



Let's Solve

Smart FNOL

The Key to World-class Customer Experience

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Abstract

In today's digital world customers are increasingly expecting their insurance providers to deliver frictionless, low-touch, quick response, and omni-channel claims experience. In order to survive and remain competitive in a highly commoditized industry, the insurers must align to changing customer expectations and leverage the disruptive technologies to transform the traditional FNOL process. In short, service excellence is must to engage and retain today's highly connected, well-informed millennial customer.



Understand what is Smart FNOL

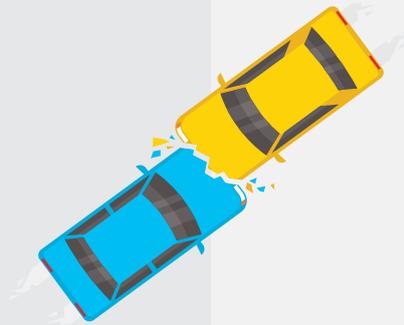
In an industry that relies on the customer's trust in the ability and willingness of the insurer to pay valid claims, the first touchpoint in the claims lifecycle is the most important one. An effective process for the first notification of loss has a 'win-win' impact for both the parties – minimal inconvenience and speedy indemnification of loss for the insured and a reduced cost of claims and high level of customer satisfaction for the insured. Until recently, the FNOL function was perceived as only a process to generate claim numbers. Also, traditional FNOL process can result in a lot of unfavourable outcomes mentioned below, but this picture needs to change -

- The insurer may receive different accounts of circumstances, location and timing of the incident
- Ambiguous and conflicting data can lead to unfair outcome for the customer
- Late notification can escalate total average cost of a claim by several hundred dollars
- Missed opportunities for recovery and fraud detection
- Long claim settlement cycle



Traditional FNOL

Dissatisfied Customer
Higher Churn Rate
Higher Acquisition Cost



Smart FNOL

Happy Customer
Higher Retention Rate
Lower Acquisition Cost

Customer initiates loss notification
(Immediately after the accident)



Crash detected automatically
(Immediate)

Customer calls Support Center
(Within 30 minutes)



CSR calls customer to confirm and lodge claim
(Within 30 minutes)

Documents shared physically/via e-mail
(Within 24 hours)



Documents/images etc. uploaded digitally
(Within 4 to 6 hours)

Claim assessor physically visits garage
(2-3 days)



Claim assessment via video call
(Within 24 hours)

Claim settlement
(6-8 days)



Claim settlement
(2-3 days)

Fig 1: An example showing how Smart FNOL can transform customer experience in Auto Insurance

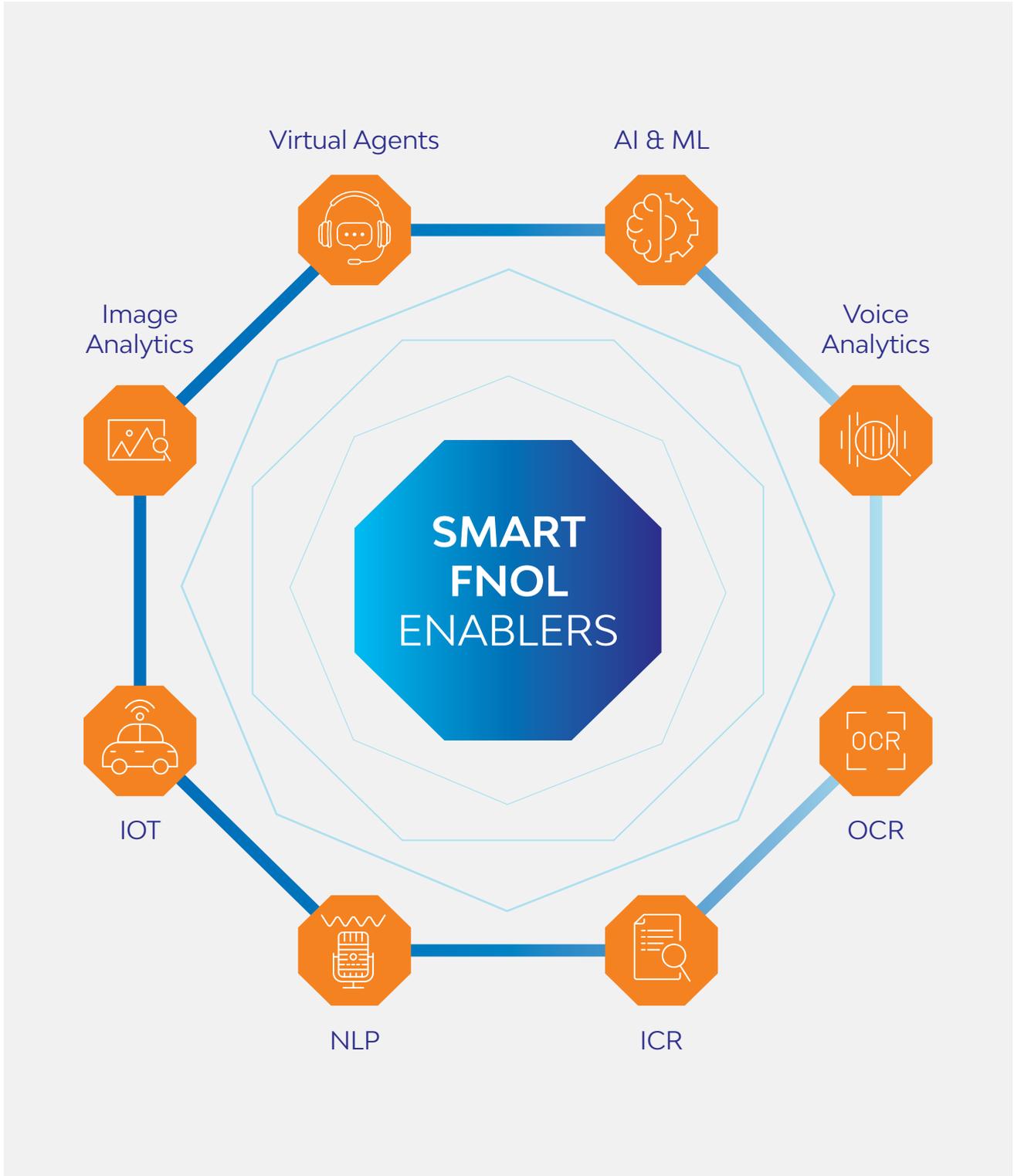


Fig 2: Disruptive technologies used in Smart FNOL solution

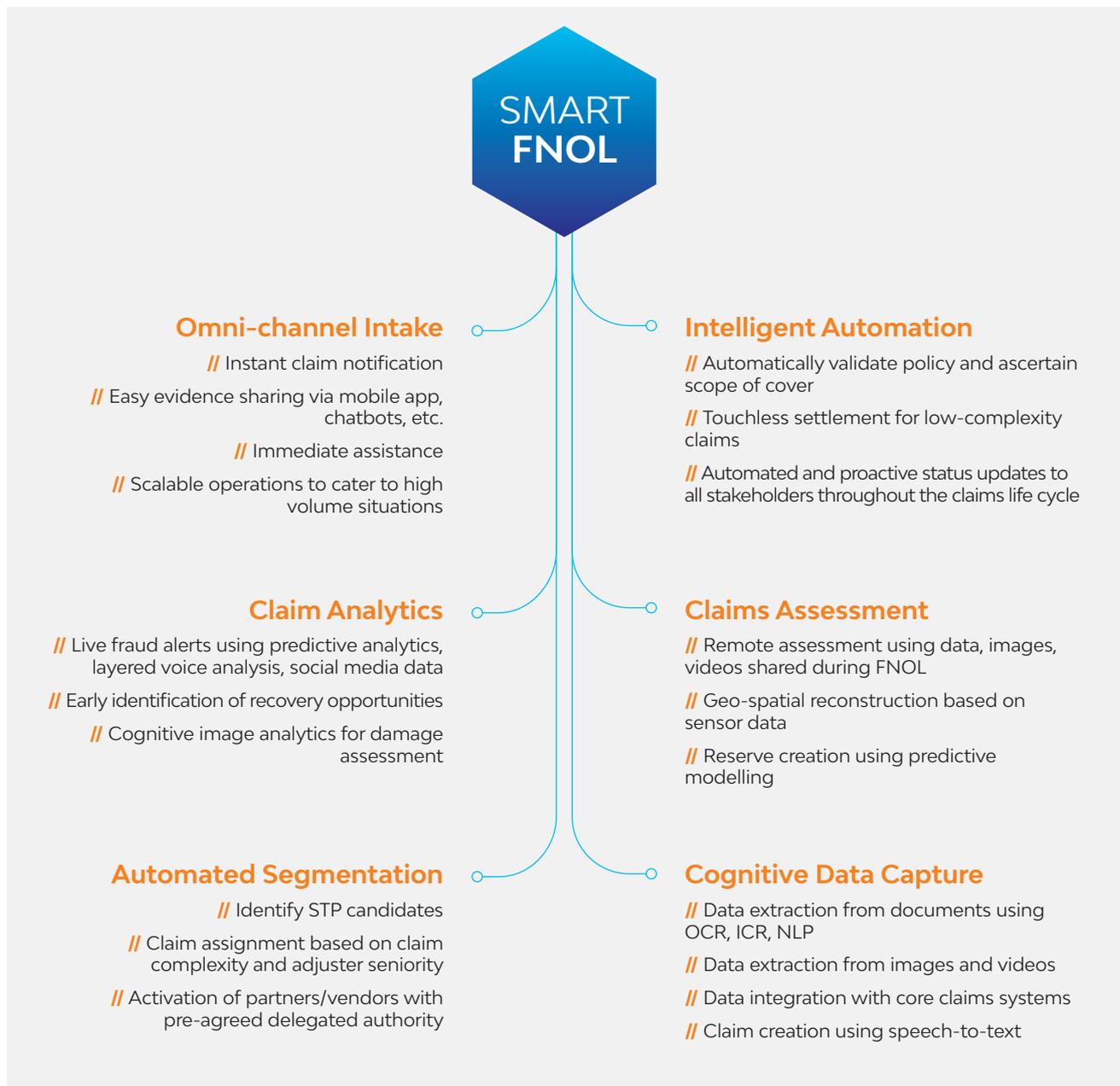
The ever-evolving technologies are helping insurers build a loss notification process that can transform the entire claims operating model by boosting speed and accuracy. Insurance companies are implementing IoT-based claims intake. The number of smart devices used in households, vehicles and industrial workplaces are growing with every passing day. Data from these is being used for real-time incident detection and FNOL creation. This allows insurers to immediately start assisting the customer and processing the claim.

Sensor data collected during this process also helps in geo-spatial reconstruction of the incident and unambiguously determine eligibility, validity and severity of the claim. This data can be further leveraged to send preventive and maintenance alerts to the insured and the insurer, saving the insured a lot of inconvenience and the insurer a good amount of money in the process.

Another way that insurance companies are looking to differentiate their service is by deploying intuitive, no-touch self-service options that enable customers to create and pass on to their insurers an accurate and detailed incident report. Customers can share evidence like verified and time-stamped photographs and videos from the loss location to enable the claims department of their insurance carrier make informed, accurate and faster decisions. Successful insurers are effectively exploiting the self-service channels to settle a higher percentage of low-complexity claims through straight-through processing and achieve a higher customer satisfaction and retention.

Insurance industry's investment in advanced analytics capabilities that draw upon the complete and unbiased data collected during Smart FNOL process are paying rich dividends in the form of real-time fraud alerts, early identification of recovery opportunities, accurate severity estimations and automated routing to the right claims professionals and vendors.

How Smart FNOL drives the entire claims cycle



Thus, going beyond the traditional boundaries, the FNOL process is ushering in a lot of positive synergies for the downstream functions like adjudication and settlement and transforming the entire business-critical function of claims processing. In other words, the insurers who can deliver the best-in-class claims service, will be able to stay ahead of their competitors in the highly commoditized insurance industry, and Smart FNOL is the key that will unlock the doors to that competitive positioning.

About the Author



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Nikhil Dixit is a Senior Consultant with Insurance Consulting Practice, and a member of the Claims Transformation Team at LTI. He has completed ACII from CII, UK and is a Fellow member of Insurance Institute of India. He carries more than 14 years of experience in P&C Insurance and Reinsurance Industry. He has worked with multiple global reinsurers and has expertise in reinsurance administration, accounting, reporting and application maintenance.

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