

IT can automate the entire claims management

By **Abhishek Raval** on January 13, 2016

Sanjiv Kumar Dwivedi, VP, Investigation and Loss Mitigation, Bajaj Allianz General Insurance in conversation with Abhishek Raval, opines that apart from IT being currently in use for red flagging suspicious cases; saving leakages due to fraudulent claims; helping in customer service, the role can be extended in the entire insurance claims management process.

Role of IT in fraud management at Bajaj Allianz?

In claims proposals regarding motor insurance cases, our field team uses iPad to prepare the report, take photographs of the damage to the vehicle and send it to the central server. Earlier, this process was manual and time consuming. IT provides fast intelligence gathering on red flagging of cases out of the total claims proposals, separating the possibly fraudulent cases from the genuine. The claims proposal may be regarding motor insurance or health insurance. The Investigation process consists of the field team and the back-end team. The former works on the ground. They are surveyors who visit the place of accident for motor insurance claims, health insurance claims etc. and the latter threshes out the suspicious cases out of all the claims proposals. IT systems help us in the process of zeroing on these cases. The field work is planned with reference to the information provided by the IT systems. In the absence of such systems the field team doesn't have any clues to work on. Thus the back-end team using technology, lines up, only the potentially fraudulent claims and avoids any instances of investing time in going after the false positives thus irritating genuine customers. IT helps us to identify cases having higher possibility of fraud.

How can IT crunch the process of identifying fraudulent customers?

We are looking forward to technology helping us in the area of predictive analytics. The possibility of running customer profiles across industries, other insurance companies, they have bought policies from. As a regular process, just before the customer is acquired, if IT systems can scan their profile and history with respect to various parameters, for e.g. based on the claims statistics of the customers, can it enable us to gauge the chances of customers coming up with claims in the coming three-four months and what is the percentage of those customers being fraudulent. Moreover, there are many suspicious cases, where the customers go scot-free in the absence of any substantial evidence. IT solutions can reference check the potential fraudsters on various social networking platforms to see if they are associated with other fraudsters or syndicates, who have made a living out of such activities. The solution can also lookout for whether the same customer has filed for claims in health insurance, motor insurance, motor third party insurance, fire insurance, home insurance and so on. So, all this put together helps us in corroborating evidences that he is a fraudulent customer by nature and preparing a water-tight case against him.

What are your suggestions in IT playing a role in a typical motor accident case?

In a motor accident case, we are looking for IT solutions, which can give reliable information on the authenticity of the customer's reporting of the nature of his injury

during the accident. What are the chances of the the correctness of the nature of the injury as claimed by the customer; what is the probability of the customer having exaggerated the information about the injury to get a higher claims amount. The information as mentioned by the customer in the injury certificate. It will help us in further building evidences. This is apart from IT playing a role in red flagging suspicious cases, save leakages, help in customer service etc. In my opinion, the entire process of claims management can be automated by IT. Big data can help us to further improve our services in terms of delighting the customer.

Are you looking to implement big data solutions?

As a company we are actively looking for a Big data solution. It will help us in predictive analysis and much more in our actuary process, claims management, underwriting process, fraud management process. The next step for us in technology adoption will be in the big data space. In our last management meeting, this was considered as one of the most important topics, which was discussed. Big data for better decision making will attract the right foreign players exploring to invest in Indian Insurance companies after the government decision to allow 49% FDI in Insurance. They would like to invest in companies who are using advanced technologies for business development.