

Leading global auto insurer finds opportunities to cut expenses by \$12.5M and reduce loss leakage by \$2.5M through capacity enhancement and cycle-time reduction

Client

Leading insurance company

Industry

Auto insurance

Business need addressed

Reduce loss leakage and control expenses by improving capacity generation and reducing cycle time.

Genpact solution

- Realign the organization to streamline the end-to-end claims processing cycle time
- Automate activities to proactively manage the claims process
- Enhance the IVR system to improve the customer experience
- Establish a robust metric framework across the claims process, linked to business outcomes

Business impact

- Cash flow and liquidity
- Cost and margin pressure
- Standardization and simplification
- Customer satisfaction

The Australian division of a leading global auto insurer needed to reduce its claims processing cycle time and expenses by identifying leakage across the claims settlement process.

Business challenge

The Australia-based motor-insurance claims department of a leading global insurer was experiencing an unusually high cycle time of 112 days for claims processing. A lack of proactive claims management and poor communication had resulted in a high call volume, with 75% of calls related to queries about open claims. Additionally, incorrect liability decisions and recovery flagging, combined with an ineffective subrogation process, were causing loss leakage and internal delays.

The company needed to implement a streamlined process to improve claims processing cycle time and centralize administrative tasks, which would have a positive impact on both capacity generation and expense control. They also needed to establish a robust metric framework linked to business outcomes, and to make structural changes to enhance the customer experience.

Genpact approach

After performing a thorough root-cause analysis using Lean and Six Sigma principles, Genpact identified the following:

- The company's cycle time of 112 days was unacceptably high
- There was a low percentage of straight-through processing and an ineffective responsibility metric
- There was no proactive claims management or communication, leading to poor customer satisfaction and high call volume
- 75% of calls were related to queries on open claims
- Most of the loss leakage was due to incorrect liability decisions and recovery flagging
- The subrogation process was ineffective, with an average 14-day internal delay in submitting proof of loss for recovery

- Productivity was low due to a lack of defined roles and responsibilities
- There were 30+ opportunities for process improvement that would require little or no investment and no technology changes

Genpact solution

After identifying overall loss leakage and expenses of \$15M, Genpact offered an end-to-end solution incorporating capacity enhancement, cycle time reduction, and improved first-notice-of-loss accuracy. Changes would need to be implemented across multiple projects in the areas of organizational realignment, technology and IVR, and process and measurement.

Organizational Realignment:

- Reassign roles and responsibilities to improve productivity and streamline the end-to-end claims-processing cycle
- Consolidate the intake team and baseline the SLA to improve average handling time
- Decouple and centralize administrative tasks to fast-track claims processing and positively impact customer satisfaction

Technology and IVR Changes:

- Automate activities to proactively manage claims
- Make structural changes to the IVR system to correspond

with the organizational realignment and enhance the customer experience

- Introduce a self-service model to facilitate claims processing

Process and Measurement:

- Create a script of initial questions to be asked to capture accurate loss description for liability decision making and subrogation flagging
- Establish a robust metric framework across the claims process, linked to business outcomes
- Implement immediate process improvements in areas where no major investment or technology changes were required

Business impact

By implementing these changes across multiple projects, the company can realize the following impacts:

- Total business impact of approximately \$15M (\$2.5M loss leakage reduction; \$12.5M expense control)
- Reduction in end-to-end claims process cycle time by 12 days
- 20% improvement in capacity generation

About Genpact

Genpact Limited (NYSE: G) is a global leader in transforming and running business processes and operations. We help clients become more competitive by making their enterprises more intelligent: more adaptive, innovative, globally effective and connected. Genpact stands for Generating Impact for hundreds of clients including over 100 of the Fortune Global 500. We offer an unbiased combination of smarter processes, analytics and technology through our 60,000+ employees in 24 countries, with key management based in New York City. Behind Genpact's passion for process and operational excellence is the Lean and Six Sigma heritage of a former General Electric division that has served GE businesses for 15+ years.

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