

Optimizing staff utilization using analytics

For the claims handling unit of a leading national insurance company



Challenge

A major U.S. multi-line insurer needed to better match the number of people processing claims with the volume received on any given day across several locations.

With too few resources, claims can be delayed or incorrectly processed. With too many resources, staff can be under-utilized. The client had to find this balance and maintain or improve key metrics such as customer satisfaction and processing time, while reducing staffing costs.

Scope

The insurer chose EXL because of the team's ability to combine analytical modeling capabilities with deep insurance expertise. EXL developed a claims data-mart and then built an operations analytics model that allowed the insurer to predict claims volume in each service center to better allocate staffing. The insurer used this information to build and refine monthly staffing plans to match claims handler workload with claim volumes.

EXL organized a three-step project. First, the team standardized and collated claims and staffing data for all offices into a database. They then inventoried and analyzed claim volumes based on several variables, including linear and non-linear trends, seasonality and the impact of the then-ongoing economic recession. EXL cross referenced this with the amount of time it took the client's agents to resolve different types of claims.

Historic data is only as effective as its ability to be used in forecasting models for which EXL took into account many corporate and macro-economic data to predict staffing requirements. Models also had to account for variables such as claim balance, which can affect the speed and rigor in their settlement, as well as the insurer's policies and restrictions.

Reporting was then automated so claims operation managers could access fresh data for monthly staffing on an ongoing basis.

After successfully piloting its usage in five offices for six months, the insurer is rolling out the tool across claims groups for other insurance products.

Results

- › 10% reduction in claims handlers needed allowing the insurer to redeploy staff
- › Annual savings from reduced operations costs
- › Maintained service levels such as claims processing time and payment accuracy with less staff
- › Embedding the model within other claims management teams for other insurance products to improve efficiency

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Actuarial Support

- Pricing and durational analysis
- Actuarial and rating tools development
- Rate and class plan builds
- Reserving, regulatory reporting and filing

Pricing

- Loss models and price elasticity models
- Conversion and retention models
- Life time value

Underwriting

- Straight through processing
- Non-renewal targeting
- Inspection targeting

Marketing

- Acquisition, retention, cross sell models
- Digital analytics including social media
- Marketing campaign effectiveness
- Agency force segmentation

Claims

- Overpayment and fraud detection
- Rework reduction strategies
- Subrogation optimization
- Capacity optimization

Operational effectiveness

- Operational Cost Reduction
- Capacity planning and text mining
- Process optimization

Enterprise Risk Management

- Asset liability matching models
- Risk based capital models
- Catastrophe models

The EXL advantage

Our teams combine insurance industry knowledge with big data and analytics skills, and expertise across multiple analytics technology platforms and tools.

Our teams are involved in data asset development, developing reports and business intelligence, building predictive models and working with clients to operationalize the models and implement change.

Client examples

- Pricing & Marketing analytics for a large P&C insurer delivering \$50mm in annual benefits
- Claims analytics for a leading 3 P&C carrier delivering \$200 million in annual benefits
- Text mining for a leading 3 P&C carrier focused on streamlining operations

EXL in P&C

EXL improves insurer's efficiency and effectiveness by providing end-to-end process solutions based on platform-enabled operations and analytics.

Our offerings cover the following segments of the insurance value chain:

- Marketing and Acquisition
- Underwriting and Policy Servicing
- Claims Administration
- Finance and Accounting
- Big Data and Enterprise Analytics

About EXL

EXL (NASDAQ: EXLS) is a leading business process solutions company that helps companies drive business impact and adapt faster to the changing global marketplace. EXL provides operations management, embedded analytics and technology platforms to organizations in the banking and financial services, healthcare, insurance, utilities, transportation and logistics, and travel industries. With more than 21,000 people around the world, we work with our clients as strategic partners to execute operations, identify opportunities to gain a competitive edge, and create new channels for growth and savings. Headquartered in New York and operational since 1999, EXL is present in the U.S., U.K., Singapore, Romania, the Philippines, India, Germany, Czech Republic and Bulgaria.

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