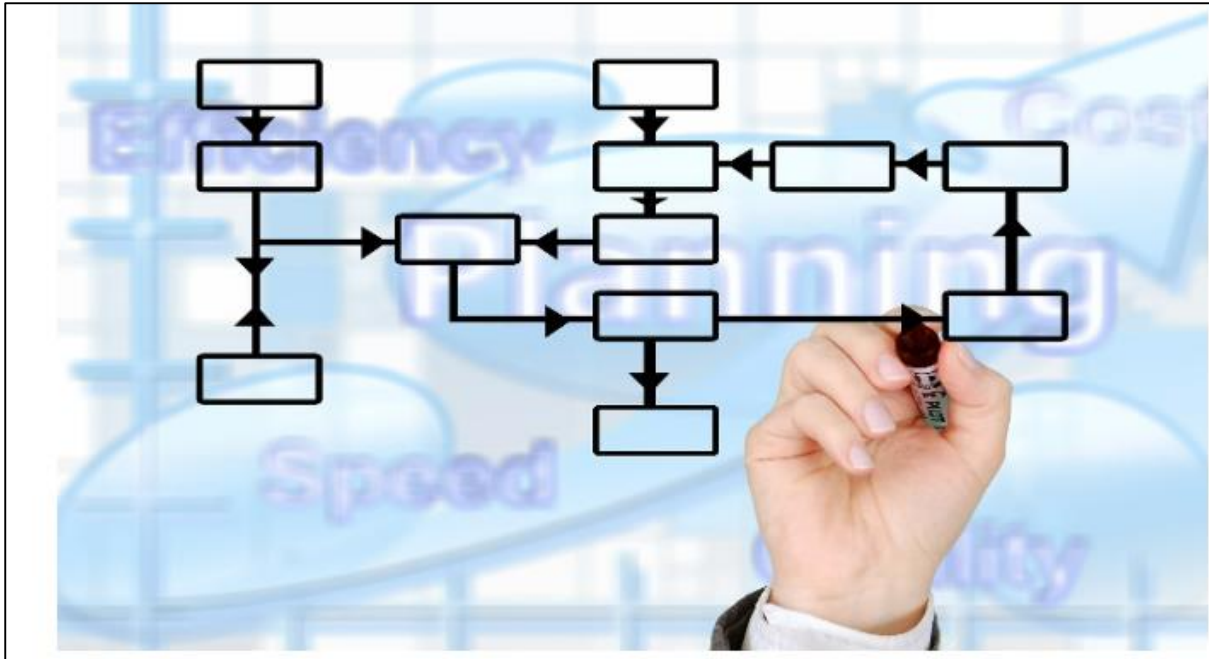


[Streamlining processes through BPR in insurance industry](#)

Re-engineering processes and services face various challenges such as the lack of appropriate knowledge, irregularity in implementation, lack of essential resources and unsound analysis. It's important to identify an appropriate reference model to successfully implement BPR

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The insurance industry which was otherwise perceived to be conventional is witnessing a rapid change in terms of enhancing customer experience with the advent of digitization. Business models today are transforming quickly to cater to the evolving needs of customers. Business Process Reengineering (BPR) plays a crucial role therein by bringing in efficiency and effectiveness within the existing processes within the organization to stay relevant. It allows alignment of company values to the needs of customers and leverages technology to redesign core processes thereby improving efficiency across the organization.

Usually, the lack of standardized processes coupled with an existing complex set of applications are the main inhibitors for low operational efficiency in the insurance industry. Insurers need to focus strongly on operational efficiency to avoid the risk of being non-competitive from either a pricing or a profitability perspective, and, in the process, failing to deliver value to their customers. Hence, insurers today are focusing on process redesign, implementation of lower cost sales and servicing channels, and legacy systems repair or replacement initiatives. Claims, policy servicing and underwriting are the highest priority areas for various initiatives in the sector.

Streamlining Processes

Process is an untapped goldmine of productivity. While it is ideal to be a digitally agile organization that has no place for cumbersome workflows, businesses are often reluctant to build custom processes which are usually complex and time-intensive. As a result, they struggle with adopting new technology and end up adopting inefficient manual workarounds. The use of BPR can help here by bringing in efficiency and scalability into the entire system. When streamlined, processes can improve document workflow, limit paper processes, ramp up the game digitally and reduce costs.

Lower-cost sales and service channels through BPR

Customers & intermediaries continue to drive insurers maintain an omni-channel presence across sales and service functions. This tendency represents both an opportunity and a challenge for insurers from an operational cost perspective. Beyond the more traditional focus of channel transformation (e.g. offline to online), insurers seek to leverage non-traditional sales and servicing options such as the shift from email and chat bots to tech-enabled voice addressing customer queries. I feel implementation of self-service and automation will play a key role in bringing down channel costs by reducing turnaround times and minimizing errors.



KV Dipu, Head -Operations and Customer Service

Simplifying Claim Processes

Claims management is a critical process in the insurance industry as this is the moment of truth in the industry. We have observed that claim settlement times are directly correlated to the severity of the claim, which makes it vital to execute efficient processes. There is a great deal of third party data that is aggregated during the process relating to active claims, such as forms, letters, etc. which arrive in a variety of unstructured ways, from different sources, at different times, and at different offices. The BPR solution brings all this information together and routes it to the right desktop, automatically assigning claims, smoothly channelling incoming information, bundling documents connected to the same claim and prioritizing work streams.

Challenges while implementing BPR

Re-engineering processes and services face various challenges such as the lack of appropriate knowledge, irregularity in implementation, lack of essential resources and unsound analysis. I feel it's important to identify an appropriate reference model to successfully implement BPR. Without this, most of the time is often spent on capturing the 'as is' position, and it is often difficult to get agreement on ordinary processes and definitions.

I firmly believe that if implemented well, BPR can bring in significant level of operational efficiency and cost control across the entire insurance value chain. It can enable paperless transactions, simplify red tape processes by automating case management support to reduce

cost and settlement time frames within the claims life cycle there helping insurers maintain high standards in customer service.

Re-engineering to Re-imagination

In tune with the ever changing face of the industry, BPR itself has now morphed from re-engineering to re-imagination. In other words, it is not just about re-engineering within the box but adopting out-of-the-box solutions using agile methodology and a nimble mind-set. Think big. Act small. Scale fast.

Authored by KV Dipu, Head – Operations & Customer Service, Bajaj Allianz General Insurance