How a Leading Life Insurance Provider Achieved Insurance Claims Transformation with Cloud Automation

Case study

Client

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Summary

Our client is a prominent US-based life insurance provider offering dependable Term Life policies to its customers. Their mission is to provide financial security to families when they need it most, which makes the efficiency of their claims process a cornerstone of their operations. This provider processes three primary types of claims:

- Death Claims (the majority of claims),
- Terminal Illness Accelerated Benefit Claims, and
- Disability Waiver of Premium Claims.

The claims process typically begins with notification from a beneficiary, a family member, a funeral home, or a legal representative via phone, fax, or email. Once the request is received, the claims specialists manually verify and process the claim using a legacy system that, while functional, struggles to keep up with the increasing demands of the modern insurance industry. The company recognized that relying on an outdated system was limiting its ability to meet customer expectations efficiently and effectively.

Challenge

The life insurance provider faced several challenges with its legacy claims processing system, which relied on outdated technology and processes. Some of the key issues included:

- **Lack of Customer Accessibility:** Policyholders could not directly access claim information, leaving them no option but to rely on claims specialists for updates, often leading to frustration and delays.
- **Complex and Outdated User Interface:** Claims specialists had to navigate a congested and unfriendly green-screen interface that was inefficient and time-consuming.
- **Daily System Downtime:** The system required hours of downtime each day for exclusive database batch processing, making it unavailable during critical business hours.
- **Slow Processing Times:** Manual claim setup and verification slowed the entire process, delaying settlements and eroding customer trust.
- **Regional Inconsistencies:** The system had issues synchronizing efficiently between the US and the Canadian operations, creating delays and inconsistencies in claim processing.
- **Revenue Leakage:** Delays in claim settlements resulted in interest payments on overdue claims, leading to significant financial losses.

Solution

To address these challenges, Hexaware implemented a comprehensive modernization strategy that transformed the client's legacy claims system. Leveraging a "strangler" pattern for mainframe modernization, we systematically transitioned functions from the mainframe to a modern, efficient platform. The client's original claims system, reliant on outdated methods like calls, faxes, and mail for claim registration and status tracking, lacked direct access for policyholders. To overcome this, we developed a user-friendly claims portal using Pega, a low-code platform that enabled rapid development and deployment. This new portal not only streamlined claims processing but also empowered policyholders with direct, real-time access to register claims and track their status. Combined with a cloud-based Relational Database Management System (RDMS), this modern solution enhanced operational efficiency, improved accessibility, and elevated overall customer satisfaction in the insurance process.

Here's how the new system transformed the claims process:

- **Global Accessibility:** The new system allowed policyholders to access detailed claim information from anywhere in the world via an easy-to-navigate web portal.
- **Seamless 24/7 Availability:** Unlike the legacy system, the cloud-based platform eliminated downtime, ensuring uninterrupted access for both claims specialists and policyholders.
- **Faster Claim Processing:** Insurance claims automation minimized manual tasks, such as claim setup and verification, significantly reducing the time required to process and settle claims.
- **Enhanced User Experience:** Claims specialists moved from the outdated green-screen interface to a modern, graphical user interface (GUI) that simplified navigation and reduced processing times.
- **Regional Synchronization:** The system was optimized to function seamlessly across both the US and Canadian operations, eliminating regional delays and inconsistencies.
- **Improved Communication:** Automated emails and letters ensured that claimants received timely updates, improving transparency and trust.

By leveraging the reliability of the client's existing mainframe system and integrating it with modern cloud technology, Hexaware created a robust and scalable solution capable of meeting the demands of a global customer base.

Benefits

The implementation of the cloud-based claims system delivered significant benefits to the life insurance provider's operations, employees, and customers:

For Policyholders and Claimants:

- **Enhanced Confidence:** The improved efficiency and communication boosted customer confidence in the insurer's reliability.
- **Faster Settlements:** Reduced processing times meant that beneficiaries received payouts more quickly during critical times of need.
- **Real-Time Access:** Customers could now check claim statuses and access policy details anytime, anywhere, fostering transparency and trust.

For Claims Specialists and Agents:

- **Streamlined Workflows:** The modern interface significantly reduced the complexity of daily tasks, allowing employees to focus on delivering exceptional customer service.
- **Improved Accuracy:** Automation minimized errors in claim setup and data entry, ensuring smoother operations.

For the Insurance Provider:

- **Cost Savings:** Faster settlements reduced interest payments on delayed claims, saving substantial revenue.
- **Operational Efficiency:** With 24/7 system availability and regional synchronization, the company could process claims more effectively across the US and Canada.
- **Competitive Advantage:** The shift to a cloud-based system reinforced the provider's position as an innovative, customer-centric insurer in a competitive market.

Summary

The life insurance provider's decision to partner with Hexaware to modernize its claims management process through a cloud-based RDMS solution marked a pivotal moment in the company's history. By addressing the inefficiencies of its legacy system, the insurer not only improved operational performance but also elevated the insurance customer experience to new heights. The new system's 24/7 availability, faster claim settlements, and global accessibility have redefined how the provider serves its policyholders. Moreover, the significant boost in efficiency and cost savings has enabled the company to allocate resources more effectively, paving the way for sustained growth and innovation.

If your organization is facing similar challenges, consider how modern cloud solutions can help you unlock new opportunities for growth and success.

Contact us today!

HEXAWARE

About Hexaware

Hexaware is a global technology and business process services company. Every day, Hexawarians wake up with a singular purpose: to create smiles through great people and technology. With this purpose gaining momentum, we are well on our way to realizing our vision of being the most loved digital transformation partner in the world. We also seek to protect the planet and build a better tomorrow for our customers, employees, partners, investors, and the communities in which we operate. With offices across the world, we empower enterprises to realize digital transformation at scale and speed by partnering with them to build, transform, run, and optimize their technology and business processes.

Learn more about Hexaware at https://www.hexaware.com.

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