Case Study: Insurance

Leading insurance company clears claims fast with process optimization

We enabled our client to deliver a better customer experience, reduce its costs and improve productivity by applying lean principles, optimal sourcing, automation and organization redesign to its claims processing.

Claims processing operations for our client, a major multi-line insurance company, had grown complex and inefficient. Processing a single disability claim required multiple handoffs between systems and people. Despite the process complexity, the company often did not collect the information it required to adjudicate its claims. Rework levels were high, and policyholders were unhappy with slow turnaround times on their payouts. Operating costs were growing while productivity declined.

At a Glance

Complex claims processing was leading to growing costs and dissatisfied policyholders for a major multi-line insurer. We applied four optimization levers—lean principles, automation, sourcing and organization design—to redesign its workflows.

Outcomes:

- Projected cost reduction of $37.4 million over four years.
- 40% reduction in handoffs.
- 25% increase in operations productivity.
- Improved claims analytics.
- Increased levels of straight-through processing.

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Making a claim on productivity

We completely revamped the client's claims processing workflows by applying lean principles, optimizing resources, redesigning organizational workflows, and deploying automation.

First, we analyzed the client's 80 claims-related processes, creating detailed workflow maps to identify opportunities for foundational process improvement opportunities. We eliminated activities that added no value and standardized rote and/or rules-driven tasks ideal for robotic process automation (RPA). Using process analytics, we discovered root causes behind delays in processing certain claims and developed automatic routing of claims to appropriate teams for best handling. Partnering with the client's IT organization, we made core administrative system changes that enabled more straight-through processing to eliminate many hand-offs in claims adjudication.

With each optimization lever working in concert, we created a greatly streamlined, highly automated claims process, including an optimized claims information intake workflow "kit" that a single person can manage. Handoffs decreased by 40% while productivity increased by 25%. Fewer repeat calls requesting information and more automation mean faster disbursements—and more satisfied policyholders. The optimized workflows will save the client more than $37 million over four years.

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