



**HYPERAUTOMATION
IN INSURANCE**

HYPERAUTOMATION: BELIEVE THE HYPE

Hyperautomation is a key enabler for insurers to deliver the digital enterprise by intelligently orchestrating and streamlining complex business processes.





BEYOND AUTOMATION



The dynamics of the insurance market are changing rapidly. Regulatory changes are compelling insurers to pivot their customer acquisition strategies away from price, and driving a renewed focus on customer experience, brand loyalty, and product innovation. Moreover, to remain profitable in a market where they have less flexibility to adjust pricing, firms must focus on adding value through new services and products while reducing the cost of claims and claims handling to remain profitable.

Most insurers recognise that automation offers huge potential to solve these problems. By automating customer service and claims handling processes, they can provide a much more seamless experience for customers, increase the consistency and cost-efficiency of claims decisioning, and launch new products faster.

Adopting technologies such as robotic process automation (RPA) and business process management (BPM) has enabled insurers to digitalise many of their low-value, high-volume workflows, delivering a multi-million return on investment. However, many of the higher-value insurance processes are too complex to handle with the simple, linear approach to automation that these tools provide.

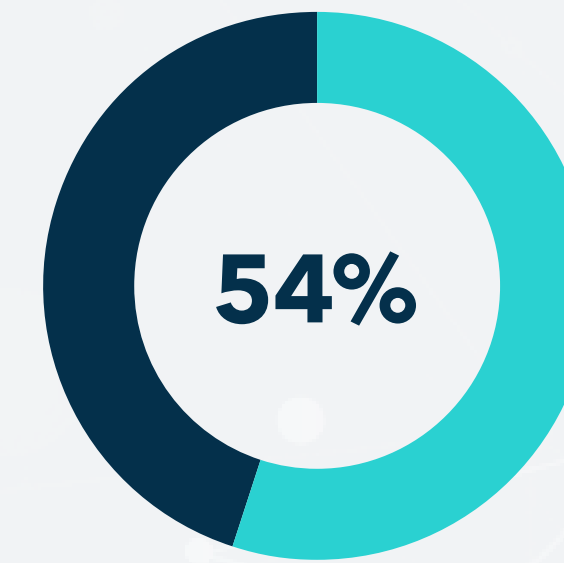


AN APPETITE FOR AUTOMATION

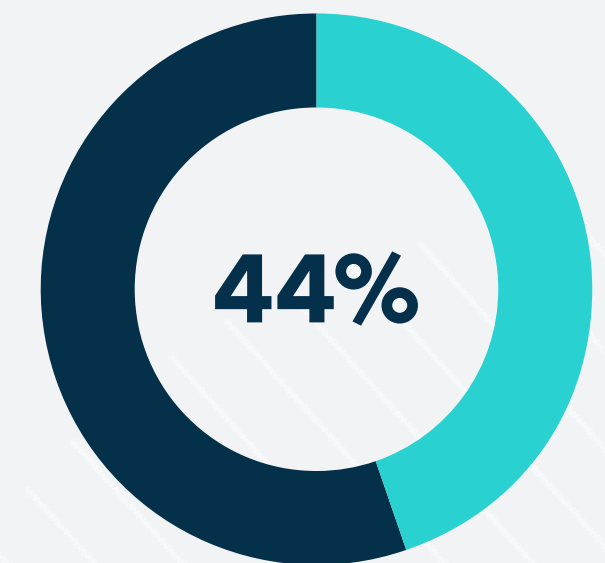
That's why analysts such as Gartner are increasingly recommending a shift from today's automation tools to a new paradigm: hyperautomation.¹ Hyperautomation is the convergence of digital operating systems, workflows, RPA, and artificial intelligence (AI), to deliver high value autonomous processes through intelligent decisions.

We're seeing the hype for hyperautomation take hold not only in insurance, but across all industries. However, turning that hype into true digital transformation will require intelligent decisioning at the core of every workflow. That's why SAS and Microsoft are partnering to help insurers deliver the digital enterprise through autonomous processes and decisioning.

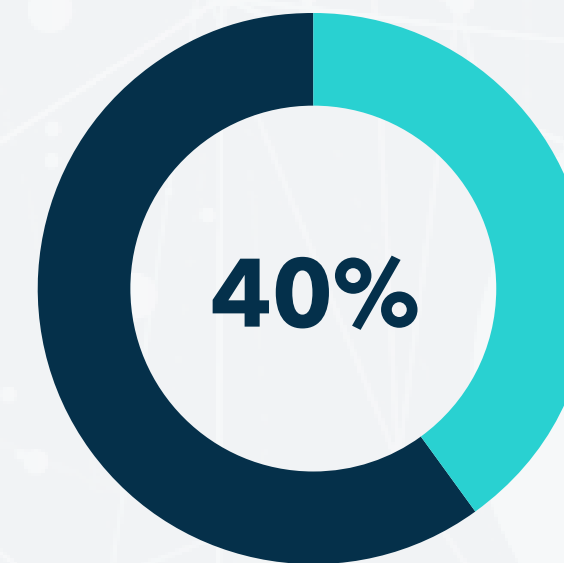
In this eBook, we'll explore how SAS Intelligent Decisioning and the Microsoft Power Platform can combine to provide a low-code hyperautomation platform. Our ready-integrated solution not only helps insurers introduce intelligent automation quickly, but also ensures that all decisions are auditable and explainable—earning the confidence of customers, employees, and regulators alike.



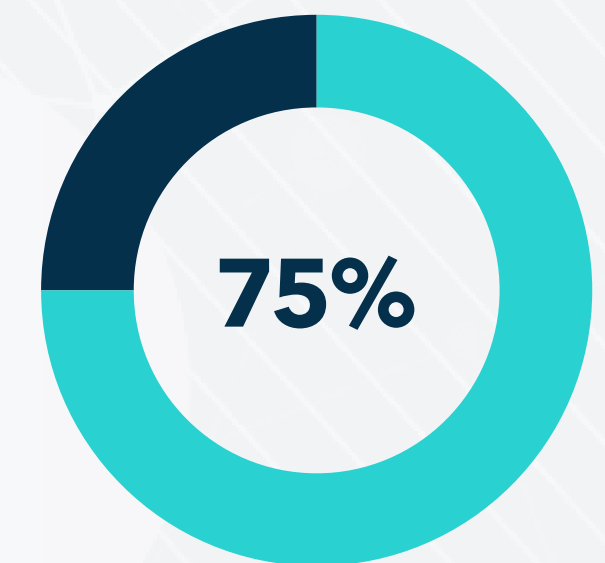
of customers now primarily engage with their insurer using digital channels



of customers trust insurers' automated customer service tools such as AI chatbots



of customers prefer using an automated customer service tool over a human if it provides faster, more convenient service



of customers would consider switching to another provider that can offer faster customer service

¹ <https://www.gartner.com/en/information-technology/glossary/hyperautomation>

WHAT DO INSURERS NEED?

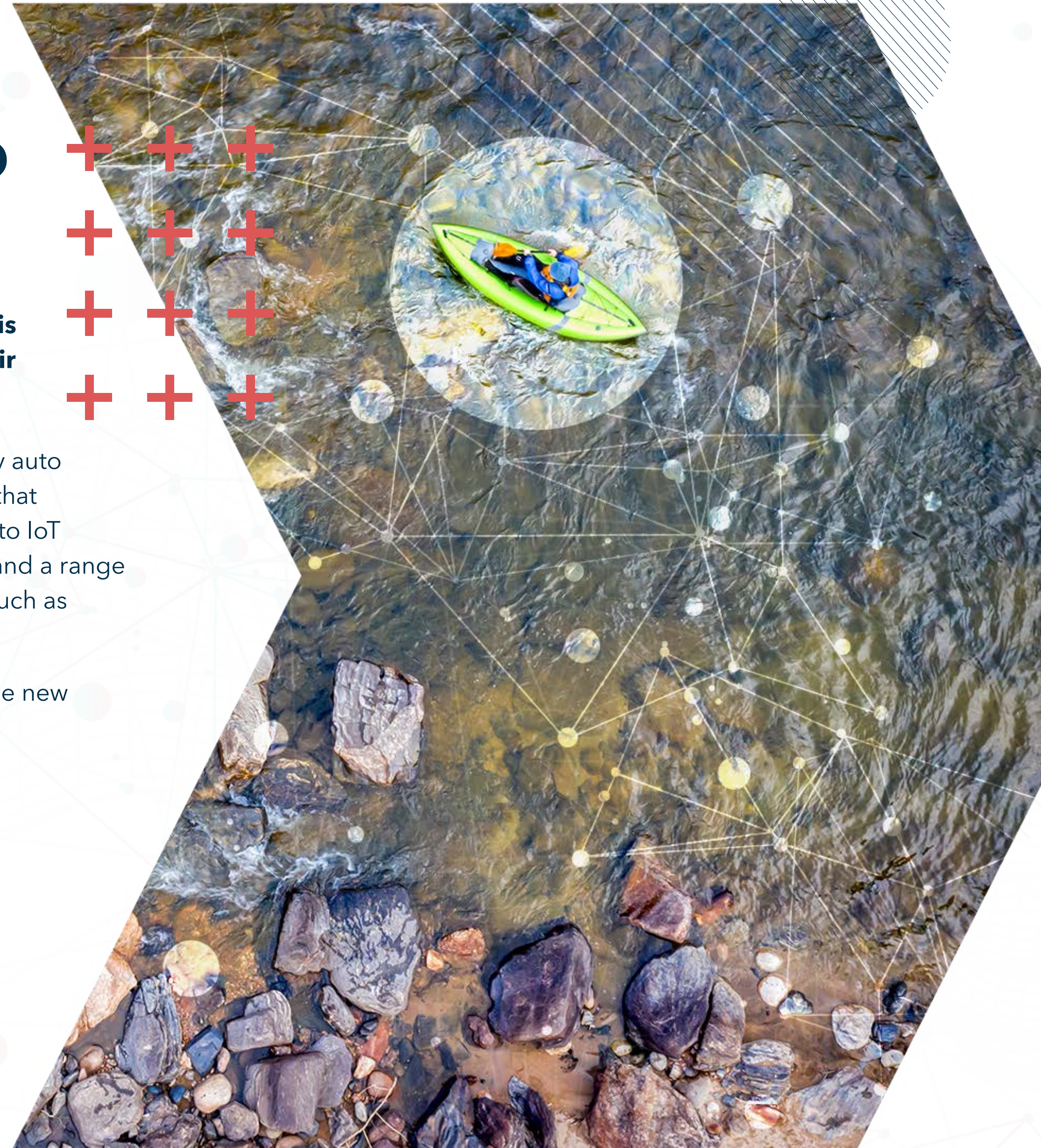
2 WHAT DO INSURERS NEED? >

To win new business and build profitable long-term relationships, insurers can no longer afford to compete on price alone. This realisation is driving innovation, as firms rush to launch exciting new products that pair traditional policies with state-of-the-art technology.

For example, following on from the successful use of in-car telematics by auto insurers, we're now seeing health insurance linked to biometric sensors that monitor the policyholder's exercise regime, home insurance connected to IoT devices that monitor smoke detectors, water pipes and burglar alarms, and a range of products that proactively warn policyholders about high-risk events such as severe weather conditions.

As the pace of innovation increases, insurers need to be able to get these new products to market much faster than ever before. This means not only presenting an attractive offer to the customer, but also putting the back-office systems and processes in place to deliver excellent service while maintaining healthy profit margins.

This requires a level of agility and efficiency that is only possible through large-scale, strategic automation. Traditional automation tools are not sufficient, because the processes involved in managing these new customer journeys are complex and non-linear. They include many branching points where decisions must be made—and those decisions must be automated intelligently to provide a frictionless, real-time customer experience.

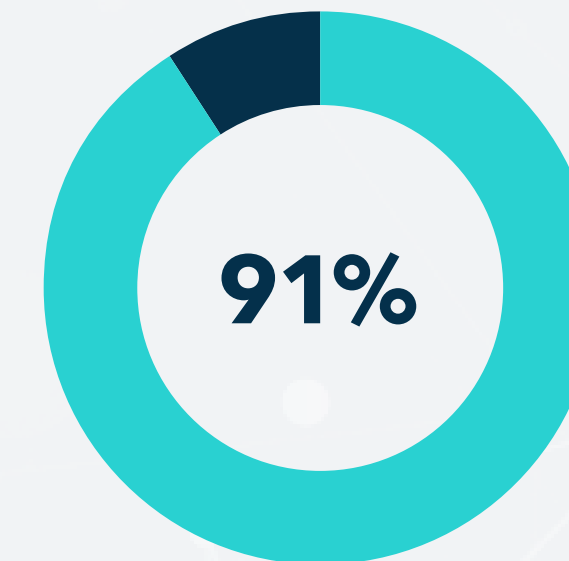


2 WHAT DO INSURERS NEED? >

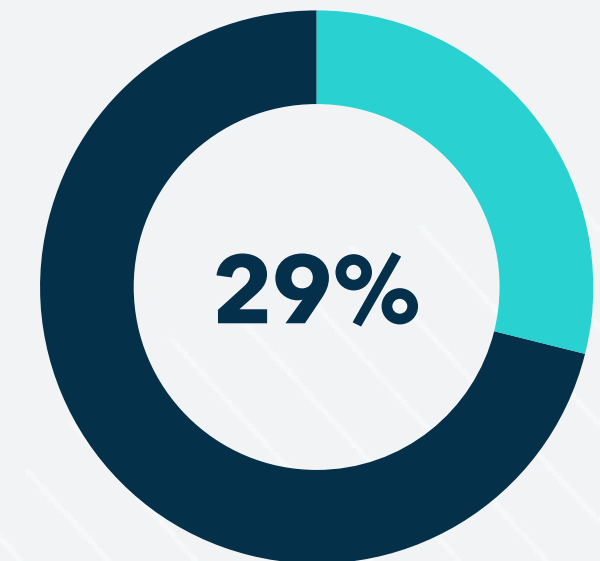
Moreover, transparency is just as important as efficiency and speed. In an environment where insurance pricing and claims handling are under increasing scrutiny from both regulators and customers themselves, every decision must be explainable and auditable.

Finally, the speed of change means that it's no longer feasible for business and IT teams to spend six months updating pricing algorithms or building out interfaces between systems. Insurers need to put business teams in control by using low-code or no-code software to accelerate the delivery of intelligent automated processes.

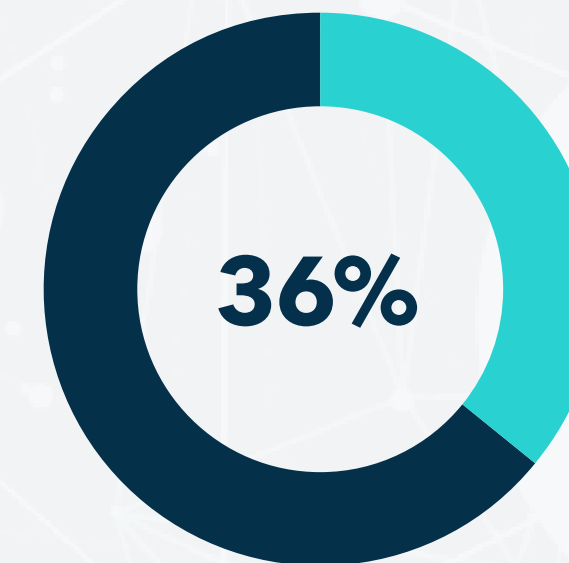
HYPERAUTOMATION IN PROSPECT



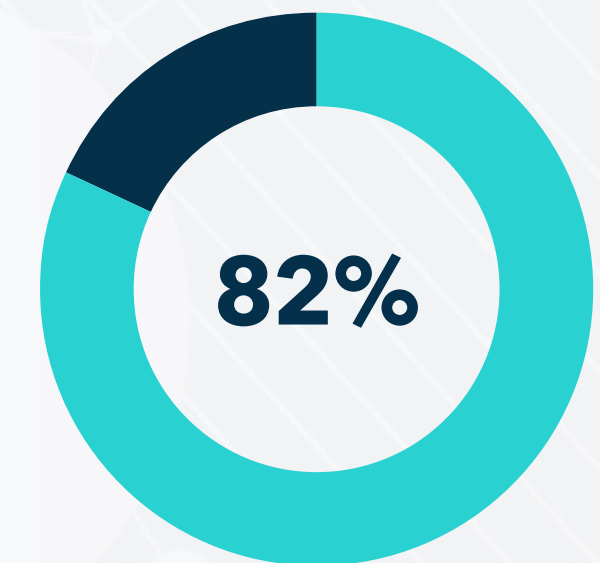
of the C-suite are convinced that hyperautomation will have benefits for their business



of businesses see hyperautomation as key to reducing time to market for new products



of businesses expect hyperautomation to drive improvements in customer experience



of businesses believe hyperautomation will be an important topic in the next 12 months

3 WHAT CAN HYPERAUTOMATION DO FOR INSURERS? >

WHAT CAN HYPER AUTOMATION DO FOR INSURERS?

By combining traditional automation tools with AI and cloud technologies, hyperautomation makes it possible to scale up beyond simple linear workflows and embrace the full complexity of insurance processes.

- Gain a 360-degree view of each customer.** By leveraging static and streaming data with computer vision, machine learning and natural language understanding, you can capture information from digital interactions, video, audio, images, and documents instantly, enabling you to make better risk, fraud, and marketing decisions.
- Eliminate manual workflows.** Business process orchestration enables you to define, coordinate, monitor, and audit complex branching workflows and manage long-running processes, with automatic retries and exception management in case of unexpected issues.
- Automate processes efficiently.** Robotic process automation enables you to programmatically control and execute linear workflows involving multiple front- and back-office services, without needing to build direct integrations—avoiding the need for costly changes to legacy systems.
- Make intelligent decisions.** By applying a combination of business rules and predictive models to all your available data, decision-making takes place automatically, making it possible to extend the scope of automation to even the most complex use cases.
- Empower business process owners.** With low-code interfaces, your business process owners can design, deploy, and refine automated processes without support from IT. This dramatically accelerates the adoption of automation and increases ownership and accountability.
- Embrace the wider insurtech ecosystem.** Always-on, always-connected cloud platforms enable you to scale seamlessly and integrate easily with external applications and data, such as specialist insurtech services. This enables embedded insurance products and new digital distribution opportunities.

HYPERAUTOMATION OPPORTUNITIES IN INSURANCE

4 HYPERAUTOMATION OPPORTUNITIES IN INSURANCE



PERSONALISE CLAIMS MANAGEMENT

Hyperautomation can make claims handling a friction-free process, guiding self-serve customers and claims handlers through the process of collecting data and establishing facts about their claim and making appropriate decisions informed by AI-powered risk and fraud models. This can not only enable insurers to settle many claims in minutes, without human intervention, it can also triage more complex cases so that human claims handlers have already the relevant information and guidance at their fingertips before the conversation with the customer begins.



KEEP FRAUDSTERS AT BAY

Hyperautomation can help insurers integrate sophisticated fraud decisioning into pricing, policy management and claims processes as volumes of digital interactions increase. For example, by using real-time network analysis to detect hidden connections between entities such as automotive body shops, drivers and passengers, telephone numbers and home addresses, insurers can automatically divert a claim into an investigation process when the risk of fraud is above a safe threshold.



PROVIDE MORE ACCURATE QUOTES, FASTER

In a fast-changing environment, underwriters need to be able to integrate new information into risk and pricing models continuously. Hyperautomation makes it possible for underwriters to build, deploy, monitor, and manage AI and machine learning models faster and more transparently through low-code interfaces, providing accountability and flexible innovation without requiring advanced coding skills.



EMPOWER CUSTOMERS TO TAKE CONTROL

Increasingly, customers want to be in control when interacting with their insurer. Hyperautomation makes it easier to build seamless workflows that empower customers to modify, renew or upgrade their policies entirely via digital channels, using AI-powered decisioning to guide them through complex journeys without support from human customer service agents.

THE SAS AND MICROSOFT ADVANTAGE

While many technology companies are eagerly jumping on the hyperautomation bandwagon, SAS and Microsoft are in a unique position to deliver real value beyond the hype by combining intelligent decisioning, analytics lifecycle management, responsible AI, low-code/no-code platforms, and industry expertise in a seamless fashion.

With intelligent decisioning at the core of every workflow, insurers can scale from simple linear workflows to the full complexity of business-critical processes, providing insurers with a real and sustainable source of competitive advantage.

² <https://www.sas.com/en/whitepapers/operationalizing-analytics-111317.html>

ENTERPRISE DECISIONING

SAS Intelligent Decisioning acts as the central brain that empowers you to integrate automated decision-making and decision support into all your automated processes. It provides access to a comprehensive range of advanced analytics tools and techniques, from traditional statistical modelling to forecasting and optimisation, machine learning and deep learning—so you can always choose the right tool for the job.

ANALYTICS LIFECYCLE MANAGEMENT

Building the right model is only the first step—you also need to be able to train, test, deploy, manage, and retrain it. Analyst firms estimate that only 35% (IDC) to 50% (Gartner) of models are fully deployed, while SAS research has discovered that 44% of models take more than seven months to deploy.² SAS is a leader in operationalising AI, helping insurers get models to production faster and keep them accurate, unbiased and fit-for-purpose as business and customer needs evolve.

RESPONSIBLE AI

The insurance industry is constantly under the scrutiny of regulators, customers, and the media, so its decision-making has to be transparent. For hyperautomation initiatives to meet regulatory requirements and satisfy customers, every automated process you build needs to be fully auditable, and every decision made during that process must be explainable. SAS and Microsoft offer a unique, end-to-end governance model for responsible AI-powered hyperautomation.

LOW-CODE/NO-CODE PLATFORMS

Most traditional RPA and AI tools are developer-focused, requiring deep technical expertise to code automation scripts and machine learning models. Microsoft enables you to build hyperautomation flows with Power Automate and Power Apps—and embed SAS Intelligent Decisioning technology within them using intuitive no-code and low-code software. This puts hyperautomation in the hands of process owners, reducing the pressure of maintaining developer-written code, whilst also delivering technology to support the composable enterprise.

INDUSTRY EXPERTISE

With years of experience in helping insurers address decisioning and automation challenges, SAS and Microsoft are already trusted partners to many of the industry's leading players. By building on existing investments, relationships and expertise, SAS and Microsoft can help clients accelerate their adoption of hyperautomation and hit the ground running—in many cases, delivering meaningful improvements in weeks, not months.



HYPERAUTOMATION IN ACTION

A MAJOR CANADIAN COMPOSITE INSURER

CHALLENGE

This insurer wanted to differentiate its business, win new customers, and increase loyalty in its existing customer base by offering prospects and policyholders a more personalised experience through intelligent decisioning.

SOLUTION

The insurer worked with SAS to use machine learning models analyse big data from its customer data lake and generate best next actions. The next step was to adopt a hyperautomation strategy to apply these actions intelligently across all customer-facing channels in real time.

SAS helped the insurer develop a “digital coach”—a friendly AI personality which presents actions in the form of tips, nudges and personalised reminders on the insurer’s website and mobile app, as well as via digital home assistants such as Amazon Alexa.

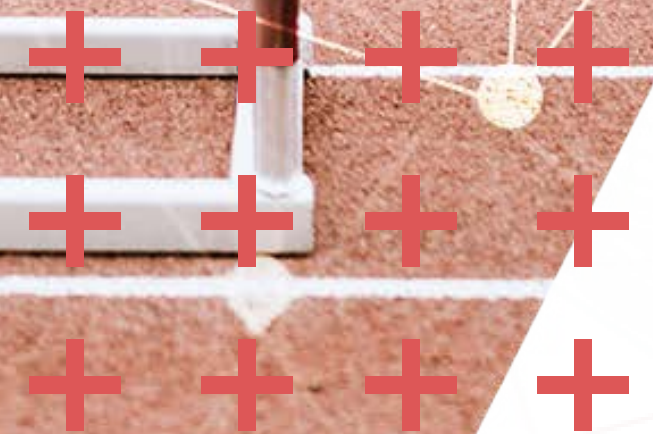
Suggested best next actions from the digital coach are also integrated into contact centre systems to augment provide decision support for customer service agents. In addition, they are used in email marketing campaigns, enabling the insurer to make consistent offers across all channels.

BENEFITS

Following the launch of the digital coach, the insurer saw a significant lift in customer engagement rates and a 14 percent rise in net promoter score (NPS). The customer insight and automated decision support provided by the digital coach has helped the company achieve a significant uptick in financial performance—contributing to wealth deposits of over \$760 million in a single year.



6 HYPERAUTOMATION
IN ACTION:
CANADIAN INSURER



HYPER AUTOMATION IN ACTION

ICARE

CHALLENGE

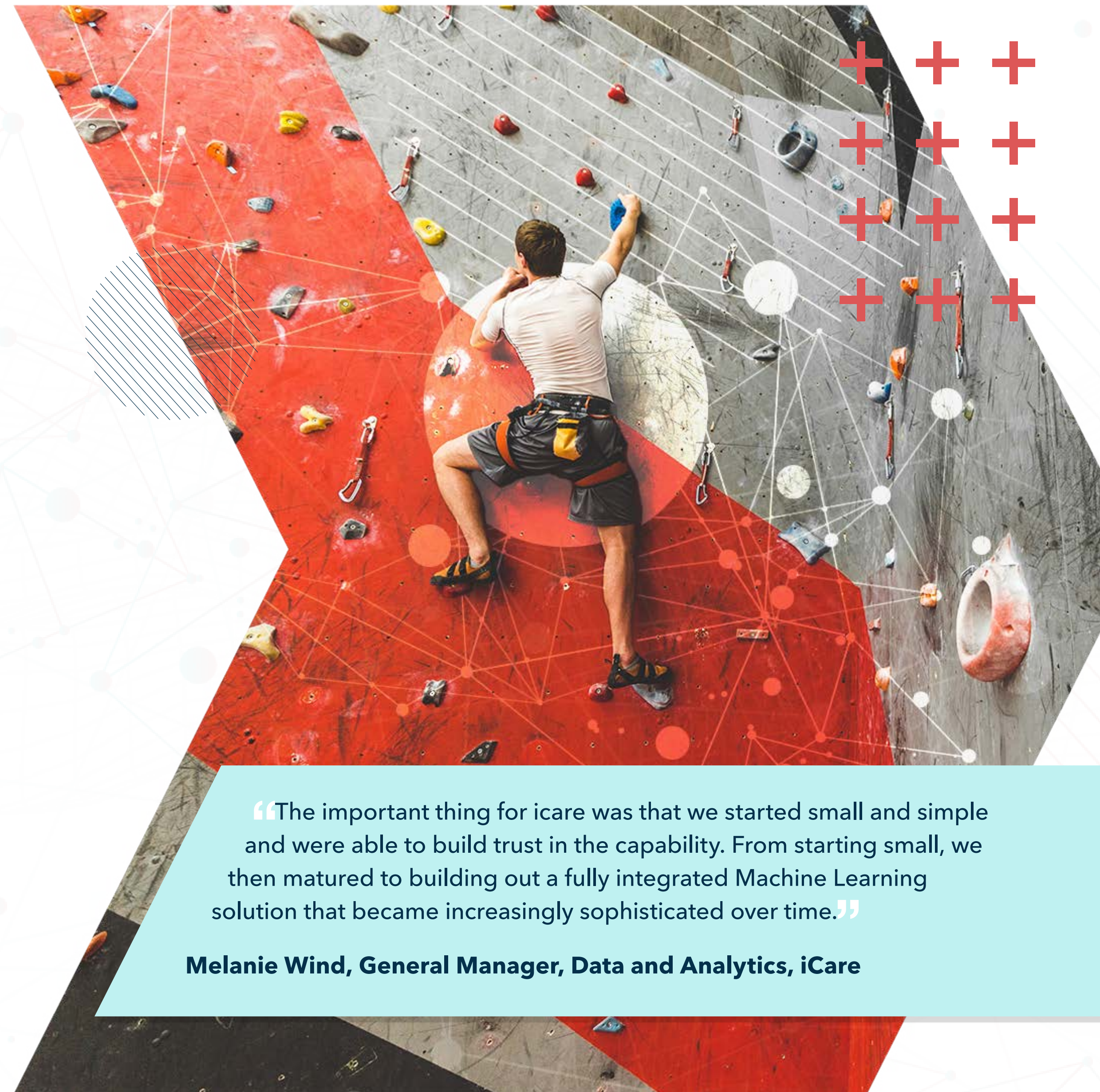
As the agency responsible for providing insurance and care services to businesses and communities across New South Wales, icare wanted to deliver faster and more efficient claims settlement for people who suffer injuries at work.

SOLUTION

Working with SAS, icare adopted a hyperautomation strategy to deliver a new claims triage process powered by intelligent decisioning, deployed in the cloud.

BENEFITS

Combining rule-based, statistical, and AI-based modelling techniques, the new triage engine has increased accuracy by 15% and enabled the business to respond to up to 10 triage requests per second at peak times—helping to get service users the care they need faster than ever before.



“The important thing for icare was that we started small and simple and were able to build trust in the capability. From starting small, we then matured to building out a fully integrated Machine Learning solution that became increasingly sophisticated over time.”

Melanie Wind, General Manager, Data and Analytics, iCare

NEXT STEPS ON YOUR HYPER AUTOMATION JOURNEY

Leading insurers are already working with SAS and Microsoft to build hyperautomation into their business models and unlock significant competitive advantage.

In fact, 53% of businesses that have embarked on their hyperautomation journey are already using Microsoft Power Automate, and 76% report that they have found hyperautomation easier to implement than expected.³

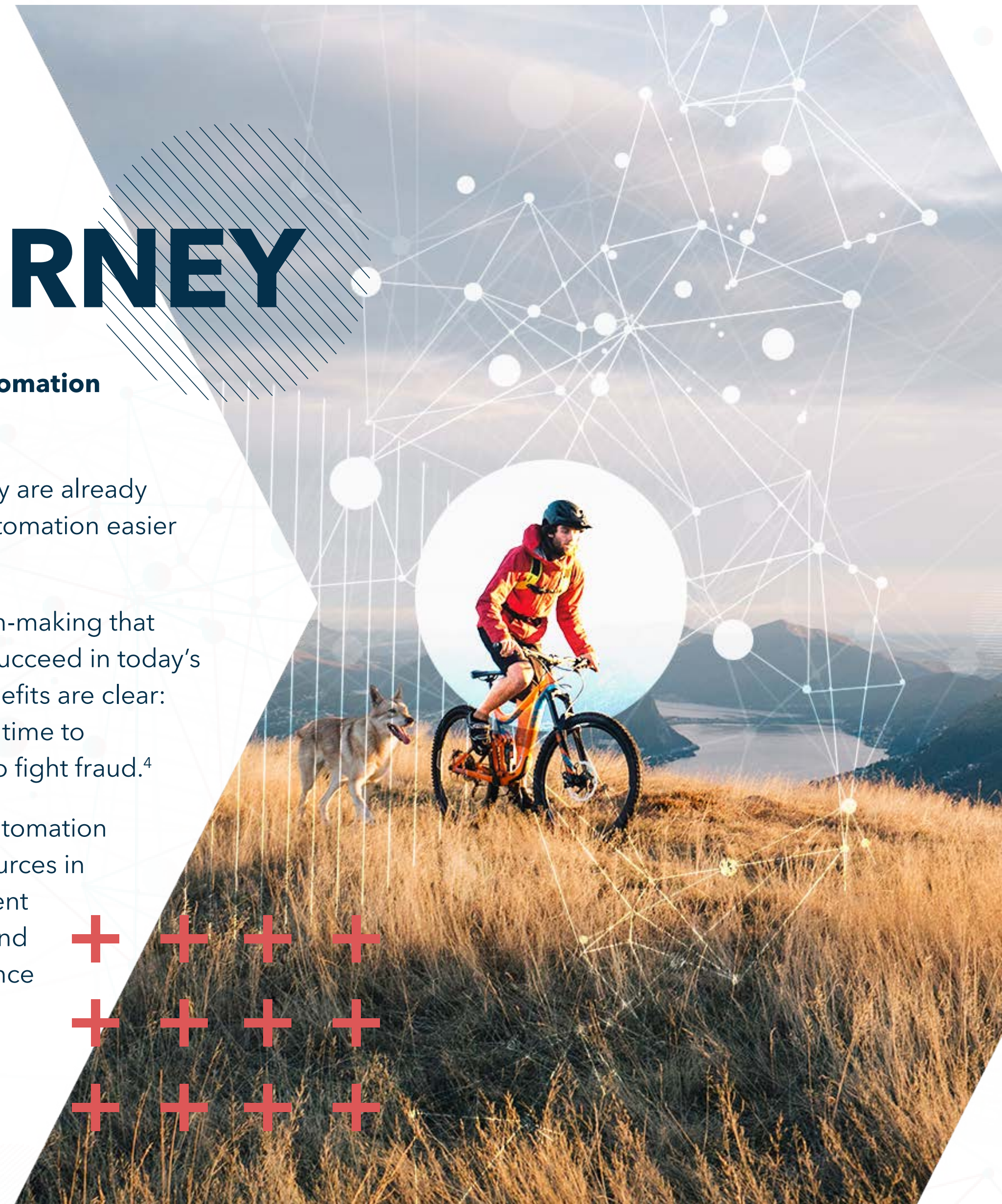
By accelerating both the routine aspects of business processes and the decision-making that guides them, hyperautomation finally gives your business the tools it needs to succeed in today's dynamic market landscape. Among early adopters of hyperautomation, the benefits are clear: 36% expect to deliver a better customer experience, 29% expect a reduction in time to market for new products, and 27% expect to see improvements in their ability to fight fraud.⁴

By democratising access to automation and analytics tools, multimodal hyperautomation platforms from SAS and Microsoft can help you overcome any shortage of resources in data science, decisioning or application development. With end-to-end intelligent automation, you can meet customer demand, increase employee satisfaction, and meet regulatory requirements faster, more cost-efficiently, and with full confidence that your processes are responsible, reliable, and robust.

To learn more about how SAS and Microsoft can help your insurer see beyond the hype and realise the full potential of hyperautomation, reach out to Emma Chester at Emma.Chester@sas.com or search **SAS Hyperautomation**.



³ <https://www.sas.com/content/dam/SAS/documents/marketing-whitepapers-ebooks/sas-whitepapers/en/hyperautomation-report-112877.pdf>
⁴ <https://www.sas.com/content/dam/SAS/documents/marketing-whitepapers-ebooks/sas-whitepapers/en/hyperautomation-report-112877.pdf>



HYPERAUTOMATION IN INSURANCE

