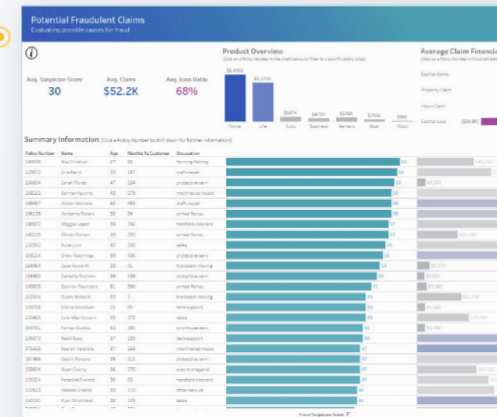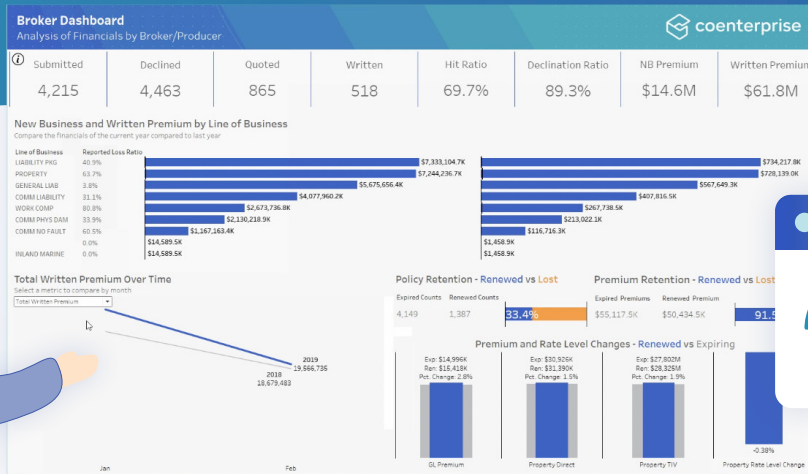coenterprise

The C-Suite Advantage

How to Leverage Data Analytics Within the Insurance Industry

Insurance carriers live and breathe data.

Long before the advent of our digital age, the insurance industry relied on data to identify and target potential consumers, calculate premiums, assess risk, and process claims. Data informs, or should inform, every decision—so much so that it can feel as if you're drowning in numbers.

The solution to this data overload isn't a secret. C-suite insurance executives need a centralized, robust, and modern data analytics platform that empowers them to quickly assess the full state of their organization and make informed decisions that propel the business forward. But easier said than done, right? Not necessarily. It doesn't have to be as hard as you might think.

An Insurance Business Without Modern Analytics Is Like a Business Without Insurance.

Many insurance carriers have shied away from retrofitting their legacy systems due to fears of disruption, cost, and overall effort. And in some cases, these fears have proven prescient as previous integration efforts have failed to deliver a substantial ROI—or have even made matters worse.

But the reality is that it's no longer an option to stay on the sidelines and hope that current systems will continue to provide adequate support. An insurance business without modern analytics is like a business without insurance.

Fortunately, today's best-in-class platforms are cost-effective, reliable, and relatively painless to integrate with existing legacy systems, but it's important to know what to look for to make sure you are leveraging the latest technologies and are partnering with a reliable provider who can deliver on the promise that analytics offer.

Here's what modern data analytics can do for you.

Take Command of Your Data

You have data everywhere. Probably even more than you realize. CRMs, customer service platforms, financial platforms, claims processing—just databases upon databases. If you're lucky, perhaps some of these platforms are even integrated with others, but likely not all speak to each other and there is a fragmented jigsaw puzzle of conflicting reports and dashboards that taken as a whole come close to providing a full picture of your business.

But it doesn't have to be that way.

The best contemporary analytics solutions consolidate your data streams across your entire company infrastructure and offer visibility through streamlined, clear, and dynamic graphs and visualizations so not only is your data in one place—it's easy to leverage and easy to understand.

They integrate with tools you're already using such as Salesforce, other common CRMs, electronic medical records, and customer service platforms. But what about all the data you might not be thinking of? We live in a time of pervasive connectivity and it's important to conceptualize data as more than just the information that originates from within your organization. Social networks, connected home devices, smart watches, and onboard car computers are a vital data signal. Look for platforms that offer opportunities to integrate with direct-from-consumer data sources that can better inform your decision making while allowing you the ability to deliver more personalized products and consumer experiences.

There's no point escaping the trap of having been boxed in by legacy systems, only to find yourself in a similar situation five years from now. Your analytics solution should be built on industry-standard platforms such as Tableau so they can scale and grow with your business and remain future-proof as technology advances, regardless of which data warehouses you add to your organization.

Leverage Predictive Analytics

As a C-suite executive, it's not enough to know where you are and where you've been. It's perhaps even more important to know where you're going.

When you've brought all your data together into a single warehouse, opportunities quickly present themselves on how you can manipulate and analyze your business information to reveal new possibilities and identify previously hidden areas of concern. In particular, you can bring to bear the full weight of advancements in artificial intelligence (AI) and predictive analytics to help anticipate future liabilities, predict client behavior, forecast market trends, and identify growth opportunities.

With clear understanding of all your data streams combined with robust analytics, increased visibility will lead to actionable insights and more well-informed business decisions including better pricing and risk management and, ultimately, increased revenue. Integrating data sources can seem like an obstacle, but when viewed through the lens of the opportunities that open up when you've consolidated your data, what at first seems like a hindrance reveals itself to be a prime benefit and a major factor in favor of implementing a robust analytics practice.

Predictive analytics can sound like the future, but it's not. It's here now with the right analytics partner.
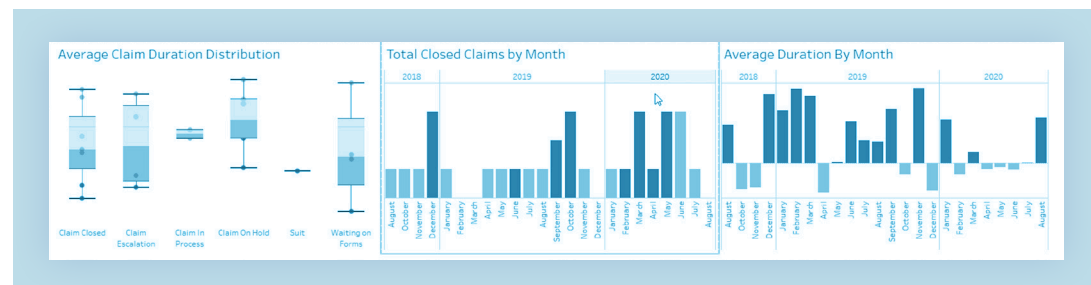
Identify Risk & Minimize Fraud

Fraud is a direct affront to revenue. Every dollar lost is a dollar taken away from investment into the business or return on shareholder profitability. And it's a big problem. Insurance fraud costs American consumers over $80 billion a year.

Every C-suite executive knows that minimizing fraud is a key factor in ensuring a successful insurance enterprise, and thus a key part of their mission. Fraud is also a zero-sum game. When a fraudster wins, the insurance industry loses, and vice versa. It's incumbent upon the industry to arm itself with the most advanced tools available because potential fraudsters are doing the same, leveraging increasingly sophisticated tools and networks in their attacks.

$80 billion a year is spent on fraud.

You need non-esoteric, specific, actionable tools such as easy-to-use dashboards that show claim volume versus suspicion score, pattern analysis, and fraud potential based on the type of claim. Through real-time analytics, your analytics stack should help identify fraud trends and automatically introduce prevention measures before an issue becomes a pervasive problem.

Risk mitigation goes beyond just minimizing fraud, as any factor that can impact revenue or client retention is ultimately a business risk. Look for an analytics solution that includes a suite of customizable stress tests so you can assess how well your business can withstand various types of business shock. Are you prepared for a large emergency that results in a huge spike in claims, both legitimate and suspicious? A forest fire? Or tornado? Or pandemic? Even if you are confident your organization is ready for such emergencies, stress tests help you quantify your level of preparedness and ensure that you are not caught ill-prepared.
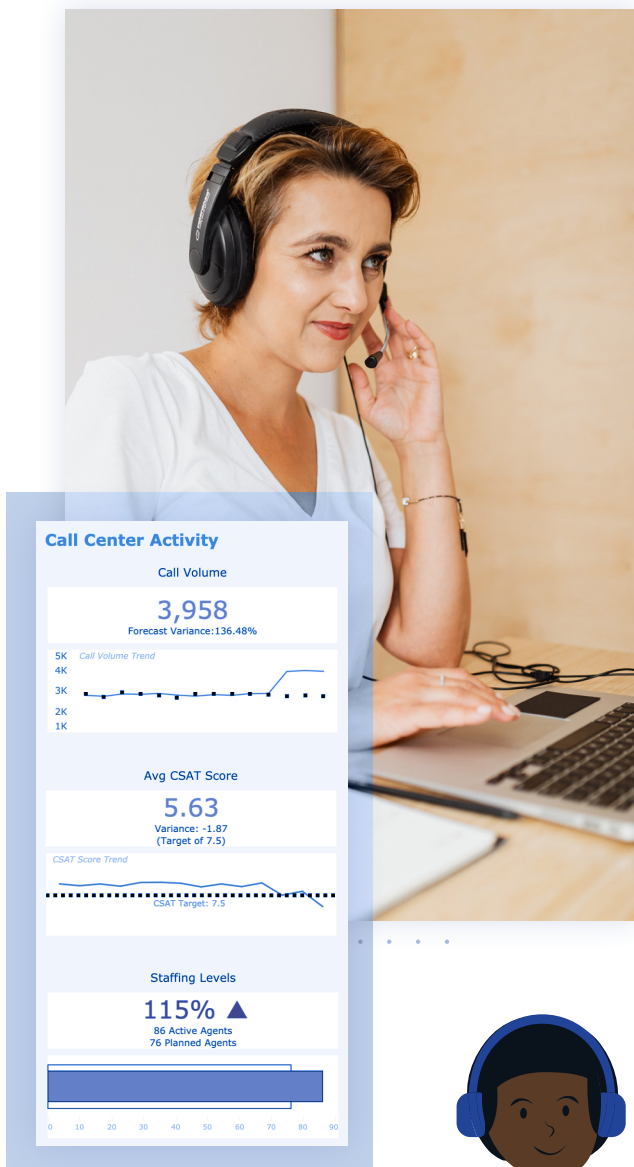
Optimize Call Center & Customer Experience

Your call centers are often the first line of direct interaction with a client. Not just the primary mechanism to process claims, they also represent an integral component of your brand, value proposition, and customer service. So it's essential that they operate efficiently, both in terms of cost-effectiveness and customer satisfaction.
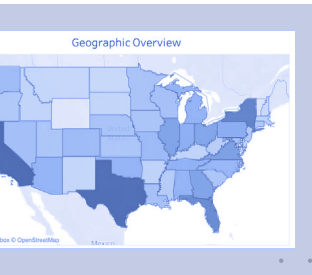
The first step in resolving any problem is to identify the problem. As a C-suite executive you aren't there watching every customer interaction, but every interaction nonetheless does bubble up and impact your business. You need a way to quickly and accurately assess a comprehensive view of customer experience and associated costs. Through a well-defined modern analytics process, you can identify which regions are generating the most volume, which are close or over capacity, average wait times, average call length, and how long it's taking to process claims.

Up to 90 days on to settle a claim.

Your provider should offer solutions which allow you to drill down by state, region, city, and down to individual team members. You should insist on platforms that not only allow you to easily access and analyze your data, but also leverage the latest machine learning and AI methodologies to help you see the big picture and offer automated perspectives and views that you might not have considered otherwise.

You can't be everywhere, but with a modern analytics solution, you don't need to be because you will have at your disposal the tools that allow you to function with the same effectiveness as if you were everywhere.

Call Center Activity

Call Volume

3,958

Forecast Variance: 136.48%

5K Call Volume Trend
4K
3K
2K
1K

Avg CSAT Score

5.63

Variance: -1.87
(Target of 7.5)

CSAT Score Trend

CSAT Target: 7.5

Staffing Levels

115% ▲

86 Active Agents
76 Planned Agents

0   10   20   30   40   50   60   70   80   90

Geographic Overview

CLAIM DETAILS
JANUARY 2011 - DECEMBER 2017

PERCENT OF TOTAL CLAIMS BY YEAR
All Divisions

2011
2012
2013
2014
2015
2016
2017
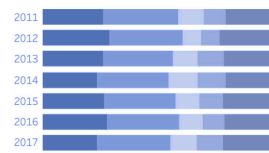
TOTAL PAID BY ENTITIES OF INTEREST
ENTITIES OF INTEREST|OTHER ENTITIES

2011
2012
2013
2014
2015
2016
2017

TOTAL PAID BY POLICY LIMIT

<2M   2M-7M   7M-20M   20M-50M   >50M

2011
2012
2013
2014
2015
2016
2017
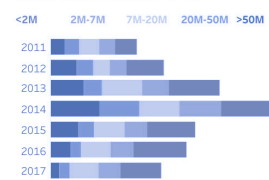
Increase Client Visibility & Better Understand Your Book of Business

Who are your clients?

Surely, you are aware of your largest clients—the ones who generate the most revenue, but likely, taken collectively, your smaller clients in any particular region represent a larger overall revenue share than some of those big clients. It's essential to have a handle on who all your clients are and also where they are. Which states or regions have the most clients per capita? By overall volume? Which business lines are performing the strongest in Arkansas? Or Northern California? Or down the block? How long does it take to convert a potential client? These should not be difficult questions to answer. You should be able to answer them almost in an instant. Your competitors can.

You should insist on a data analytics solution that offers complete clarity into your book of business. Just like with call center data, and really all data, you should be able to instantly drill down by market, demographics, sales teams, and region. With modern analytics, you'll have these and other metrics available at your fingertips and as you begin to break down and look at your client base through various perspectives, you might be surprised by what you learn and can adjust your marketing and business efforts accordingly, both internally and externally.

You will be able to assess sales teams versus KPIs and reward and promote your best performers. Likewise, you'll have the knowledge and tools to reward loyal customers and work towards gaining their brand loyalty in return. You'll also be able to identify potential areas for growth, cross-sell opportunities, upsell potential, and perhaps most importantly, learn from your loyal customers by analyzing their transaction history. In turn, you can anticipate their future needs and design your products and business accordingly.

"30-40% of underwriting's time is spent on admin tasks."

The First Step to a Modern Analytics Solution Is Finding a Modern Technology Partner

Now that you're ready to take command of your data, you need a forward-thinking technology partner who can not only integrate with your legacy systems but will build atop world-class industry-standard platforms like Tableau that keep up with ever-advancing technology.

A Tableau Gold Partner, CoEnterprise empowers users globally with superior product know-how, informative training, and optimized implementation. We have more than 100 full-time consultants with extensive data analytics experience who can help you support your data strategy.

Want to know more?

Learn more about our solutions for insurance companies at:
https://www.coenterprise.com/solutions/data-analytics/insurance/

Created by CoEnterprise

coenterprise

CoEnterprise is a transformative, problem-solving enterprise software and services company. Founded in 2010, we are recognized as a leader in the supply chain and business analytics space, delivering innovative solutions and services that empower people with the resources to analyze their data to make faster, smarter decisions. Visit **http://www.coenterprise.com** for more information.