

## FASTER CLAIMS SETTLEMENT AT LOWER COST

Using predictive analytics, Wipro is delivering an efficient claims settlement process for a major European insurance provider, facilitating higher customer satisfaction through better and faster settlements.



### CLIENT BACKGROUND

The client is a large banking group in Europe with activities spread across Retail banking, Commerce, Insurance etc. Additionally, it has operations spread across the US, Europe, the Middle East and Asia.

### INDUSTRY LANDSCAPE

Customer research indicates that while 85% of customers shop around at policy renewal, those unhappy with a claim settlement almost certainly change insurers. Conversely, those that have been delighted with the claim settlement become “sticky”. The major *determinant in satisfaction* is managing the customers’ expectation in terms of the *redressal they can expect* and the *speed at which that remedy will be delivered*.

The fast growth of the direct online channel has also led to a greater choice for customers, greater transparency in pricing and policy coverage details, as well as openly reported levels of customer satisfaction. As a result, it has become imperative for innovative insurers to focus on ensuring excellence in their claims service both to attract customers and to improve customer loyalty and advocacy.

### THE OPPORTUNITY

By achieving greater predictability and certainty over the claims process (regardless of the claim type), an insurer can guarantee that customers are made fully aware of all the steps to be taken very early on, **thus avoiding delays and disappointments arising from mismatches in expectations**.

The head of claims operations at the client organisation introduced several innovations into the home insurance claims processes in order to increase control over the process and to meet customer’s expectations.

### Business Value Delivered

The customer’s trials of their business changes show clear impact:



Some of these innovations include:

- 1 **The introduction of the Personal Claims Service** wherein 75% of claims are handled by a single known individual called the Claim handler.
- 2 **Increased specialisation of agents** so that the claims handlers can manage the complexity of the process they specialise in.

It is important that as soon as a claim is raised, the insurer is able to predict its complexity and the likely settlement route. Thus, the client wanted to identify ways through which the above initiatives could be complemented using a **claims triage** and **profiling system** so that the *most suitable Claims handler could be assigned as early as possible*. A single named point of contact assures the customer of a clear and consistent journey together with an agreed set of expectations.

## THE SOLUTION: 720° VIEW ANALYTICS

The triage decision needs to be accurate and happen in a sensitive customer-focused manner. While the customer is raising the claim, it needs to quickly determine the likely claim profile. Wipro's approach based its solution on the knowledge that by integrating a 360° view of claims with the 360° view of the customer and their coverage, it will be possible to extract the patterns that explain the differences between claims' characteristics. These patterns can be used to define 'claim profiles' that form the basis of the triage step so that each new claim is sent to a specific expert who has the specific competency to deal with the selected profile.

The difficulty centred on the fact that the relevant data lay in many places (thousands of Word documents containing claims reports of initial investigators), was voluminous (thousands of Excel workbooks detailing damages, associated repair estimates and subsequent actual costs), and was often in narrative form. Essentially, this presented what we call a 'Big Data Analytics' problem comprising terabytes of unstructured and structured data on customers, covers and claims *never assimilated and analysed before!*

## About Wipro Ltd.

Wipro Ltd. (NYSE:WIT) is a leading Information Technology, Consulting and Outsourcing company that delivers solutions, to enable its clients do business better. Wipro delivers winning business outcomes through its deep industry experience and a 360 degree view of "Business through Technology" - helping clients create successful and adaptive businesses. A company recognized globally for its comprehensive portfolio of services, a practitioner's approach to delivering innovation, and an organization wide commitment to sustainability, Wipro has a workforce of 140,000 serving clients across 60 countries.

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WIPRO TECHNOLOGIES, DODDAKANNELI, SARJAPUR ROAD, BANGALORE - 560 035, INDIA. TEL : +91 (80) 2844 0011, FAX : +91 (80) 2844 0256, Email: [info@wipro.com](mailto:info@wipro.com)

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Wipro developed a strategy based on Text Analytics techniques to extract signals from text and blended them with data from structured and semi-structured sources into a larger modelling data mart. Many more sophisticated patterns emerged out of this strategy and the insight thus obtained played a powerful role in achieving the required accuracy of claims' profile predictions.

Wipro demonstrated how its larger ecosystem can facilitate such a complex project to deliver a comprehensive analytical view through:



- ♦ **Advisory Services:** Providing advice on the best technology to invest in so that this analytical process could be repeated, enhanced and updated



- ♦ **Diverse Technology skills:** Applying highly specialised, qualified staff with the high-value skills capable of executing the modelling techniques ranging from text mining to clustering to predictive modelling



- ♦ **End-to-End ownership:** Provisioning complementary skill sets including data integration, data management, modelling together to manage the large volume and variety of data

## BUSINESS IMPACT

The insurer now benefits from an efficient claims settlement process powered by predictive analytics. The claims handling process now has the capability to control the variance in costs, durations and customer interactions arising from the complex range of settlement routes. This has resulted in a **33% faster claims resolution process**. The claims handler (whose assignment is based on the analytics that Wipro delivered) is now fully informed of the predicted key metrics of the claims and is able to keep the customer duly informed. This has resulted in higher levels of customer satisfaction – **28% reduction in customer complaints**, and a steady fall in attrition. Overall, the initiative has led to a **20% reduction in cost**.