Transforming Property & Casualty BPS with Touchless Processing

Client Perspective Report

Abstract

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Who Is This Report For?

NelsonHall's *Transforming Property and Casualty BPS with Touchless Processing* was written for:

- Sourcing managers investigating "the art of the possible" and the perspectives of their peers towards P&C Insurance BPS
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers regarding P&C Insurance BPS being delivered by the vendor community
- Financial analysts and investors specializing in P&C Insurance BPS.

Background & Scope of the Report

As part of NelsonHall's most recent P&C insurance business process services (BPS) research, we interviewed leading vendors of such services. In addition, we surveyed these BPS vendors' P&C insurance carrier clients. The findings from standardized interviews with fifteen buyers of these services represent carriers that range in size from $850m to $130bn (NWP). The P&C carriers surveyed were headquartered in the U.S., the U.K., Continental Europe, Bermuda, and Australia. The carriers employ BPS vendors in helping to offer very broad range of products and services offered. Respondents were primarily senior executives that ranked as Directors, AVPs, VPs, COOs, or functional leaders (e.g. Claims or Procurement).

The standardized interview format was designed to gain insight into buyer perceptions of the BPS vendors' current performance and capabilities, as well as the BPS vendors' likely capabilities for meeting their P&C carrier clients' future needs:

1. Satisfaction and future suitability
2. Delivery approaches and benefits
3. Future needs and likeliness to recommend

In each focus area we asked healthcare payers to rate their vendors on a standard scale. We also asked standardized, open-ended questions to gain context about business and technology needs - both present and future.

Key Findings

The survey findings identify where P&C carriers are largely satisfied with their BPS vendors' capabilities, and where they have significant concerns.

For context, the findings identify the primary challenges that currently drive P&C insurance carriers to turn to BPS vendors:

- Handling fluctuations in work volume
- Improving speed (including both speed to market and TAT)

P&C carriers are largely satisfied with their BPS partners in policy administration (80% of surveyed respondents employed BPS vendors in this function) and claims handling (67%). P&C clients surveyed expressed a high degree of satisfaction (1=low satisfaction, 5= high satisfaction).

- Policy administration (4.3)
- Claims administration (4.3).

But they are unsatisfied with vendors' digital transformation capabilities:

- Ability to apply new technologies (3.3)
- Digitalization capability (3.3)
- Ability to reimagine service/process (3.5)

P&C carriers particularly seek guidance in the following areas (using the difference between the importance of the capability vs. satisfaction with the capability, both on a scale of 1-5 (1=low satisfaction, 5= high satisfaction):

- Ability to benchmark P&C operations and establish a roadmap for driving process excellence (importance of 4.1; satisfaction of 3.5; difference of 0.6)
- Methodology for P&C process transition and change management (importance of 4.4; satisfaction of 3.8; difference of 0.6)
- Ability to apply innovation and/or design thinking (importance of 4.0; satisfaction of 3.2; difference of 0.8)
- Applying robotics process automation (RPA) (importance of 4.0; satisfaction of 3.3; difference of 0.7)

Finally, survey findings illustrate P&C carriers' thinking behind how well they rate the likelihood that they would recommend current BPS vendors to peers and sketch out a picture of the ideal BPS vendor partnership.

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Report Length

29 pages, consisting of 7 chapters

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