

SMART MONEY | INSURANCE

In this day and age, no company wants to be seen on the wrong side of customer experience, and insurers are no different. A huge part of this is improving claim processes. Timely settlement is to the insurer's benefit too as a healthy customer experience drives positive word-of-mouth publicity which in turn attracts new business. The regulator, Insurance Regulatory and Development Authority of India (IRDAI), has also made complacency costly by mandating penal interest payment if the claim isn't processed within 30 days.

Filing claims online has also become a lot simpler. "A lot of the information is being pre-filled. Customers can attach scanned documents for faster processing," says Mehmood Mansoori of HDFC ERGO General Insurance. "Insurance firms are now looking at claims settlement within 24 hours to 2-4 days, reviewing the turnaround time completely," says Kalpesh Mehta of Deloitte India.

"Our claims paid ratio of 98.26 per cent in FY17-18 is backed by an automated claims processing system, which uses analytics models to identify clear cases and process them immediately. A claim is settled in an average of six days after completing the documentation; a third of these are settled within a day," claims Max Life Insurance's Manik Nangia.

**Motor claims:** Vehicle insurance is a segment that faces frequent claims, and the change is evident here as well. "The average turn-

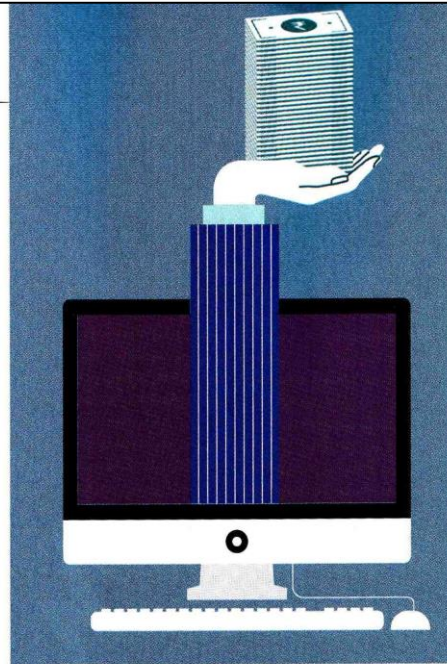


Illustration by RAJ VERMA

## CLAIMS TURN EASY

Insurers are focusing on quicker processing of claims to enhance customer experience

around time for cashless claim as well as reimbursement is four days, excluding the time taken for vehicle repair," claims Sasikumar Adidamu of Bajaj Allianz General Insurance.

The next frontier is adapting to smartphone usage and mobile platforms. "HDFC ERGO customers can use our mobile app to conduct a self-survey of their

vehicle, and submit pictures and videos. In such cases, we ensure claims are responded to in an hour," claims Mansoori. Customers can also register motor claims with the interactive voice response (IVR) service.

**Health claims:** ICICI Lombard has come up with an artificial intelligence (AI)-based technology to facilitate instant health insurance

claims approval. "With our e-cashless process, the hospital can put the request directly in our claims system. This reduces turnaround time and increases transparency," claims the company's Sanjay Datta.

However, efficiency must also extend to external players like hospitals and third party administrators (TPAs). "We have a claim-tracking system for TPAs, focusing on key parameters such as bar-coded tracking of claim documents, real-time claim tracking, e-cashless facility for planned hospitalisation, a GPS-enabled claims app for identifying network providers, facilities, tariffs, images etc," says Prasun Sikdar of Cigna TTK Health Insurance.

**Cashless claims:** "Around 40 per cent health claims are now in cashless mode. Cashless claims have been increasing year-on-year as it gives a hassle-free hospitalisation experience. Most high-end procedures, surgeries, high claim amount-cases now are on cashless basis," says Adidamu of Bajaj Allianz.

### ▶ FUTURE TASKS

"Claims risk assessment will be more preventive and predictive to facilitate speedier claims settlement. AI and analytics will eliminate fraud risk. Telematics has brought a paradigm shift in motor insurance," says Deloitte India's Mehta. The technology is in place, now the task is to ensure that policyholders, unlike in the past, actually do have a better claim experience. ■

-Naveen Kumar

### HIGHER EFFICIENCY

% of individual death claims pending

	2013-14	2014-15	2015-16	2016-17
Less than 3 months	47.85	46.51	38.25	85.09
More than 1 yr	21.9	21.07	19.71	3.47

Source: IRDAI