Data Insights for Claims Administrators

Big Data Puts Claims Administration at Your Fingertips

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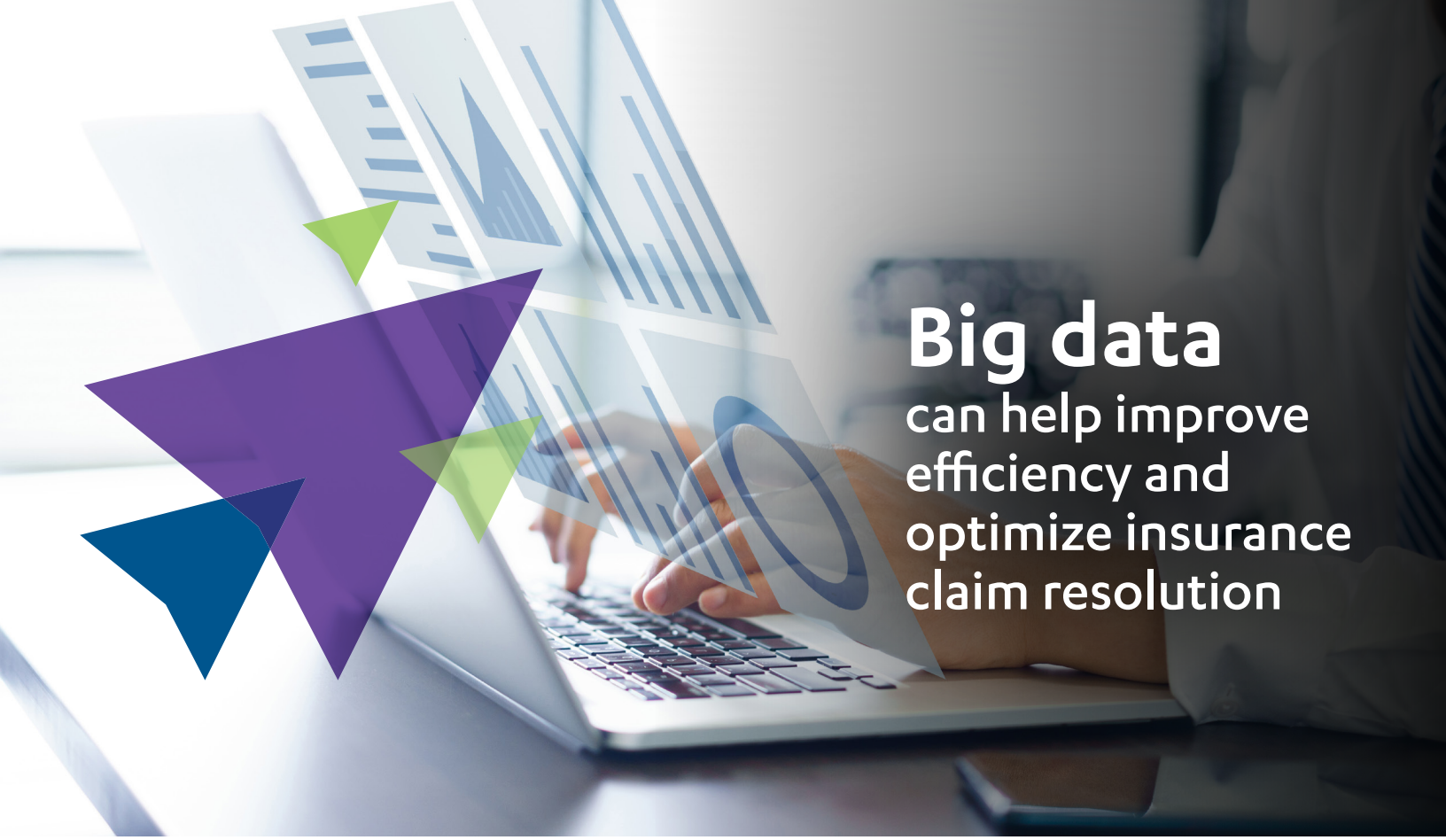

Big data
can help improve efficiency and optimize insurance claim resolution

Key takeaways

- Claims processes are **not currently leveraging data to maximize savings and efficiency.**
- Manually managing data is **costly and inefficient.**
- Using big data can **reduce claim processing expenses by up to 30%.**
- Big data can help **reduce fraud and find opportunities for settlement and subrogation.**
- Big data can help **create and keep happy customers.**

The insurance claims landscape is undergoing a shift driven by data analytics. By embracing tools like claims administration software, claims administrators are modernizing their processes and enhancing efficiency, accuracy, and customer satisfaction. By embracing big data, auto insurance claims managers are undergoing a pivotal evolution in the insurance industry.

The use of of historical and current data, along with tools to process and analyze that data, can make claims handling faster, enhancing communication, and replaces spreadsheets with effective productivity tools. Traditional methods mean manually sifting through vast amounts of data, including hand-written notes, fraud lists, and other sources. It's easy for those involved in the claims process to miss important information.

Big data and the analytical tools it offers have become essential to insurance claims processing for many reasons. Predictive analytics can put headlights on fraud, and other analytics highlight opportunities for subrogation, faster claims settlement, easier loss reserve calculations, and insight into potential claims litigation. In this article, we discuss the challenges of traditional claims administration, examine the role of big data in transforming the industry, review some real-world examples, and consider what's next in insurance claims administration technology.

technology efficiency improve optimize advance automate enhance accuracy speed and maximize productivity

Traditional Claims Administration Challenges

Claims management is complex, no matter how you slice it. Multiple parties and steps are involved, and any misstep or obstruction at any point can affect results. Traditionally, lengthy processes were the norm, significantly impacting customer satisfaction. Because of this, difficulties arose throughout the claims workflow.

From first notice of loss to resolution, claims involve vast amounts of information. Manual processing slows down the process with inefficiencies and inaccuracies, and errors can be amplified as information is transmitted between the claimant, adjuster, insurance company, and attorneys.

Traditional methods make transparency difficult in an era when claimants expect quick, seamless claims processing. Today's insurance customer wants an easy to understand and a clear view of the claims management process. Insights from data analytics can help meet those expectations.

claims automate digital options capabilities specialized insight and potential

Big data can transform claims administration

What's predictive modeling? It's the programmatic approach to analyzing historical data, including costs, claims, expenses, risks, and profits, and then pits those findings against new claims. This analysis exposes repeated patterns and judges the likelihood of fraud and other events. Predictive analytics has always been used in insurance, but now, technology helps to automate it.

With predictive analytics, insurers can identify high-cost claims quickly and assign these cases to an experienced adjuster while predicting settlement opportunities and other money-saving strategies. Administrative time and expenses are saved when low-cost claims are fast-tracked and closed quickly.

Predictive analytics provide a plethora of benefits:

- Lower claims indemnity through earlier intervention.
- Lower administrative expenses.
- A focus on early resolution reduces cycle times.
- With less volatility in claims development, more stable projections are possible.
- Visibility into claims data provides insight into factors that drive cost.

The advantages of data insights provided by predictive analytics don't end there. It also provides:

- A data-driven decision-making process that helps to optimize resources.
- Data that provides guidance and validation to refine claims management processes for the long term.
- Boosted confidence in data interpretation
- A granular level of analysis that reveals. changes in claims trends as they happen.

Big data
in the real world of insurance

Insurance companies have always had large amounts of data. What they lacked were the tools to efficiently store and effectively analyze it. Until recently, spreadsheets ruled the day, and an average user might have mentally crossed his/her fingers that the data was accurate and analyzed properly.

By digitizing decades' worth of data and integrating data streams, insurance companies are empowered with big data analytics capabilities. This enables analysis of historical information, extracting predictive insights, and seamlessly incorporating new data sources. This data can be leveraged for all aspects of the insurance business, from coverage to pricing to an improved, personalized customer experience, ultimately leading to superior outcomes for your valued customers.

For example, a top insurance carrier in the US began mining its historical data, enabling it to optimize resource deployment, and also to pinpoint customers who were most likely to leave, allowing them to proactively reach out. Today, they also use analytics to uncover claims that are likely fraudulent.

A glimpse into the future
and best practices

What was once emerging technology is now commonplace. For insurance claims, this technology provides not only new sources of data but new ways to use it.

- IoT (the Internet of Things) connected devices can improve both customer satisfaction and claims management by providing data in real-time. For example, if a customer has a connected car and gets into an accident, the vehicle sensors detect a collision has occurred, and the system automatically notifies the insurance company.

For claims, this speeds resolution by automatically reporting a collision and the extent of the damage in that event. One study in 2017 said IoT devices can lead to as much as 30% lower claims processing costs.

- AI (artificial intelligence) helps the claims process by ferreting out evidence of fraud and using historical data models to process claims.

- ML (machine learning) is a type of AI. ML algorithms use data to detect and learn patterns and relationships between variable input and targeted output. It can then be used for predictive analysis, modeling and automate repetitive tasks.

Integrating big data into insurance claims administration

Integrating big data into your insurance claims administration can provide: reduced costs, greater efficiency, and happier customers. It can also be a great engine for growth, allowing you to scale your company with confidence.

To successfully integrate big data and profit from data insights, it's advisable to develop an integration strategy of best practices that includes:

- **Make sure you have high-quality data.** This means finding and correcting any errors, including missing, incomplete, or duplicate data. Then, make sure your data meets predefined rules, such as regulatory requirements.
- **Beef up cybersecurity.** Data should be encrypted, and access controls must be put in place so only those authorized can access it. Implement secure data transfer protocols such as HTTPS, FTPS, and SFTP to ensure data is transmitted securely and protected from unauthorized access.
- **Make sure your technology solution is scalable.** You want your integration process to seamlessly handle large volumes of data.
- **Implement data governance.** You want to make sure of your data's availability, usablility, and security. Create a data catalog with metadata. Assign data management responsibilities to a person or team to make sure your data is well-managed and has the ability to to quickly and efficiently provide solutions to a any issues that arise.

integration administration efficiency
growth scale strategy high-quality security
protected seamless governance

Big data: avoid cumbersome claims processes

Implemented and used properly, big data analytics can revolutionize the claims administration process through efficient automation, predictive analytics, fraud detection, and speedy resolution that saves you money and makes satisfied customers (almost 40% will switch carriers) if your responsiveness isn't up to their standards.

Ready for a real digital transformation that provides amazing data insights? Entegral is a software platform that streamlines the automotive claims process, creating a collaborative environment between insurers, repair shops, vehicle manufacturers, and other industry professionals. We make data accessible, useable and provide the fuel for a stellar customer experience.

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