



Special report: Top 5 ways process
and content management helps
insurers increase profitability

Differentiating Your Customer Service with Document Composition & Output Management (DCOM)

Insurers are facing some of the biggest challenges in the history of the industry. With the entrance of new competitors, increased customer expectations and a mounting list of regulatory requirements, it's more difficult than ever before for organizations to grow their business, increase profitability and maintain a competitive edge.

Add the influx of an unprecedented amount of information in an increasingly diverse range of formats, and it's even more challenging for insurers to keep pace. Much of this content is unstructured, and requires extensive paperwork and manual tasks to process. And in most insurance organizations, information is not maintained in a central location, but across disparate systems. If an insurer has been through a merger or acquisition, this increases the number of data siloes spread across the organization. Also, many insurers are dealing with legacy systems that have outdated functionality and are increasingly difficult to manage.

Finding information quickly in response to a request—such as providing a quote to a prospective customer or processing a claim for an existing one—is paramount, yet almost impossible when the required information is difficult to locate. If a prospect or client doesn't get the fast service and quick answers that this 'age of now' demands, they will likely take their business elsewhere, and spread the word about their bad experience via social media. In a business where reputation is everything, this can be just as damaging to an insurer as a lost client.

Insurance organizations are also dealing with ever more complex industry and government regulations. From the requirements of Sarbanes-Oxley for publicly traded companies in the U.S., to the rigorous standards of RMORSA, to Solvency II in Europe and other insurance mandates, it is increasingly challenging and expensive to manage and track content throughout its lifecycle in a compliant manner. Failure to do so can lead to additional costs due to fines and prosecution as well as a serious reputational risk.

To compete in this fast-paced and challenging environment, insurers need to find ways to lower operating costs and increase efficiencies, including simplifying and speeding up processes and eliminating manual tasks so that staff can focus on more value-added priorities. Organizations also need to be able to react quickly to changing market and business conditions. But when managing resources and workflows across multiple locations, national borders and time zones, this is easier said than done.

So what can insurance organizations do to address these challenges, establish a competitive edge and increase profitability? In this whitepaper, we'll explore how process and content management solutions, such as those from Lexmark, can help.

1. Enhance the customer experience and retain policyholders

Now more than ever before, people know what they want and expect it to be delivered immediately. The rise of this "right now" mentality is not just seen at drive-through lines and with consumer shopping, but has also made its way into the insurance industry. From the moment they first interact with online 'quote builders' that deliver instant estimates and comparisons alongside competitors' rates, potential customers expect insurance providers to deliver fast, comprehensive and useful information—whether over thephone, at their laptop or via their tablet or smartphone.



According to Barry Rabkin, principal analyst with London-based firm Ovum, "Customer experiences are becoming the basis of competition in the insurance industry and companies need to encompass customer needs, expectations, and satisfaction into their customer experience management strategy."¹

The problem is many insurance providers can't meet such high standards because they don't have the required information at their fingertips, preventing them from obtaining a complete view of the customer. Data is often spread across several different applications or databases, and even if they can collect all the information, staff members struggle to collate and prioritize it. New content is often slow to get to the right person in the context they need it, making it hard to present up-to-date information to customers and prospects. The result? Only 30 percent of insurance clients report a positive experience, according to a recent CapGemini survey.²

This all changes with the introduction of a process and content management system. Such technology can capture information and make it immediately available to the right person at the right time using rules-based workflow, and without them leaving the insurance system they spend most of their day working in. It can also search for information across all systems of records, and intelligently prioritize the results before it gets to the user so they only see the most relevant content.

Another benefit of rules-based workflow is that if the first-line staff member is out of the office, the system will intelligently send content to a colleague with an equivalent skill set to process instead. An intuitive workflow designer also makes it easy to balance work load at peak times, such as after a hurricane for a property insurer.

Fast access to complete, current and targeted information means quicker responses to customer inquiries, increasing satisfaction and retention rates and decreasing the risk of customers taking their business to a competitor. Insurance companies that impress their customers can also cross-sell and upsell more easily and at a lower cost, such as convincing a car insurance policyholder to add a homeowners plan. And issuing additional policies is easier and more cost-effective when staff members have a complete view of the customer and all supporting documents.

Some customer-focused information may not even require staff intervention, but can be conveniently provided to policyholders via a secure portal on their laptop, smartphone, tablet or any other device for anywhere, anytime access. This fits with the trend identified by Forrester analyst Ellen Carney, who predicts that mobile commerce will grow 39% by 2016.³

Case study

Implementing Lexmark process and content management solutions helped Illinois Mutual Life Insurance Company speed turnaround time, increase productivity and reduce the time it takes to answer a policy request by 75 percent. Seamless integration with multiple proprietary applications gives employees who work in policy services, underwriting, sales and other departments instant access to supporting documents with single-click access. Instead of sending paperwork between departments, staff route documents to colleagues electronically, resulting in faster policy processing and reduced redundant effort. When customers call with questions, IMLIC employees instantly retrieve specific policy documents, eliminating callbacks and boosting customer satisfaction. Perceptive Content puts all the information we need to quickly answer inquiries at our fingertips," said Sue Steele, Assistant Vice President of Policy Service at Illinois Mutual. "The result is increased customer satisfaction."

1. Barry Rabkin, Ovum, quoted by Anthony O'Donnell, "Beyond Price: Reaching, Engaging and Retaining Insurance Customers," Insurance & Technology, February 14, 2013, available online at <http://www.insurancetech.com/businessintelligence/beyond-price-reaching-engaging-and-retai/240148545>

2. "CapGemini Customer Experience Index (CEI)," CapGemini and Efma, World Insurance Report 2013.

3. Ellen Carney, "The Future of Insurance is Mobile," Forrester, September 28, 2012.



2. Improve efficiencies and reduce costs

Unfortunately, many tasks at the typical insurance company still require manual effort—from scanning and indexing applications, to creating standardized customer correspondence, to calling other departments to ask for a claimant's file. According to AIIM, 70 percent of insurance companies have no claims automation in place, leaving their staff members with the burden of paper-heavy processes. Such duties are not only slow and tedious, but prevent resources from leveraging their expertise for more value-added tasks that can help the organization gain new clients and keep existing ones. In addition, non-automated processes take longer to complete, delaying customer service and the revenue cycle while increasing the labor costs of each transaction.

Case study

A leading insurer turned to process and content management to better meet the documentation requirements of issuing and supporting more than 600,000 new policies each year. Previously, it took a labor-intensive, manual process to collate standardized content each time they issued a policy. Now, data is automatically pulled together from multiple sources. Instead of each policy unit creating its own documentation, the process and content is centralized, creating a new level of efficiency. A web-based client enables users to generate the content they need—such as claims and quotes—on the go. And thanks to tight integration with the insurance system's browser-based client, they can do so without opening new screens. Designing a new document is made simple by a Microsoft Word-integrated drag-and-drop tool and content is reusable, eliminating redundant effort.

With process and content management, most manual, routine tasks are eliminated, enabling staff members to be more efficient and effective. In addition, powerful process-focused features make it easy to identify and remove bottlenecks and redundant steps that have been holding the business back from achieving its full potential. And the material costs of manual and paper-driven processes, such as the paper itself and associated office supplies, postage and content storage, are significantly reduced by introducing a process and content management suite. Such technology helps address what a 2013 Gartner study found to be the second most important concern for insurance executives—cutting enterprise costs.⁴

Powerful business insight and process mining tools make it easier than ever before to see what's going right, what's going wrong and how to hone and refine each step of every workflow. It's also now possible to see how people, processes and content really interact, rather than relying on long-held assumptions. And with rich graphical modeling and predictive analysis tools, managers can see how their new processes will perform in a data-driven virtual environment, removing the guesswork from process improvement. If something doesn't go as planned, it's simple to make adjustments on the fly. Simpler, more streamlined processes mean faster, smarter and more cost-effective policy issuance, case and claims management.

4. "Market Trends: Vertical Industries, Western Europe," 2013, Gartner, 2 May 2013.



3. Mitigate risk and improve compliance

Mitigating risk due to fraud or non-compliance is another key concern for insurance organizations and one that is also tied to cost reduction.

According to the Coalition Against Insurance Fraud, insurers lose \$80 billion annually to fraud.⁵ One of the ways that companies can cut their exposure is by applying process and content management to the application/quote and claims processes. With this technology, underwriters can gather a complete history of the applicant and the property, car or other entity that they wish to insure, capturing all incoming information and collating it for immediate review. This complete view can help insurers identify potentially fraudulent activity and decide not to issue a quote or policy or pay a claim to certain individuals based on the risk assessment, limiting exposure.

Process and content management can also provide enterprise-wide search capabilities that locate documents across systems—including repositories, SharePoint sites, email systems, network shares, databases and social media—to identify potentially fraudulent patterns across all divisions and prevent future incidents.

Process and content management can prove beneficial in other risk management strategies, such as regulatory compliance and audits. When an insurance company is required to complete an audit or submit policyholder information as part of a legal process, a mad scramble often ensues. It can take significant manual effort to look for, retrieve and organize pertinent data, pulling team members away from their core business activities they can ill afford to ignore. Information is typically housed in multiple applications and platforms, and some may still be paper-based. This makes it very difficult to provide auditors or a court with the current and complete data requested. Failure to satisfy such requirements can lead to fines and other repercussions.

Advanced search capabilities enable users to retrieve information from a central content repository without redundant effort. As content is captured the moment the organization receives or generates it, search results show a real-time snapshot of even the most recent documents. This makes internal and external audits straightforward, and reduces staff involvement. In some cases, auditors can be given temporary access privileges to find the content they wish to review, or sample documents can be routed to an auditor's workflow queue using business logic.

The ability to conduct a single, intelligent search that pulls data from multiple applications also simplifies legal proceedings. And intuitive search tools can "learn" to identify patterns that pinpoint and alert claims processors to potentially fraudulent claims, helping insurance companies prevent loss from paying such claims.

Another way that process and content management helps mitigate compliance risk is by empowering the organization to manage policyholder files and other content throughout its lifecycle in accordance with the company's retention policy. Each content item has a complete audit trail, so internal and external auditors can see that customer and financial information moves through defined, repeatable channels.⁶ Content is only purged after it is no longer legally required for the business to retain it, so there are no penalties for deleting information that could be required during an audit or legal action.

4. Increase competitive differentiation

As the marketplace for most insurance lines of business becomes increasingly saturated and a greater number of competitors drive down premiums across the board, insurance organizations must find other ways to differentiate themselves.

Process and content management can help in several different ways.

5. "How big is \$80 billion?", Coalition Against Insurance Fraud, available online at <http://www.insurancefraud.org/80-billion.htm#Ujyz-NlgeAg>

6. "The Insurance Industry in 2013," PwC

First, capturing information at the point of receipt is automated. The entire contentspectrum—from faxes to forms to digital media files—is digitized and made readily available to the people who need it, at the relevant point in their daily processes. The tie between this advanced capture and streamlined, automated process management makes it quicker and easier than ever before to provide a quote, issue a policy, review a claim and pay a claimant. Insurance companies achieve significant time savings by eliminating manual indexing, and the associated errors and re-work that can result. Enhanced document handling not only creates a good impression with prospective customers and keeps existing policyholders happy, but also reduces the cost of each transaction.

Case study

Consistently recognized as an industry leader and award-winner, Ageas Insurance Limited insures approximately seven million customers in the U.K., and is one of the country's largest insurers. With more than 5,000 pieces of incoming mail per week and 450 employees handling more than 60,000 claims, the claims department at Ageas was inundated with slow, manual paper processes. Implementing Lexmark solutions has enabled Ageas to efficiently capture claims and other policyrelated content and send it through a fast, paperless claims management process. "Team leaders used to do a lot of overtime manually sorting paper but no longer need to because the automated claims process does this for them," said Roger Walters, e-Business Manager at Ageas. "Now they have more time to do team leading."

In addition to helping boost margins and improve document handling, process and content management can help an organization retain its most important resource – its employees. When staff members spend much of their day chasing paperwork and performing repetitive, menial tasks that don't enable them to use their skills, they're often dissatisfied. This leads to high turnover, more early retirement and the loss of years of cumulative experience that is difficult and costly to replace. Then there's the fact that incoming replacements may lack comparable experience and require training, delaying their ability to contribute and provide a fast, informed service.

When an organization eliminates manual tasks with process and content management, resources are able to apply their knowledge and expertise in ways that benefit the business. Their job satisfaction goes up and employee turnover goes down. This has the 'win-win-win' benefit of maintaining expertise, preventing the loss of quality staff to competitors and minimizing hiring and training costs—all of which helps the organization gain and maintain a competitive edge. The knowledge of experienced employees can also be 'baked' into processes, so that if they do leave or retire, their valuable expertise is retained.

A further process and content management feature that enhances staff retention, and even recruiting, is mobility. An executive at New York Life recently told Baseline Magazine that offering on-the-go features to field agents and other staff members was crucial to attracting and keeping top talent and that "If we didn't have more technology available to them, it would be a detractor."⁷ Process and content management technology enables users to not only retrieve, view and route policyholder information while in a remote location, but to also capture content (such as video or photos of property or flood damage, or a car accident) from any location, trigger the next stage in a workflow or approve a document.

7. Sue Ericksen, senior vice president and CIO of New York Life, quoted by Bob Violino, Baseline Magazine, October 17, 2010, available online at <http://www.baselinemag.com/industries/finance/technology-drives-insurance-industry-growth>



5. Boost business agility

Another way that process and content management can help organizations get and stay ahead is by providing a new level of agility, which a recent Insurance Networking News article defined as the "ability to design and implement changes to systems rapidly at low cost and risk."⁸ Whether an insurer acquires another company, opens new offices in another city or country or moves into a new line of business, change is a constant challenge. Typically, it has been difficult for companies to take the time to adjust, because they're so busy trying to keep pace with customer needs and have limited business intelligence about how their processes truly work. Traditional workflow optimization required a time-consuming analysis that often missed the mark, as it failed to provide a 'deep dive' into organizations' content and processes.

All that changes with process and content management. Now, unexpected challenges and variable market conditions don't have to be disruptive and can actually spur positive advancement, as it's easy to see how content flows through the organization, who it touches and how their interactions contribute to processes. Once an organization understands what it does and can see content moving in a graphical way (similar to how cities view traffic patterns), it can more easily and quickly adapt, removing bottlenecks and changing responsibilities as needed. Real-time analytics and customizable reporting features, a drag-and-drop workflow designer, visually rich dashboards and other intuitive tools make it easy to make informed changes on the fly that help an insurer better manage what's now and what's next.

In addition, process and content management can help further improve agility by uniting the information that has been previously stored in disparate line of business applications and legacy systems. Seamless integration pulls all of this siloed data together, providing pertinent, accurate and thorough information in seconds via single-click access. An insurance organization can quickly gather all the information it needs to move forward, without diverting valuable time to frustrating, redundant search efforts.

Summary

To drive profits in today's challenging environment, insurers need to improve responsiveness to prospects and customers, increase efficiencies and mitigate risk to lower costs while also finding ways to enhance competitive differentiation and business agility. Process and content management solutions can go a long way to checking each of these boxes by providing a complete, 360-degree view of each customer with singleclick access to information.

This technology replaces slow and cumbersome paper-based tasks with faster, automated processes, so insurers can significantly reduce material/labor costs and increase both customer and employee satisfaction. And by automating workflows and practices, insurers are able to react more quickly to changing market and business conditions.

These solutions increase visibility and insight into how people, processes and content interact, enabling insurance organizations to eliminate bottlenecks and achieve higher levels of efficiency. Insurers can also limit their exposure to regulatory penalties by managing content in accordance with defined retention policies, and can use analytics and intelligent search features to detect and pinpoint potential fraud.

With process and content management solutions, insurance organizations are better able to handle the challenges of today and take advantage of the opportunities of tomorrow.

To learn more about Lexmark process and content management solutions for the insurance industry, visit <http://www.lexmark.com/insurance>

