-human guidance that customers value.

Improving **Experience** With AI

By accelerating outcomes, AI addresses the most significant customer pain point in the current claims process. Other common frustrations include the insurer's inability to adapt to the individual needs, having to repeat the same information, and a lack of visibility into a claim's status.

>10-point

increase in net promoter scores

FLEX TO CUSTOMER NEED

With its ever-improving conversational abilities, Generative AI (Gen AI) is powering a new age of chatbots that deliver the personalized experience customers value. Powered by the natural language processing (NLP) skills of AI, sentiment analysis enables unprecedented insights and next-step guidance for your handlers, making it easier for them to navigate complex and ambiguous claims situations.
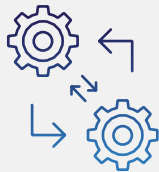
REDUCE REPETITION

With AI onboard you'll never have to ask the same question twice. For those claims that are escalated to a handler, Gen AI summarizes any unresolved chatbot interactions to ensure that your agents are fully up to speed and can take conversations forward.

ENHANCE VISIBILITY

The right balance of automated and agent-led updates will ensure that everyone is up to speed at every stage of the claims journey.

AI helps you to ensure every customer feels valued, and that all stakeholders are in the loop.

Getting the Balance Right:
Implementing AI in Your Organization

Those who strategically embed AI into their operations will reap the rewards of improved performance, increased efficiency, and reduced error, fraud, and costs.

A successful strategy starts with identifying those challenges AI is best suited to resolve. It is rooted in rethinking processes from the ground up.

Launching an array of small-scale experiments may seem appealing, but experience suggests that this yields disappointing results – incorporating AI into legacy processes can lead to friction and frustration. The most significant gains from AI initiatives come from carefully controlled end-to-end transformations of entire processes rather than isolated use cases.

A winning approach is a balanced one – leveraging AI's strengths while recognizing its limitations and the risks it poses, ensuring AI supports rather than suffocates human endeavor.

Introducing CognilinkClaims
An AI-Powered Solution To Transform P&C Insurance Claims

CognilinkClaims is a cutting-edge, AI-driven, P&C claims solution. It combines a diverse range of capabilities and use cases to elevate the claims experience for insurers and insured.

PIONEERING PRODUCTS AND PLATFORMS

With more than 200 unique patented inventions across AI and other critical technologies, Sutherland's digital expertise is second to none. CognilinkClaims leverages that expertise and represents a transformative leap in claims journey optimization.

INSURANCE EXPERTISE

Sutherland is a trusted partner to over 80 insurance providers and servicers worldwide. More than 70% of their operations are now infused with various levels of digital technology, designed and implemented to help their people shine, enhance productivity and drive superior outcomes.

BRINGING TOGETHER THE BEST OF HUMAN TALENT AND TECHNOLOGY

Rooted in a human-centered design ethos, CognilinkClaims integrates human expertise, artificial intelligence, automation, and innovative CX accelerators to streamline processes, elevate customer experience, and deliver unparalleled efficiency.

To find out how our insurance experts can help transform your business, please contact **vijay.pahuja@sutherlandglobal.com**

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Unlocking Digital Performance.
Delivering Measurable Results.

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Sutherland is a global leader in business and digital transformation. With 35 years of experience, we combine deep domain expertise and proven optimization with both proprietary and partnered tools and platforms. With the goal of driving growth, efficiency and productivity across the enterprise, Sutherland brings together our people, processes, products and platforms to provide a unique combination of market-leading technology and business process excellence. We are reinventing the front-office experience and back-office operations – turning legacy environments into state-of-the-art business enablers across Healthcare, Insurance, Banking and Financial Services, Communications, Media and Entertainment, Travel, Logistics and Retail technologies. Our team of global professionals provides our clients with tailored services and solutions to help them navigate a constantly evolving future while achieving outsized performance.