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Point of view

Intelligent Automation in the Broking World

Author: Amit Kapoor

Let's Solve

Can Intelligent Automation Transform the Broking World?

The broking industry may be dynamic and nimble, but when it comes to adopting technologies, adopting automation, going paperless, there are more opportunities existing than exploited. The industry's very nature lends itself to Intelligent Automation, and since change is closely linked to progress and growth, players have begun adopting the many advantages of IA to gain and maintain a competitive edge.

From people to pop-ups

There are plenty of processes such as back office, HR, and finance, where IA can easily take over mundane and repetitive chores. Here simple to medium data entry and rule-based transactions can be automated using RPA, Advanced OCR, AI, NLP, ML etc. Basic queries and sales can be handled by chatbots.

Organizations are also experimenting with vendors to create open APIs, allowing them to integrate with plug-in applications thus creating efficiencies, effectiveness and a better customer experience. Thus, even if entire core platforms are difficult to change, there are ample opportunities for broking companies to embrace complementary technologies like end-to-end orchestration and chatbots/ virtual assistants to disrupt and improve the current broking process.

Currently, some key tasks/ functions that are being automated by IA include:

- Data Entry to various systems including web portals, desktop applications & legacy systems
- Data Extraction from various document formats such as word, excel, pdfs, images & emails
- Data retrieval and updates to various types of databases such as MS Access, SQL, Oracle etc.
- Interactions with web services and reading writing XMLs, JSON file formats
- Automation on thin clients as well as thick clients

Digitalization is the way forward

The impact of technology on the global broking market can be linked to adoption on the Underwriting side, since this is the starting point of insurance-related transactions. As outlined above, a key challenge here is repetitive and mundane administrative tasks such as invoicing, creating quotes, policy issuance,

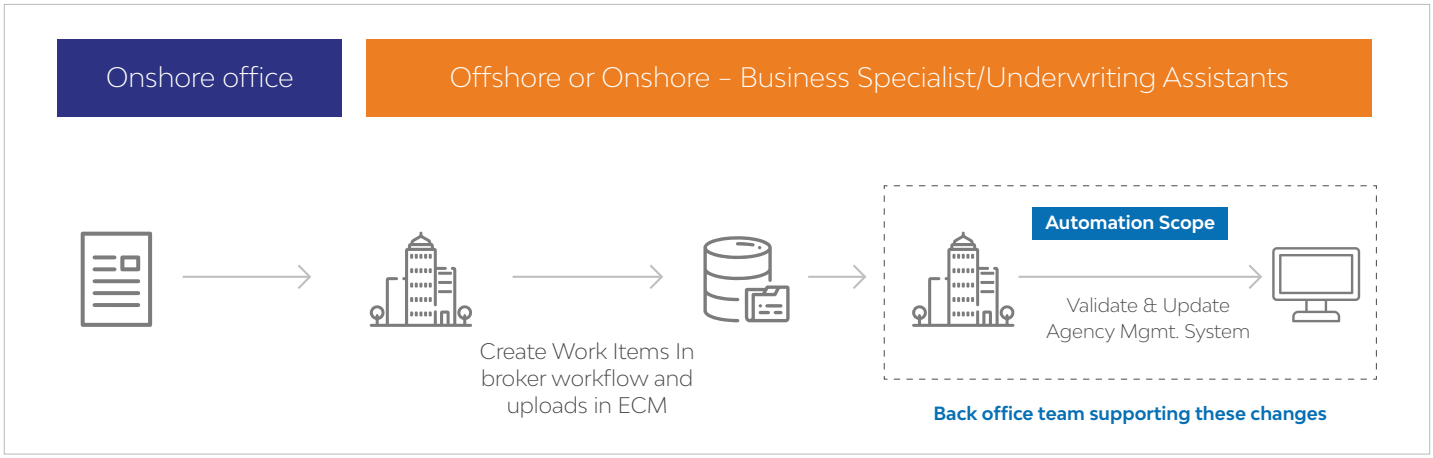
policy servicing, claims processing, underwriting, Bordereaux etc. These labor-intensive tasks take up a lot of time & effort, increase operational costs and lower efficiency levels, limiting overall growth pace.

Organizations are addressing this drawback by adopting RPA to improve efficiencies through plain surface automation, along with other technology levers such as Advanced OCR, NLP, ML. This frees the workforce from mundane tasks, so they can devote their time & energy towards enhancing customer experience and other strategic tasks. This empowers both carriers and brokers to build a high-growth responsive business while optimizing costs. Few use cases where these technology combinations seem to be working well are:

- **Renewal Processing**
- **Invoicing**
- **Bordeaux management**
- **Policy admin & servicing**
- **Claims Processing**
- **Underwriting**
- **Regulatory Compliance**
- **Process & Business Analytics**
- **Sales & Distribution**
- **Finance & Accounts**

Challenges in manual processing

Typically, whenever an insurance carrier processes a renewal/ maintenance of policy for small and middle market line of business, they send policy documents to the broker. The broker's office then initiates the workflow for case management and shares the scanned policy documents with the back-office (onshore or offshore team) team. The staff supporting the backend processing then updates the changes (performs policy amendment) in EPIC or other Agency Management Systems (AMS). The broker's office is notified of update via workflow system, and can proceed to share policy documents with the customer.



Manual workflow for renewal setup in broking firms

Because of manual intervention, this process has many challenges

- Increased Average Handling Time (AHT) per transaction (~60-90 mins)
- Volatility in staffing due to high volumes during peak periods leading to a lot of backlogs (Peak volume MM-DD: 01/01, 07/01 and 10/01)
- Large number of FTEs required due to humungous volumes received annually (over 50,000)
- Delays in turnaround (3-4 days) due to manual touchpoints, negatively impacting customer experience
- Inconsistent quality due to varying skill levels of operators
- High error rates due manual/ mundane process
- Loss of productive time in data audit, document download, and switching between multiple systems for data validation

How Intelligent Automation can address these challenges

Based on our experience, if the process of updating policy details in the AMS is combined with RPA and a cognitive OCR engine, there can be significant improvement. Overall efficiency, process quality and subsequently, better customer experience are some benefits to be expected

This is how the automated or "intelligent" process would look like:

- **Generic Download Bot**

  Downloads the policy document from the Document Management System and generates reports from the AMS in PDF format

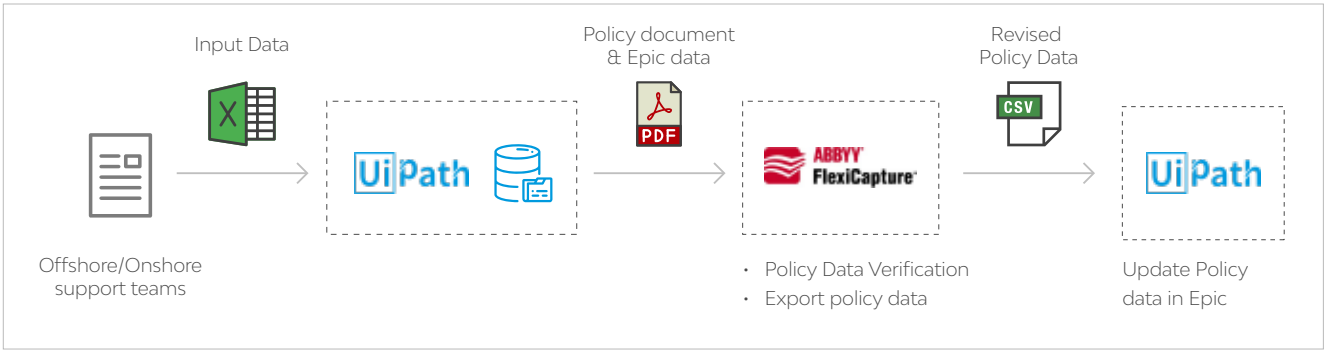
- **Data Extraction Bot**

  Fetches current policy data from AMS and merges that with Policy / Endorsement PDF document downloaded by the Generic Download Bot

- **ABBYY Verification Station**

  Extracts, verifies and exports data from policy/ endorsements documents using cognitive tool, with minimal manual intervention

- **AMS Update Bot**
  - Updates exported policy data from cognitive tool into AMS and issues confirmation
  - Repeats above actions in the same sequence for maintenance & endorsements
  - Automates the workers compensation premium calculation by rules creation in the cognitive OCR engine



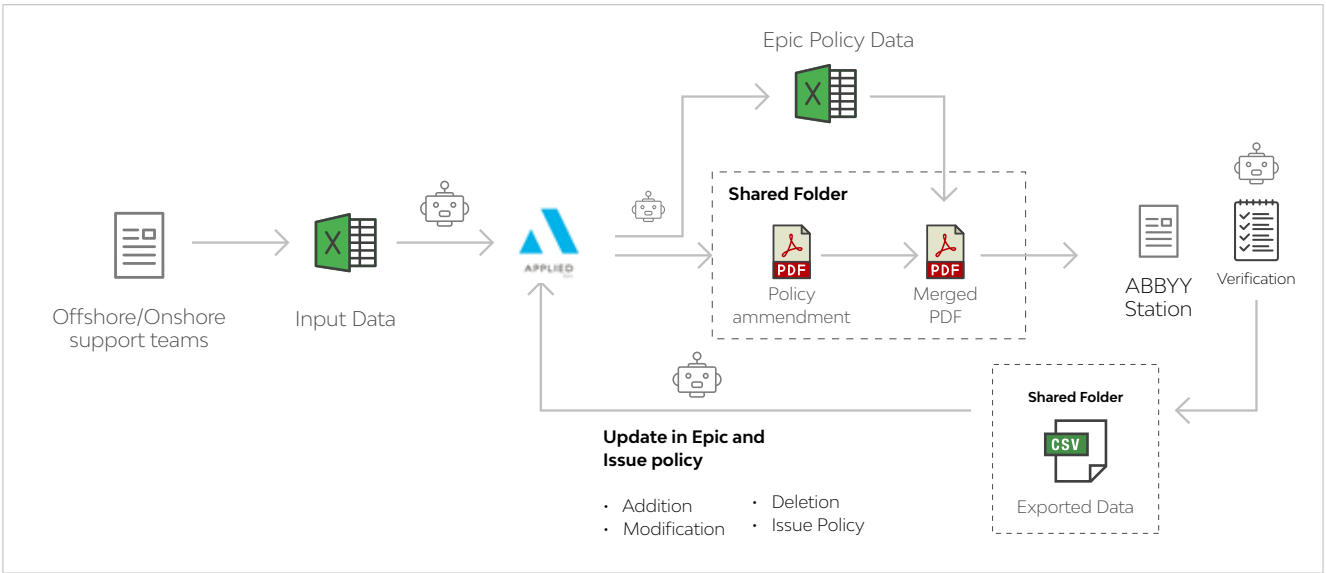
Intelligent version of document processing

Use cases for Intelligent Automation

Now that we know how impactful IA can be, let's deep dive into some key use cases:

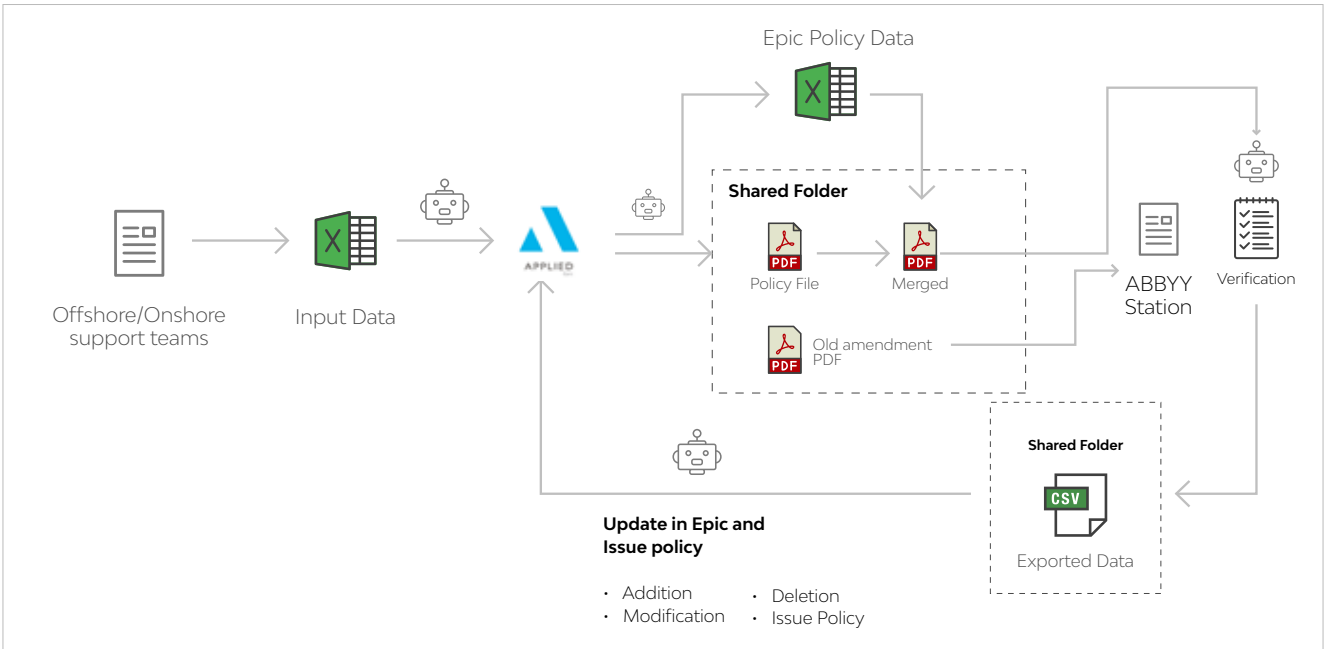
1. Policy Maintenance

Policy maintenance involves updating policy details from Policy Carrier Copy/ Policy Producer Copy into the AMS. Automated policy maintenance process would look something like this:



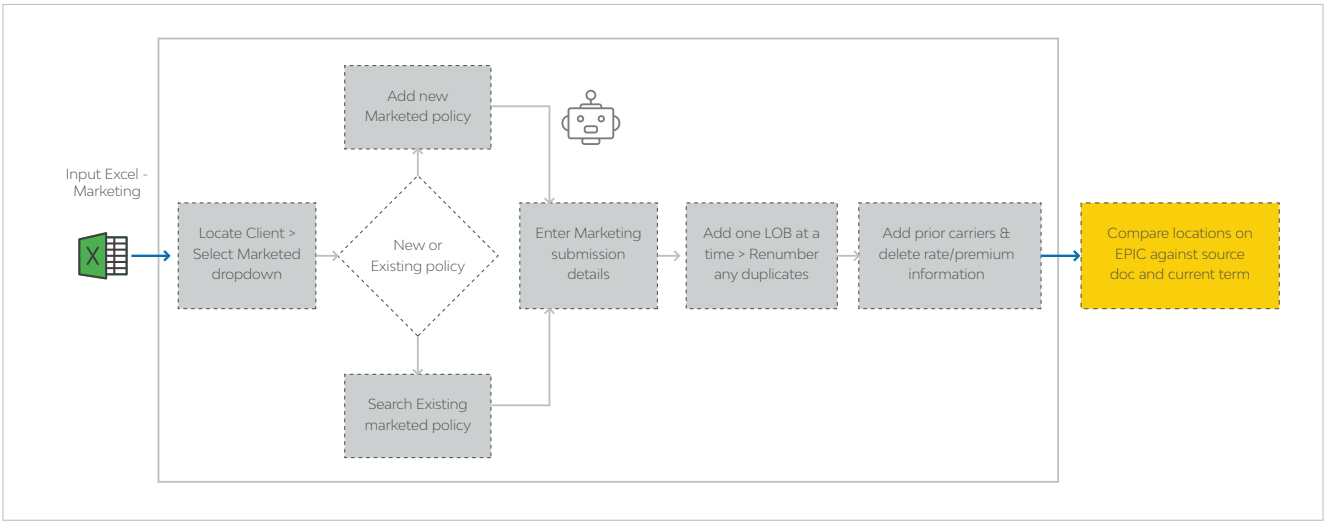
2. Endorsement Processing

This use case involves updating data in the AMS system with recent endorsements made to the policy based on the endorsement documents received from the carrier. An automated scenario would look like this:



3. Renewal prep

Policy maintenance involves updating policy details from Policy Carrier Copy/ Policy Producer Copy into the AMS. Automated policy maintenance process would look something like this:



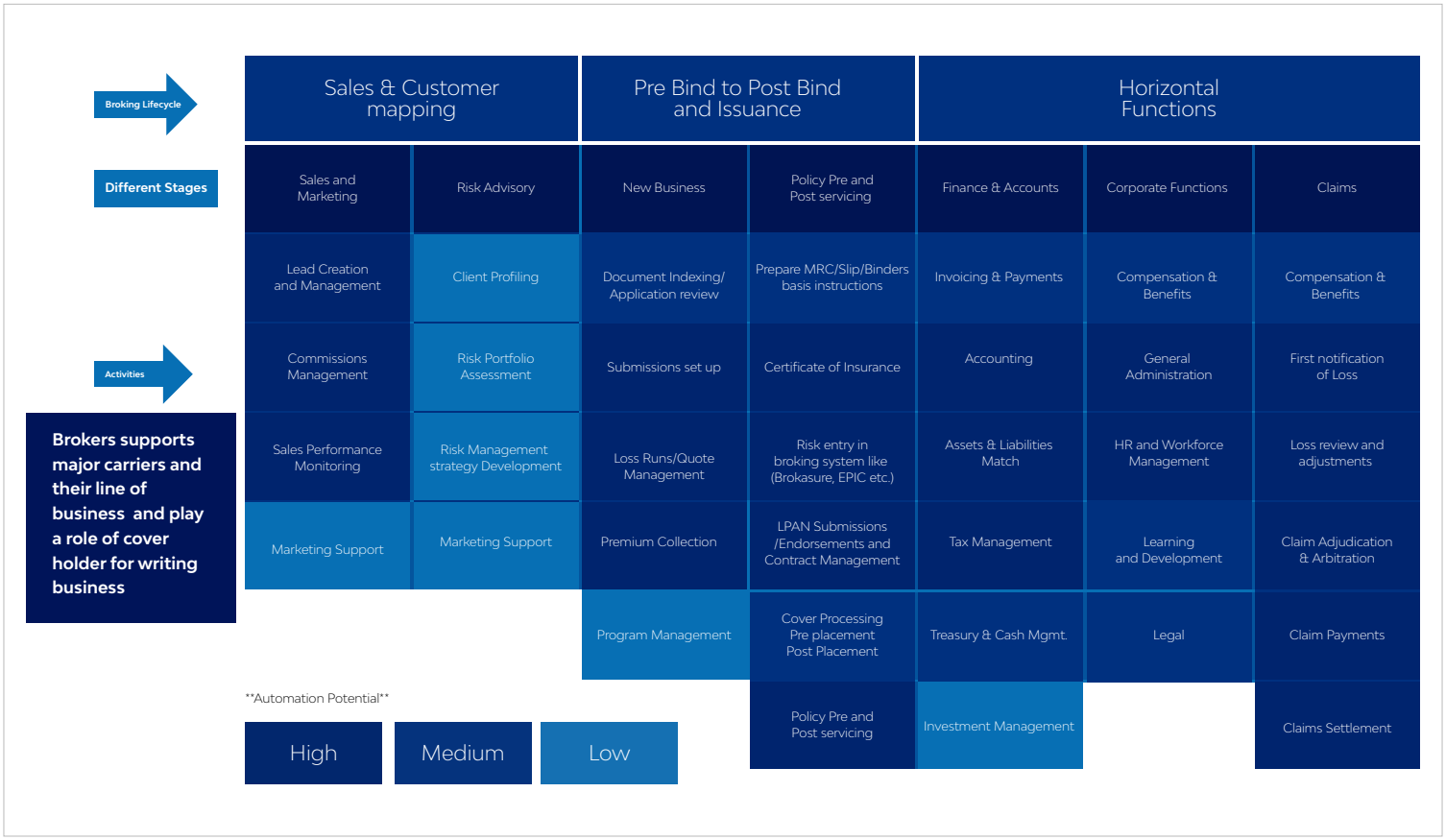
From impediments to improvements

As with any transformational exercise, there would be certain implementation challenges. which are listed below along with how to overcome them:

Challenges	Solutions
1. Sequencing the type of updates (Policy update, endorsement and renewal prep) for each policy within the same day with different effective dates.	■ Implementing a queueing mechanism for the transaction requests ■ "Add to Queue Bots" that takes care of the sequencing of request for each policy. ■ Requests should ideally be processed in the following sequence: • Policy Update • Endorsement update (if multiple, based on the effective date) • Renewal prep
2. Handling unstructured documents with OCR layout configuration for extracting policy data	■ Creating generic templates for accommodating all possible fields within OCR tool to extract and validate data for each Line of Business ■ Applying rule-based validations on extracted data elements ■ Making use of the 'verification' facility available within OCR tool in order to avoid any discrepancy in the data being extracted.
3. Introducing new system access compared to earlier access requirements for the users.	■ Preparing a user manual that details various access levels required within the automated systems for each type of users such as: • Verification Operator • Sr. Verification Operator • Support Engineer • Middleware Engineer ■ Conducting multiple briefing sessions on the new automated systems
4. Not all the sections within AMS system have unique identifier for locating data items, which often blocks the update and delete operations on the data items from those sections.	■ Introducing different approaches for the sections which has unique data identifier ■ Capturing type of operations (Add/Modify/Delete) from those sections which has Unique identifier for data items and Performing operations based on the type. ■ For sections without unique identifier for data items, performing complete refresh/ replace of data in the AMS application.

Banking on Intelligent Automation – there's more!

There are several immediate opportunities where IA on can be leveraged in the broking world. The table below represents the hotspots across the broking lifecycle and the automation potential that exists in different stages.



Heat Map of end to end Broking Services in US & Europe

Intelligent Automation brings with it a bigger opportunity for brokers to serve their clients better by:

- Advising them on the on-risk management scenarios
- Speeding time-to-market, beating competition with better quotes
- Providing an enhanced experience
- Supporting One Global initiative across geographies
- Resolving backlogs faster

As technologies evolve, they will eventually erode the value of brokers with weaker relationships and/ or lower expertise who see themselves merely as access points to the insurance market. Brokers with strong expertise, combined with a deep understanding and empathy of their clients will survive by

adopting Intelligent Automation. In that sense, this is also a matter of cultural change – along with adopting technology, adopting the right outlook towards automation and using it in the most real sense to truly succeed.

Thus, if Intelligent Automation is leveraged properly, broking companies can truly transform themselves into digital broking enterprises of the future.

Author Profile

Amit Kapoor
Deputy Head: Insurance - Intelligent Automation Practice LTI

Amit is a management Professional with leadership skills underpinned with 18 + years of work experience in managing large scale client engagements. Last 15 + years have been extremely focused on managing Insurance Business Operations and Digital Transformation across geographies including (Lloyd's of London) for Personal, Commercial, Specialty lines of business . Currently responsible for Service delivery of RPA/Digital led engagements, Solution identification, Solution design and GTM across Insurance landscape at LTI.

- Experience in delivering Digital initiatives across the Insurance value chain
- A Lean Six sigma Black Belt Certified by TQMI
- A Certified Business analyst for Non-life Insurance from IIBA