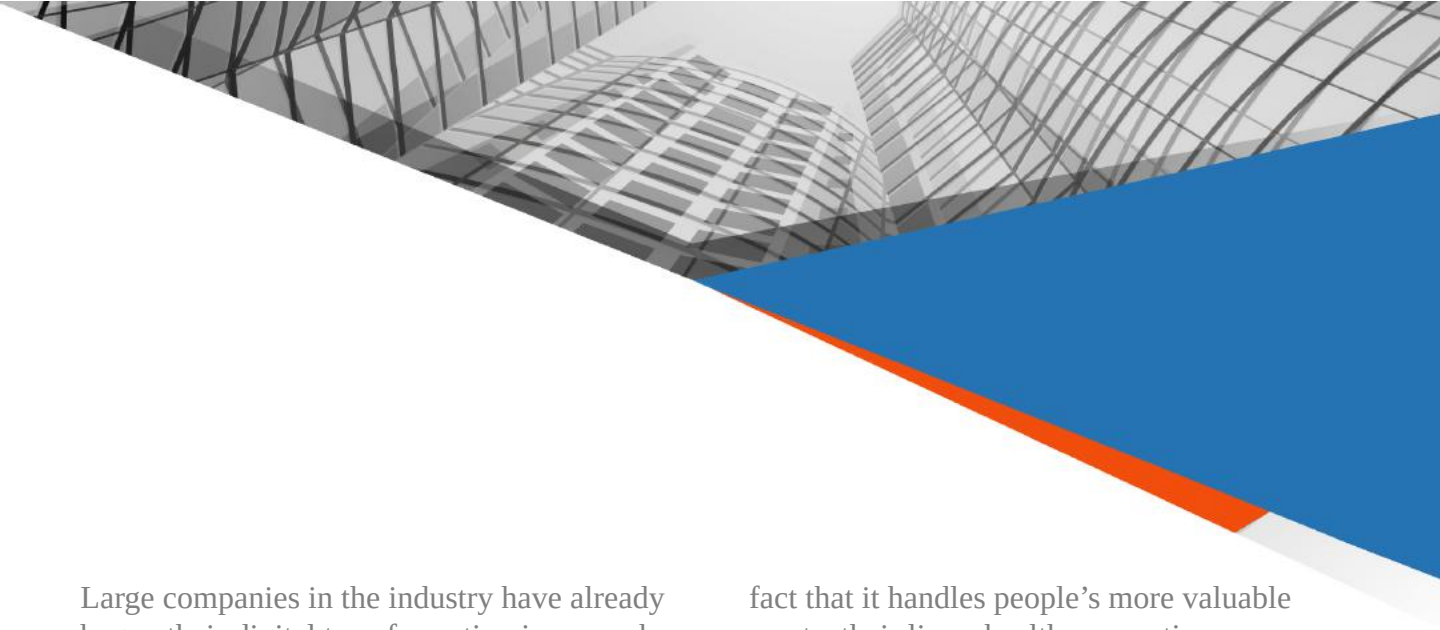
UiPath
Robotic Process Automation

INSURANCE IN THE AGE OF INTELLIGENT AUTOMATION

The current age has brought new economic and technological challenges for the insurance industry.

The digital revolution has swept up trends, companies and, ultimately, societies entirely. Consumers have changed and diversified their needs.
Recent worldwide political and social changes have also weighed in, being connected to low interest rates cropping up and fluctuating regulatory transformations. All these things pose certain risks for companies and can potentially modify the industry's overall structure.

Insurers must adapt to and adopt new technologies such as RPA, to stay relevant and remain compliant with both national and international regulations, while delivering more consumer-centric services.



Large companies in the industry have already begun their digital transformation journeys by implementing automation solutions and by trying out new data and analytics capabilities. The enthusiasm is palpable, and those who are already implementing realize that projects such as these require a full organizational transformation, careful planning, and clear objectives.

This paper will explain what benefits Robotic Process Automation (RPA) brings to the Insurance industry, how it tackles the most sensitive pain points, and offers guidelines on building a successful RPA capability.

Real uses cases will illustrate how other companies developed their RPA deployments.

You will also find out what's in store for intelligent automation, as AI and cognitive tools merge with RPA. Finally, the paper will demonstrate that insurers must catch the RPA train before it is too late if they want to stay relevant in an ever so challenging and rapidly evolving market.

As Dianne Phalon, UiPath US Sales VP, describes it:

"With demands to increase efficiencies and improve margins, insurance companies are recognizing significant competitive pressures on numerous fronts. Deploying a robot for front-end tasks to deliver a better customer experience is forcing all insurance companies to follow the path of early adopters in RPA just to keep pace."

THE CURRENT STATE OF INSURANCE AND TECHNOLOGY

Insurance is an industry difficult to revolutionize, and this is probably due to the fact that it handles people's more valuable assets: their lives, health, properties; essentially, their security. Nevertheless, the industry's stability depends on global socioeconomic and regulatory contexts.

The United States have elected a new President and the European Union has been confronted with a rise of Euroscepticism, which culminated with the UK citizens voting to exit the EU. Similarly, radical political views have gained increasing support both within European nations and in the EU Parliament. These inevitably affect sectors such as health insurance, which is currently facing significant regulatory changes.

On the technological side, the rise of mobile technologies (IoT devices, smartphones, apps, digital wearables) generates a need for new insurance business models and services, especially in health and property & casualty insurance. Therefore, aligning with new regulations, offering custom, up-to-date services, while also remaining competitive are some of the main challenges insurers face today.

Other important trends affecting Insurance concern:

- consolidating the new mergers and acquisitions between various insurers;
- priority is given to international regulators over regulation from national or regional organizations;

- the rise of InsureTech partnerships, i.e. companies that deliver services and products only for specific fields of the industry; this lead to customers using different providers and getting informed via insurance aggregators;

With all these new directions occurring in the industry, insurance companies need to take advantage of the growth opportunities, while also preventing and managing inherent risks. They have already started to upgrade their technical capabilities with automation tools, such as RPA and cognitive and Artificial Intelligence (AI) applications.

These technologies have allowed companies in the insurance sector to increase efficiency, eliminate errors and reduce cost. And if there are still some players that have not even tested RPA, they are definitely considering it, as this technology is becoming a staple in an advancing industry.

RPA'S KEY ADVANTAGES FOR INSURERS

Robotic process automation (RPA) is a new, but fast-growing technology that employs software bots to take over repetitive, tedious rules-based business tasks.

For many people in the work field today, administration processes are diminishing productivity and carving out from the time spent on strategic tasks. Organizations utilize RPA to take care of a wide range of tasks – from simple document workflows to complex business processes. Gartner analysts estimate that RPA's adoption will reach 41% by 2020. As with any new technology, RPA will move from

early adopters to the mainstream. At that point, robotic process automation will become ubiquitous. The time spent on gathering and processing data amounts to approximately 50% of the overall full-time equivalents (FTEs).

According to a 2017 McKinsey Global Institute report, insurance and finance have a 43% automation potential, particularly in process data, interface and expertise. RPA can mimic repetitive administrative tasks and works perfectly for functions such as application handling, claims processing or data entry, freeing up between 20 to 30% of capacity at the company level. With the advent of cognitive and AI tools - such as machine learning, chatbots, computer vision or OCR - automating more complex processes is possible, for example using image classification for claims processing or employing machine learning for analyzing text when servicing customer queries.

Key aspects for insurers are creating high-growing businesses, reducing costs and, at the same time, managing inherent risks. In order to employ RPA successfully, companies need to be clear about their objectives, identify the suitable repetitive, manually-intensive and rules-based processes for automation, and ensure automation is accepted throughout the entire organization.

RPA has been deployed successfully in handling transactional, administrative insurance processes, such as basic investigation, applications handling, claims processing, data entry or notice of loss.

These processes can be attended or unattended, that is: processes requiring human supervision and interaction or processes that run in the background in batch mode, without human input. An RPA solution must handle both types of processes with ease, while also being intuitive, easy to implement, scalable, compliant and secure.

Robotic Process Automation has a proven track record in reducing manual intervention, duplication and error, as well as speeding up processing time and throughput and increasing capacity.

RPA can successfully and significantly reduce the time insurance agents spend on collecting customer data, as well as lower the underwriting efforts devoted to checking records accuracy.

In insurance management, RPA is able to enhance compliance and audit trails if the required conditions are embedded into automation decision rules.

Security is another top concern of insurance companies anywhere in the world. Given the increased risks posed by the rise of cyber attacks and digital failures, RPA reduces the liabilities from business processes or data handling within organizations themselves.

In extremely hazardous situations, in which entire company databases could be lost, RPA ensures that processes can be switched between servers and offers the possibility of reverting to previous features if the current system does not offer the desired results.

Dianne Phalon observes that:

"insurance companies are already very eager to adopt automation because of the legacy systems, because of their annual financial and compliance goals. And the main benefits they obtain from RPA, besides lowering their costs, are compliance and scalability."

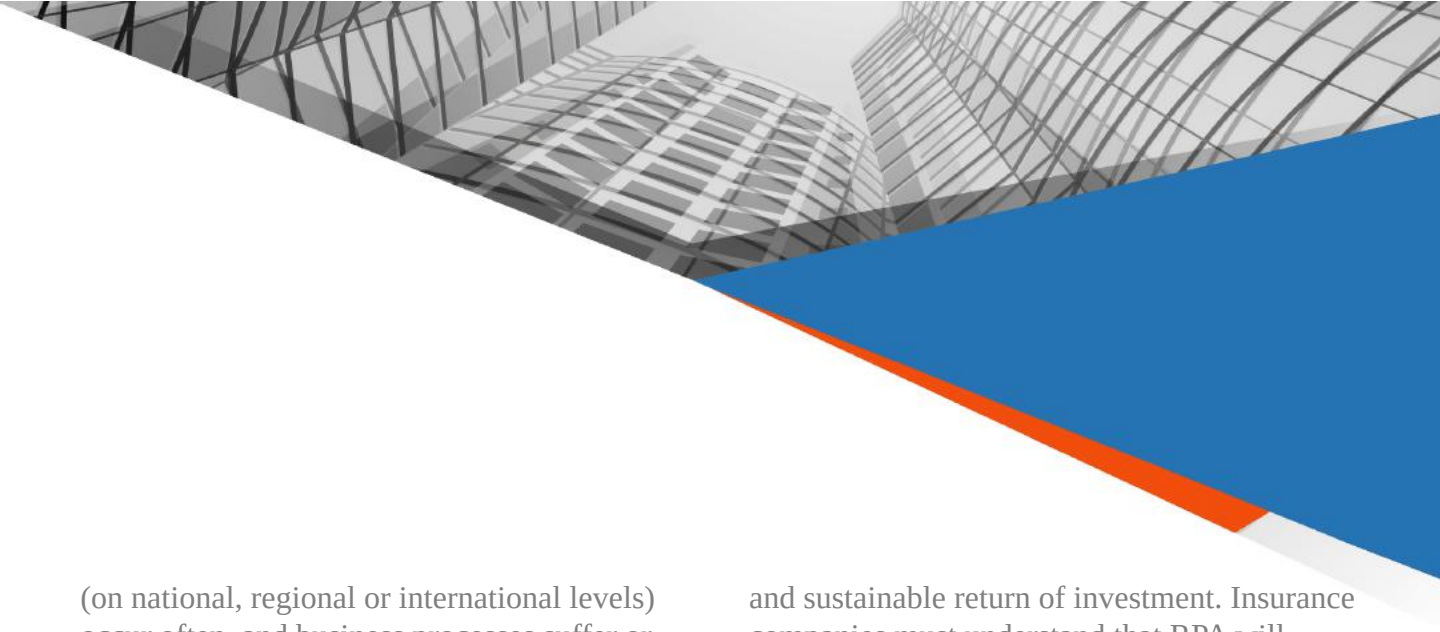
INSURANCE PAIN POINTS AND OPPORTUNITIES

Insurers face a constant challenge: how can they build high-growing businesses while also optimizing costs? The key is to understand which tasks are most prone to manual, rules-based repetitive effort and assess the proper way to undertake the automation journey.

Insurers typically deal **with mixed data formats**, including a variety of paper files and electronic documents The manual effort is considerable, as well as time-consuming, costly and error-prone.

Insurance companies also use a **complex IT environment**, with many third party legacy applications, systems, and software to manage their business functions. When adding a new software solution, integration needs to be swift, easy and painless. Otherwise, these companies are left with outdated applications that no longer provide the support needed for organizational growth and development.

Regulatory changes in tax laws, PCI standards, HIPAA privacy rules, etc.



(on national, regional or international levels) occur often, and business processes suffer or need to be re-established in order to reflect these changes. Compliance difficulties and non-compliance by insurance companies can result in a range of damaging financial and operational consequences.

Scalability is another pain point that scales into play whenever there are seasonal peaks and lows, and being able to handle a high volume of work is essential.

These are areas where RPA can bring a positive, measurable impact.
Automation opportunities, as defined in an Accenture study, reside in areas where significant human effort and resources are employed: in sales & distribution, underwriting and pricing and claims processing. In sales and distribution, software robots can perform sales scorecards for notifying agents, compliance checks, maintain customer accounts from paper or online forms.

Underwriting and pricing processes can also be handled by robots for data entry, updating systems, gathering information from different systems, updating personal details, rejecting or canceling policies if the payment was not done in due time, identifying policy errors and performing reconciliation. For claims, RPA can easily automate notifications, recurrent back reconciliation, transactions and more.

RPA also significantly improves customer relations, helping insurers deliver more customized offering, develop better interactions, generate better insights through data analytics

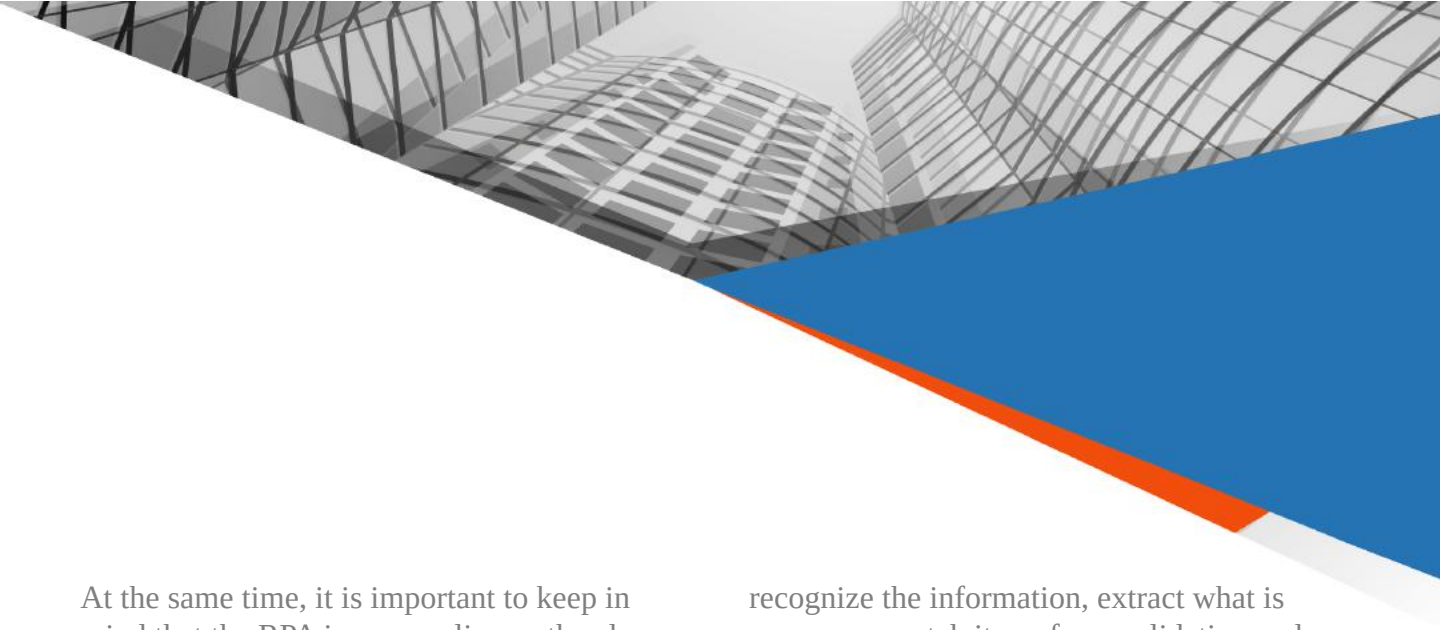
or establish advanced operational capabilities.

THE UIPATH SOLUTION

At UiPath, RPA is a journey towards a high and sustainable return of investment. Insurance companies must understand that RPA will become the norm in almost all industries and that planning ahead is of fundamental importance. To create a solid foundation, companies must consider more than one technology, integrate siloed operation, application and data, adapting and scaling. Therefore, a tripartite relationship between software vendor, customer and implementation partner allows enterprises to dramatically reduce their time to value.

RPA is easy to understand and pilot, but is not easy to implement at scale. Insurers have two options: that of implementing it with vendor assistance or they can choose from the UiPath network of partners and create an in-house RPA capability. This is the RPA Center of Excellence. It brings all the resources, the expertise and the politics of adoption in one place, with clear roles established for the core RPA team and governance models in place. UiPath offers a complete training program for customers that covers all the major roles for the CoE team, from RPA developers to business analysts.

First, businesses need to identify the right processes that are suited for automation and the departments in which human employees are
performing time-consuming and redundant work.



At the same time, it is important to keep in mind that the RPA journey relies on the close collaboration between the Business and the IT sides of a company. Choosing the right team to be in charge of implementing RPA within the enterprise is also crucial. This team of experts is responsible for aligning the automation project with the company's strategic direction, making sure that the project is accepted within the organization, and setting a budget for implementing RPA.

Ultimately, there are four main steps any organization has to go through on this journey:

- the proof of concept that proves if RPA can be successful or not, determines the implementation model and what partners are better suited for the project;
- the pilot in which an automated process runs into production for the first time;
- the ramp up, which sets best practices, identifies more opportunities for automation and grows the team of experts;
- RPA institutionalization within the entire company, the stage where RPA is embedded at scale in the organization and functions sustainably.

The UiPath Enterprise Platform stands out from other providers' solutions through a range of performance drivers. For capability, the Platform enables automation of a large variety of processes across any environment. UiPath is a truly agnostic system that works with any technology, from SAP to Citrix and anything in between. It delivers intelligent automation through language detection, extraction of unstructured data, and sentiment analysis with the help of integrated ABBYY cognitive and OCR services.

Claims processes are where RPA can make a clear difference. UiPath robots employing OCR are able to "read" hand filled forms, recognize the information, extract what is necessary, match it, perform validation and revalidation in insurers' databases. This is a machine learning tool, that allows robots to classify data per keywords, types and any other type of pre-determined labeling.

Security will continue to be a sensitive subject, but the UiPath Platform, with its Orchestrator, Studio, and Robot, can handle it successfully.
The robots can automate under locked screen for complete privacy, with role-based access to authorized users. With integrated powerful data analytics capabilities offered through Kibana and Elasticsearch, every action any robot performs, every user decision and change is tracked in real time and logged centrally on the server to provide full visibility into process execution and operational statistics.

The platform is equipped with full audit logs, delivering analytics of any type of anomaly in robots and human employees equally, to ensure processes are fully compliant. For example, in the HR departments of insurance companies, robots can be set up to monitor users and perform ad-hoc surveys that determine if procedures have been thoroughly followed. The robots then create reports and analysis for company executives, which allow them to take appropriate measures for a better employee compliance.

UiPath is invested in providing **velocity** for a fast ROI. RPA is implemented faster due to the Studio's intuitive design tool built on Microsoft Workflow Foundation, making it easy to use for both experienced developers and business analysts with little to none coding abilities. The UiPath Robot gets more work done faster and reliably, handling unattended and attended tasks. Furthermore, with the training programs and support delivered, UiPath stands alongside customers for the whole way, helping build
Centers of Excellence and a self-sustained, scalable RPA expertise to run and maintain automation.

The UiPath Solution delivers **scalability** for a higher performance. UiPath Orchestrator is powered by a multi-tenancy feature that allows creating a number of tenants and isolating all their data using a single Orchestrator instance. Different departments of the same organization are provided with separate and secure spaces without adding more infrastructure, with data stored securely and independently per tenant. A single user may run multiple robot runtimes in parallel, in the same virtual machine, allowing for real-time collaboration and complete reuse and redistribution of automation resources. Rollback is easy in cases of recovery scenarios.

UiPath is a firm believer in a **democratized RPA** and provides online training and accreditation through the Academy, a free Community Edition of the Studio and the Robot, and maintains an active community of UiPath users. This ensures continuity for businesses that have deployed the UiPath solution
because it gives them the certainty

that there will always be a global pool of developers and business users offering support and resources.

UIPATH RPA BOOSTS THE INSURANCE INDUSTRY

Insurance customers successfully use UiPath robots to automate tedious, time-consuming processes and manage to streamline their operations. Here's how.

Underwriting and new business

Challenge

A large Swiss global reinsurance company needed to ensure precise comparison of account records and was looking to improve the process rate involved in the financial reconciliation of the monthly bank statements from all clients; it was done manually and was error prone.

Solution

The UiPath Robot automatically performed data extraction from clients' bank statements and compared with the accounting system, ensuring the balances were accurate and matching. The information was then updated in the system. The process had 100% accuracy, improved speed, achieved 80% turnaround time reduction, and ¼ of human effort was saved through automation.

Claims management

Challenge

A service provider for the Claims unit of a large healthcare insurer

performed claims management validation through a manual, time-consuming, error-prone process. The company needed to overcome the high-defect rates, backlogs and high turnaround time involved in the process.

Solution

Seven UiPath robots were designed and bundled to support the claims value chain, automating 35-40% of the process. Productivity increased by 68%, accuracy levels were enhanced by 95% and the overall compliance with regulatory requirements was improved.

Non-recommended hire adjudication

Challenge

The Claims' unit of a large auto insurer dealt with a process consisting of operating in an offshore environment, which required Citrix based automation. The purpose was to evaluate whether the claims should be extended, taken off hire or closed, and identify whether there are any potential customer complaints.

Solution

The process was auto-triggered when the claim approached the deadline. The validation was undertaken using the claim application, the invoices of rental companies & the hire allocation spreadsheets. The robots brought over 65% improvement in average handling time, 50% improvement in productivity, standardizing and replicating the process across 44 global claims centers in the client’s organization.

Vendor payments by property insurers were also automated delivering a productivity improved by 70%, reduced processing times and converted service levels to 24/7 operations.

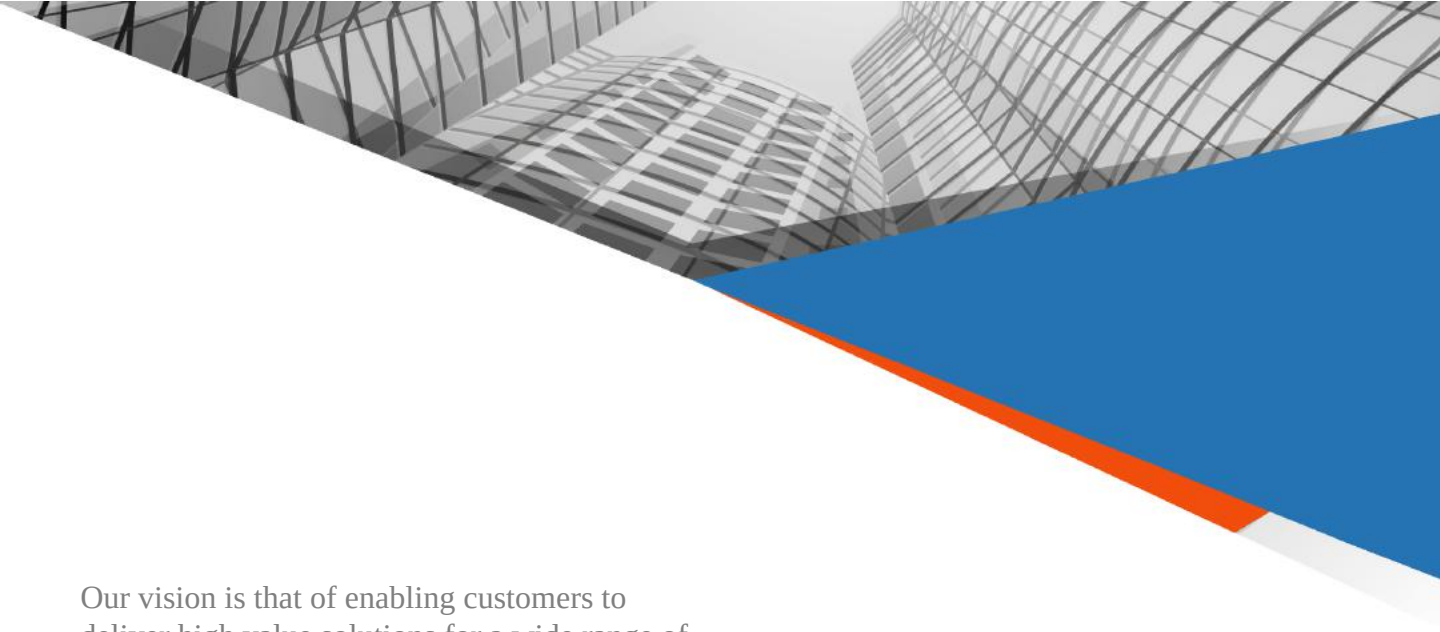
WHERE DO WE GO FROM HERE?

Despite the fact that RPA has only started to gain adopters, thinking ahead is at the top of everyone’s concerns, both solutions vendors, partners, and insurers. Though many are already invested in advanced cognitive and AI tools, they must be integrated alongside the RPA solutions previously chosen for maximum efficiency. The UiPath Platform is at a point in which it has integrated cognitive services from Google, Microsoft, IBM Watson and ABBYY to keep up with the AI developments already occurring.

This is intelligent automation, delivering: language detection, the extraction of unstructured data, and sentiment analysis.

Our robots analyze language meaning, intent, and emotion and use it for complex decision-making. Think about handling irregular paper invoices or interpreting content and applying rules, as in the case of unhappy social media posts.

UiPath evolves as a modular platform that is flexible enough to integrate multiple AI capabilities. The next releases will bring the Platform a step closer to achieving full Intelligent Process Automation with self-learning exception handling and self-generating RPAs through passive learning.



Our vision is that of enabling customers to deliver high value solutions for a wide range of sectors. We do that by building the smartest and most powerful digital workforce that can:

- self-learn in real time;
- make decisions based on unstructured data;
- identify new automation opportunities on its own;
- Collaborate with humans intuitively through voice command.

And we are only just beginning.

UiPath
August 2017

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