Large insurer generates £7.5M annually in savings with RPA

Insurer scales automation of 70+ processes across nine business areas to reduce operational costs and improve quality of service delivery.

The challenge

Our client, a large British general insurance company, was impacted by growing operational costs and competition, which prompted the decision to automate processes to modernize operations and lower costs. Several areas of the business were targeted for enhancement, including Policy Servicing, Claims, First Notice of Loss (FNOL), Counter Fraud, Motor, Travel, Home, Pet and Commercial business.

Addressing legacy automations

The client's prior IT supplier faced challenges setting up and deploying at scale a new robotic process automation (RPA) effort. There were non-standard coding practices and a lack of reusable code. The automation infrastructure was out of date, and it created approximately 30+ incidents per day related to bots not performing due to exceptions and code bugs. In addition, the older software limited the staff's ability to make process automation improvements. All of this led to higher development costs, an opaque delivery model and a lack of trust with suppliers.

At a glance

A large British general insurer wanted to reduce its operational costs, shorten handling time for processing third-party supplier invoices and gain a competitive advantage. After automating over 70 processes and updating critical software, the business attained a range of benefits including:

- Improved quality of service delivery through automation

- Shortened turnaround time by 50% to process third-party supplier invoice payments

- Generated more than £7.5+M in annual savings

- Reduced bot-related incidents from 30+ daily to one to two per month by updating out of date automations

- Gained operational bandwidth equal to ~260+ FTEs by implementing 70+ automations

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Goals for the engagement included:

- Reducing the average handling time and increasing accuracy in processing third-party supplier invoice payments

- Kick-starting the greenfield implementation of automation in the policy servicing business

- Providing an automation feasibility study for the client's claims business area

- Consulting for the client's bodily injury insurance automation journey

- Upgrading the automation software to the latest version

- Improving quality of service delivery by automating processes

Choosing a capable partner

Based on our capabilities and experience along with our vendor and client references, Cognizant was chosen as the right solution provider to advance the client's automation agenda. The client also liked our Agile delivery methodology, which had Cognizant project managers, business analysts, developers and DevOps teams integrating seamlessly with the same teams on the client side.

The approach

We began with an assessment of the legacy automations that were already planned for migration and analyzed new processes for automation. We conducted multiple workshops and roadshows with process owners to identify opportunities and presented these to the robotics team for discovery and validation. These sessions were held with client stakeholders in Procurement, Claims, Personal Lines, Commercial, Motor, Home, Travel, Pet and the BI Operations. Internal workshops were also held with the larger Cognizant delivery team and leads, who are part of the insurer's technology services group.

Powered by strong teamwork

Working with key stakeholders and client teams in the Business Change, Automation and Digital groups, we helped the insurer move past its reliance on the previous supplier for RPA tech capabilities.

The new technology platform now offers the latest RPA features and capabilities, a data visualization tool for reporting analytics and automated Task Capture for process discovery and mapping, based on cost and RPA capabilities.

Applying the right automation solutions

We provided further exploration into how intelligent process automation (IPA) can be used to continue optimizing processes and ran multiple proofs of concept (POCs) on new technologies, including document understanding and process mining.

For analytics and reporting, we implemented custom management information and reporting analytics to provide insights into automation health and operations for both automation teams and business leaders (SMEs and heads of business).

We introduced the idea of a reusable component library, which has helped save up to 5% in product development (PD) for new automation projects. The 5% PD savings over a year translates roughly into delivering one additional low complexity automation (e.g., three to four weeks of effort from one squad of two developers).

In addition, we held monthly governance checks via steering committee calls, as well as weekly and daily governance via Agile scrum standups, sprint sessions and retrospectives.

Business outcomes

We helped our client reduce AHT (average handling time) to process invoice payments for third-party suppliers (garages, suppliers, building and content suppliers) by 50%, down from one to two weeks to four to five days, with 99% accuracy. The 99% accuracy is measured by the number of successful inputs/transactions executed by the bots. In the client's quarterly QA audit, our automation workflows consistently return none-to-minimal faults in production.

Business outcomes include:

- Improved quality of services delivery by scaling the automation of over 70 processes across nine businesses

- Shortened turnaround time by 50% to process third-party supplier invoice payments

- Generated more than £7.5+M in annual savings

- Reduced incidents from 30+ daily to one to two per month by updating out of date automations

- Gained operational bandwidth equal to ~260+ FTEs by implementing 70+ automations

The added benefit of increased revenues

Another benefit of the implementation, more third parties are being represented by our client's Legal services due to the ability to contact them faster for in-house counsel, and this is boosting revenues. Additionally, indemnity savings from the ability to pay bills on time (in certain instances before they are due) allows for exact amounts to be paid and prevents other charges from third-party suppliers like car hire vendors.

Going forward, we are working with our insurance client as their sole implementation partner for RPA and Desktop Automation for the company's Claims and Customer Servicing departments.

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