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# Breaking the Norms of Claims Processing



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Creating and maintaining a competitive advantage in the commoditized world of insurance is a continuous pursuit. From underwriting and policy administration to claims, the smoother the process, the greater the competitive advantage an insurance carrier has. However, breaking the norms of today's claims departments is easier said than done.

## What's Driving Today's Claims Processes?

Customers and agents demand an intuitive, self-directed, rapid response claims process that can be accessed from any type of device. They want to be in control of their claims process with no exceptions or hassles from human interaction that could potentially cause delays.

However, many factors hold companies back from meeting client expectations such as outdated systems of record, soiled data, and a fear that automating incoming content (emails, faxes, photos, paper) will be disruptive and costly. Claims and IT executives alike struggle with how to offer the best claims processing system while avoiding risk, expense, multi-year projects and marginal improvement.

### Efficiency & Reduced Costs

The claims process is notoriously inefficient and extensive.

A recent study found that large insurance carriers spend approximately 80% of premiums on paying and processing claims [1]. By taking steps to reduce the claims process time, carriers can apply more effort towards helping customers.

Improving efficiency will greatly increase agent satisfaction. When agents deliver fast claims processing to clients by spending less time dealing with the claims process, they are more likely to be satisfied with their carrier. This yields major rewards for carriers. A survey conducted by an independent third party found that 77% of agents intend to increase their business with carriers they are "highly satisfied" with [2]. This means greater revenue and overall market share.

### Trust

Excellent customer service is the primary way insurers set themselves apart from competitors. Customers expect quick and accurate services when submitting a claim. By settling claims faster, insurance companies increase the fairness of this process and improve their own reputation. Building the provider-customer relationship on a foundation of trust is essential for creating brand loyalty and retaining customers.

### Less Human Interaction

Customers and agents place a high value on time. They prefer not to spend hours on the phone or in person interacting with a claims worker. Paper-based processing and disparate systems make information exchange slow and inaccurate, increasing the amount of time spent providing additional information and giving the same information to multiple people. Most customers and agents prefer to handle the entire claims process online, however this is a challenge for many insurance carriers working with limited capabilities.

## What's Holding You Back?

Although modern digital systems of record (SOR) and other processing tools considerably help the claims process, many are not equipped with the necessary functions to properly manage and process the content associated with a claim. Efficiently inputting content and processing exceptions in the claims systems of record are major pain points.

### Claims Intake

Content arrives from many different devices, in many different file formats, and from many different locations within a carrier. An insurance carrier's inability to efficiently process this incoming content creates exceptions and the need for human intervention which increases the risk of delays and errors.

Carriers need to consider one central intake or capture location for all incoming content. Many vendors provide capture solutions that "capture" incoming content and "read" the metadata critical to efficiently process the content. Business rules are typically applied to such metadata, automating how content is assigned, prioritized and processed.

Content is often "lost" simply because it was placed in the wrong claim or delayed in processing. This causes the infamous tragic path of the angry customer and/or agent stating that they submitted the content and the claims adjuster and/or customer service agent stating they did not receive it. A centralized capture capability identifies trailing documents and assigns them to the right claim adjuster or claim case and more importantly, eliminates lost or missing documents.

### Unpredictable Claims

Predictable processes use automated business rules to process a claim with no human interaction. This is a linear process, also referred to as straight through processing.



While predictable processing can be an effective way to process a claim, today's insurance company must be able to accommodate both predictable and unpredictable processes. The content of a claim determines the actions needed to complete it. Straight through processing uses the same predictable process for every claim regardless of the details and if it demands a different process. The claim adjuster cannot change the predictable process.

This is one of the most fundamental issues faced by insurance carriers dealing with complex or unpredictable claims. To process an unpredictable claim the adjuster first reviews the content then decides what the best process will be. This process is not predetermined by a predictable workflow so it changes from claim to claim. Even though the incidents and characteristics of claims may be similar, the exact activities and decisions made by the claims adjuster varies.

### Too Many Interfaces

Workers often use multiple tools to access data through a number of different sources. When claims adjusters jump from application to application, they spend more time searching for the information they need, rather than completing the actual task. And when they do not find it they must re-create the information causing reduced productivity, increased risk of errors, unnecessary documents and customer re-touches.

## Breaking the Norm

Content is at the heart of any claim, and workers need an effective means of managing, searching, sharing and organizing that information. Today's SOR tend to lack the complete functionality to do just that.

Next generation claims processing branched out to integrate the latest in intelligent automation technology with claims management systems and content management solutions. By seamlessly integrating this technology with existing systems of record, claims departments can take advantage of automated intake, content assignment to the right claim and claims adjuster, work prioritization, and fast exception processes. This automates both predictable and unpredictable claims faster and more efficiently. With extensions to manage content within your current claims systems of record such as Guidewire, carriers overcome their primary business pain challenges – efficiently inputting content into their systems of record.

## Pyramid eXpeditor for Claims Processing

Pyramid eXpeditor for Claims Processing enables insurance carriers to deliver fast, efficient claim settlements. By integrating and extending the capabilities of popular SORs like Guidewire, ClaimCenter, PolicyCenter, and BillingCenter, Pyramid eXpeditor for Claims Processing seamlessly transforms the systems you already use into more powerful tools to manage, analyze, and collaborate on documents and tasks — reducing the time to process a claim by 30% or more.

### Integrate with Systems of Records:

To take advantage of new functions, insurance professionals do not need to abandon their SOR. Pyramid eXpeditor for Claims Processing tools integrate seamlessly with 3rd party systems of record, giving workers the ability to manage all case information from a single interface. This

allows organizations to continue using the tools they know, while taking advantage of advanced content management.

### Document Split & Merge:

Customers generate large volumes of content that contain many different “process” documents. For example, your employee receives a correspondence document that is typically 200 pages, but all they really need is the Demand Note, not the whole file. Traditionally to get just the Demand Note, an employee had to print off the complete document then scan the Demand Note back into the system as a separate document.

With Pyramid eXpeditor's split and merge capability, workers can pull small pieces out of a document directly on their desktops without jeopardizing the integrity of the original document. Other documents like estimates, letters and bills can be split and delivered to the individuals responsible for supporting the claim rep for accurate and quick resolution of the claim. Additionally, when multiple images are received for an accident, they can be combined into a single document for review.

The split and merge capability allows people in the claims process to receive and focus only on the documents critical to their tasks.

### Visual Tagging:

Tagging is when a claims adjuster adds a tag to the document in the form of text. The problem with ad-hoc text tags is that there are no guidelines for employees to follow, leading to inconsistent tags that are not useful to the entire enterprise.

Pyramid eXpeditor for Claims Processing identifies an “administrator” to manage the list of approved tags that can be applied to any document. Leveraging a graphic icon,

Pyramid eXpeditor allows users to quickly identify tags that are important to them with a simple glance. A managed list of tags allows all to share a common set of identifications increasing collaboration, improving access to critical information, and creating a method for the enterprise.

**Document Bookmarking:**

A claims representative pours through a number of police reports, incident photos, customer files and history documents to assess the proper payment for any individual claim payout. Some of these documents can be up to 100 pages. Claims representatives can now “bookmark” key pages in a document and include a short description that links directly to the referenced page. This means that after initial document reviews, a claim representative can open the document and quickly see exactly where to focus within the document and why. This dramatically increases the efficiency of the compliance by eliminating unnecessary reviews.



**Context – Based Searching:**

Traditional searching only yields results that have been explicitly indexed based on the metadata associated with the document or folder. This is troublesome when there is a need to find documents based on context and function.

Claims departments can now perform searches based on the characteristics of a document and how it was used. A claims representative can now search and find all documents related to a particular customer based on their policy, even when the policy number was not applied or indexed on the document. This helps users see relationships between documents.

**Consequences of Breaking the Claims Norm**

**Greater Insight**

Claims departments can now track and analyze the entire claims process. They can see all completed tasks, current activities and who is assigned to each responsibility. This enables managers to identify unknown bottlenecks or potential fraud, monitor the timeline for a payout, track progress and view notes amongst other things.

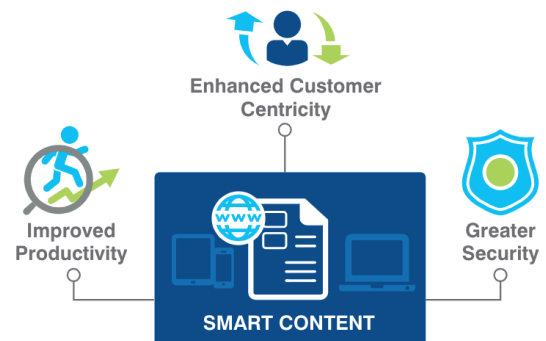
**Improved Collaboration**



By allowing users from across the organization to access documents and share information from a single interface, companies will see increased employee productivity and fewer errors, ultimately processing claims faster and with less hassle.

**Better Customer Service**

Proper claims processing tools significantly decrease the time it takes to reach payout, which is the ultimate goal for any provider. Customers rely on a quick turnaround when they need to replace a hole in the roof, repair a damaged car, or even rebuild their house after a fire. If they have this kind of experience, they will remain a loyal customer for years to come.



### **About Pyramid Solutions, Inc.**

Pyramid Solutions develops products and innovative solutions for organizations in a wide range of industries – from financial institutions and insurance providers to automotive suppliers and industrial automation companies. We primarily serve as an Intelligent Automation company that specializes in RPA, Business Process Management, Capture/OCR and Industrial Automation solutions including MES software and embedded software development. With more than 30 years of experience, we know a thing or two about automation.

References:

[1] <http://www.strategyand.pwc.com/global/home/what-we-think/reports-white-papers/article-display/cutting-cost-insurance-claims-taking>

[2] [http://www.roughnotes.com/rnmagazine/2010/june2010/2010\\_06p076.htm](http://www.roughnotes.com/rnmagazine/2010/june2010/2010_06p076.htm)

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