Intelligent Claims Processing for

P&C Insurance

Obstacles in P&C Claims Processing

Insurers seek to enable more efficient and customer experience-centric claims processing across the claims value chain. Claims adjudication in the property and casualty (P&C) industry continues to be complex, maneuvering through complex workflow and dependence on manual interventions. As P&C claims rise in frequency and severity, each claim generates an ocean of content in the form of audio, video, and image files. Claims adjudication heavily depends on manual intervention; hence, reviewing the evidence for verification takes a lot of time and delays the settlement.

Insurance providers face several hiccups in the claims journey from First Notice of Loss (FNOL) and intake to settlement. As customer demands increase and P&C insurers look for greater value, the case for automating insurance processes gets stronger. Research survey data shows that 78% of customers expect personalized services and 40% express dissatisfaction with claim processing times.

Several problem areas lead to gaps in delivery and high churn rates. The challenges related to different functions are:

Intake
- Paper-heavy processes with limited document inference capabilities
- Excessive attachments across media types

Verification
- No single source of truth for customer and policy information
- Inconsistent media formats for inputs, causing challenges in verification

Adjudication
- A lack of straight-through processing capacity due to product/policy complexity
- Inability to view policies and riders, resulting in a lack of transparency

Settlement
- Manual settlements and reconciliation due to claims bundling

Imperatives for a Digital Overhaul – Value of Fixing Claims Process

Leveraging artificial intelligence to analyze the inputs submitted for a claim can empower them with insights that accelerate claims evaluation. Digital transformation has become a pressing need to enable the following:

- *Streamline the adjudication* process and reduce administrative costs

- *AI-driven fraud detection, risk assessment,* and complexity-based claims triaging

- Improving the overall *customer experience* by bridging the gap in customer expectations and service delivery

- *Minimize churn rate* by elevating claims journey. Research shows as many as 50% of dissatisfied customers switch to a different insurance provider

- *Claims loss ratio* – Digitization helps curb the losses an insurer incurs due to paid claims as a percentage of premiums earned through simplified verification and lowered instances of fraud. Industry data shows fraud accounts for 5-10% of all claims costs in the insurance industry

- *Allocated loss adjustment expense* – The costs attributed to processing a specific insurance claim are optimized due to a reduction in manual/paper-based adjudication and increased straight-through processing. Administrative costs per policy for P&C insurers in the US have increased by 34% over the past decade

Newgen's Intelligent Claims Processing Solution for P&C Insurers

With the power of AI, Newgen's *P&C Claims Management* solution helps insurers automate complex workflows by seamlessly integrating sub-functions and the underlying core systems. The low-code-based solution helps insurers access claims information and documents in a centralized repository and manage various documents, such as PDFs, videos, audio, pictures, etc., in a digital folder. The solution extracts relevant information from documents, such as police reports, medical records, and witness statements. Natural Language Processing algorithms analyze unstructured data to identify key insights and patterns, assisting claims adjusters. *Guided incident reporting is supported by an AI-driven interface* to systematically collect essential information following vehicle damage, ensuring accurate data collection.

A unified content management platform allows users to view, manage, and share content efficiently among claims adjusters and third parties. Claim processing for different complexities is streamlined, as users can automate processes for standard claims and build/triage rules to escalate complex claims. Moreover, insurers will be able to integrate seamlessly with third-party systems, such as Guidewire, Duck Creek, and other PAS using the solution.

Analytics-driven fraud identification, risk assessment, and prevention processes will help optimize claims disbursements. Digital auto repair estimation, IoT data from the Telematics Platform, and an AI Model for Digital Assessment Suitability facilitate automated claim adjudication. The solution's damage Image Recognition and Digital Damage Assessment components help streamline the repair and replacement process.

Claims Workbench enables users to assess unique losses, check policy exclusions, and investigate unusual circumstances. It uses *generative AI (GenAI) to analyze* supporting documents quickly, with shared editing and annotations. A unified interface provides all relevant information (policy details, loss assessments, communication records) and offers decision-support tools facilitating collaboration. Newgen's platform brings together *auto-classification of claims* based on complexity, authority matrix, automated fraud detection, intelligent case management, and omnichannel claim tracking.

AI models analyze historical claims data and external sources to predict the likelihood of litigation. It identifies patterns and risk factors associated with litigated claims, enabling insurers to allocate resources and develop targeted litigation strategies proactively. AI-driven analytics assist in identifying precedents, assessing legal risks, and developing effective litigation strategies tailored to each claim.

Predictive analytics models to assess the potential outcomes of mediation or arbitration and guide decision-making regarding settlement offers. *ML models learn from historical settlement outcomes and adjust negotiation tactics in real time* to maximize favorable outcomes while minimizing costs and risks for the insurer.

Success Story: A US-based Fortune 500 insurer modernized its claims processing for litigated claims

Pain Points

A complex and prolonged claims handling process delayed litigation response for one of the largest publicly traded P&C insurers in the United States. The bulky claims database, lack of centralized document management, and paper-based interactions slowed the company's operations. The challenges were compounded by thousands of physical pages and electronic documents processed per day, highly sensitive information, separate working copies, and cumbersome management of physical files and folders, resulting in a delay in litigation response with no tracking.

The insurer wanted to digitize claims across North American offices to improve efficiency. It tried to collaborate with a proficient technology provider and strategic advisor to enhance document retrieval, cut infrastructure expenses, and achieve seamless collaboration across teams and lines of business.

The Road to Transformation

Newgen assessed the operations, developed a strategic roadmap, and implemented its contextual content services (ECM) platform, which is built on low code.

The customer evaluated in-house and commercial off-the-shelf (COTS) products based on approximately 150 criteria, including technology, business fit, performance, security, and cost. Newgen solution delivered digitized processing, electronic bookmarks, notes & advanced annotations, and more than 30 levels of nested folder structure for contextual taxonomy. The automation of the process enabled work management, internal and external sharing/collaboration, tracking, alarms, and reminders. The platform provided security control with public, restricted, and private access. Based on the assessment, comprehensive nationwide rollout and training for over 350 business users across 10+ locations were conducted.

Pilot and Cloud Architecture Development

Successfully created a secure VPN tunnel to the cloud, implemented outbound email confirmation, enabled single sign-on, and integrated feeds between on-premise and cloud systems, requiring coordination across two lines of business and approximately 15 groups.

Configuration and UAT

Accomplished the configuration and user acceptance testing of basic and advanced security features, basic and advanced business requirements, outlook integration, and OCR conversion. This included three production releases within a timeframe of 11 months.

Value Delivered

The implementation enabled quick and efficient document retrieval, expanded workforce flexibility, and established group-specific digital document security protocols. The complex content-centric process was simplified with multiple views of documents, files, and folders, mimicking the physical world experience. The insurer enhanced employee satisfaction and adaptability to modern work arrangements and mitigated potential risks associated with paper documents. A unified user interface delivered efficient document search and easy sharing with a legal team with group-specific digital security.

Digitized documents
20 million pages

Enhanced First-time
Accuracy **10%**

Reduced Turnaround
Time **35%**

Improved User
Efficiency **30%**

Why

Newgen brings over 30 years of experience, serving customers across industries in 74 countries. Our platform, NewgenONE, is a market-leading Document Management and Workflow Automation suite of products that enable organizations to deliver value by automating, managing, and optimizing their content-heavy and complex business processes. External research also suggests that we have the highest competitive rating (across capability dimensions), and our customers achieve significant ROI with Newgen.

We are deep in Insurance, with a portfolio spanning P&C, Life, Specialty, and Health. We have deployed our platform effectively across the Insurance Value Chain and have successfully implemented our horizontal (Enterprise Content Management, Customer Communications Management) and vertical solutions (New Business, Distribution, Underwriting, Policy Servicing/ Administration, and Claims) in the insurance subsectors.

We are also functionally deep (with AI-led vertical solutions) within Underwriting and Claims. The platform comes with pre-built third-party integrations, both horizontal (e.g., Salesforce, Workday, MS Dynamics, SAP, and Oracle, to name a few) and vertical (Guidewire on-premise and cloud PolicyCenter, ClaimCenter, Duck Creek, and other PAS).

Key Analyst Recognitions:

▶ *Featured In*
   Market Guide for U.S. Healthcare Payers' Provider Network Management Applications

▶ *Leader* in The Forrester Wave™: Content Platforms, Q1 2023
   Strong Performer in Forrester Wave™: Robotic Process Automation, Q1 2023 Report

▶ *Strong Performer* in Gartner peer insights ™ Customers' choice for Content Services Platforms, 2
   Niche Player in Magic Quadrant for Enterprise Low-Code Application Platforms, 2023

▶ A Business Automation *"Leader"* in the 2023 Aspire Leaderboard for CCM

▶ *Leader* in Enterprise G2 Grid®: ECM Software for Enterprise Businesses
   Leader in Enterprise G2 Grid®: BPM Software for Enterprise Businesses

About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, communication management, and AI/ML capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries, Newgen unlocks simple with speed and agility.

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