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How Decision Intelligence Is Revolutionizing the Insurance Value Chain

Innovative insurers are using Decision Intelligence to connect the right data to make better decisions with confidence.

By Alex Johnson, Head of Insurance Solutions

It's time for transformation

The insurance industry is evolving dramatically to meet diverse challenges impacting every part of the insurance value chain.

Rising inflation is driving up the costs of claims. Tighter consumer trust regulations are adding pressure on the risk and underwriting controls insurers use for decision-making. Customer preferences and expectations have changed, which means that insurers need to deliver greater personalization, efficiency, and automation to products and services to increase customer value.

Meanwhile, the risk and fraud landscape for the industry continues to evolve at an accelerated pace and grow increasingly more complex. Organizations are facing new threats that they may not be prepared for. On top of it all, the digital revolution is changing everything. The time is now to re-think decision-making across the value chain.

A silver lining: In times of challenge comes great opportunity.

Today, the most successful insurers are those moving fastest to innovate their use of data and embrace a new-age of digital transformation: Decision Intelligence. This approach delivers new ways to more effectively connect data, more efficiently manage risk, and drive smarter and faster decisions to improve top and bottom line results, as well as creating benefits for customers.

"Leaders see enormous potential in best-in-class data and analytics capabilities across the value chain, even for the highest-performing companies ... even the leading P&C insurers can see loss ratios improve three to five points, new business premiums increase 10 to 15 percent, and retention in profitable segments jump 5 to 10 percent."

**McKinsey & Company, Creating value, finding focus:
Global Insurance Report 2022**

Overcoming obstacles to digital transformation with Decision Intelligence

Many insurance firms are aggressively pursuing digital transformation initiatives and reengineering their operations along every link in the value chain, from underwriting, sales, and distribution, to claims management and product design. They realize now is the opportune time to modernize.

Recent events such as the pandemic, in tandem with advancements with technologies and cloud solutions have driven increases in the use of embedded insurance, omnichannel distribution, and product diversification. This has changed the customer and risk landscapes for insurers, requiring an intelligent use of data to remain ahead of the curve.

We've seen many obstacles preventing insurers' digital transformation efforts, including:

- Complex legacy IT systems and the explosion of data sources and structures
- Disconnected decision-making across business units
- Fragmented and siloed information controlled by individual lines of business
- A steady stream of mergers and acquisitions (M&A) that have left data siloed
- Ongoing and increasing cost pressures from inflation and claims leakage

All these factors contribute to the importance of the insurers' ability to develop and maintain a holistic view of individual customers, and to gain insights from that contextual view to enable better decisions, improve customer experiences, and drive profitability.

To generate actionable intelligence, you must be able to unify your data. Not only internal sources but by also maximizing the use and value of external sources. This unification has to cater for any source of any quality. It must create context for analyzing that data, and then use that information to drive better decision-making. That's what Decision Intelligence (DI) technology enables – and why more and more innovative insurers are embracing it.

What is Decision Intelligence – and how does it benefit insurers?

Decision Intelligence, according to Gartner, improves decision-making by understanding and engineering how decisions are made, and how outcomes are evaluated, managed, and improved by feedback.

Decision Intelligence is the latest step in the evolution of business intelligence. Instead of merely combining all available data, without context, and presenting it to a decision-maker, DI uses artificial intelligence to provide a single, unified analytical view – to either fully automate decisions, or to help data professionals and operational handlers make faster, more accurate decisions through augmentation.

With DI, and the right platform to enable it, insurers can connect and operationalize internal and external data to develop a richer and more comprehensive understanding of every applicant, customer, claimant, third-party, supplier and risk across the insurance value chain.

You can use Decision Intelligence to:

✓ Grow your business
by improving sales and distribution, identifying opportunities to diversify and bundle services, and boost retention and renewal.

130% increase in sales, productivity, and lead conversion seen by insurers using advanced analytics and AI[1]

✓ Optimize how your insurance firm operates
from underwriting and risk assessments to operational processing and automation to data management and analytics.

>60% report that technology is already having a significant impact on their claims and underwriting processes[2]

✓ Protect your organization
by reducing losses due to leakage, fraud, and financial crime by providing a means to monitor new and emerging threats more effectively

$308 billion are the insurance fraud losses in 2021 in the U.S. alone[3]

Decision Intelligence enhances decisions across the value chain

Quantexa delivers a new generation of software designed to automate or augment decision-making – empowering operational teams in insurance and other major industries to make faster and more accurate decisions.

Our enterprise-wide platform lets you unify data from across multiple sources so you can:

- Create an enriched and accurate 360-degree view of customers, claimants, and suppliers

- Increase customer value and premium income growth by maximizing revenue opportunity and automatically highlighting churn risk

- Improve decision model accuracy to automate inefficient manual processes for onboarding and customer due diligence, helping to improve the speed of handling sensitive customer processes

- Enhance risk and fraud controls across the value chain through a holistic view of risk for every party and proactive early-warning alerts

Increased Income & Customer Value

Grow

Holistic 360° Party & Entity View

Protect

Robust Fraud & Risk Controls

Optimize

Faster & More Trusted Automated Decisions

Grow, optimize, and protect your business with Quantexa

Grow

Increase customer value and premium incomes

- Remove inefficiencies at the point of quote/sale to improve customer targeting and quotability
- Maximize revenue opportunities through more targeted next-best offers and actions
- Increase customer value through automated identification of low-friction lead-generation and product-bundling opportunities
- Identify changes in customer profiles proactively to optimize service and highlight churn risk

Optimize

Improve decision model accuracy and automation

- Automate inefficient manual processes for onboarding and customer due diligence, reducing processing costs and improving the customer experience
- Reduce manual involvement of customer service and agent teams through an automated, holistic view across all systems
- Accelerate handling of sensitive customer processes such as complaints and complex claims
- Test new products and deploy them to market faster
- Reduce the cost of customer data unification across brand, channel, or system (including M&A)

Protect

Implement robust risk and fraud controls

- See a true view of every party you do business with, from policyholders and applicants, to claimants and suppliers
- Gain dynamic risk views across the life cycle for all channels and product lines
- Identify previously hidden risks with contextual analytics to uncover the highest risk behaviors
- Reduce customer friction with high-trust DI models
- Receive early warnings and take a risk-based approach to detection and alert prioritization

"We have access to a wealth of data on the industry and on our global customers. But for this data to drive business insights, it must be homogenous, which is not always the case. Achieving this is an enormous task, which is why we are partnering with Quantexa. We want happier customers, and to ensure the claims we are paying out are accurate in the process."

WATCH VIDEO

Andrea Pettinelli

Chief Financial Officer
Allianz Technology

Access the right data to make the right decisions with Decision Intelligence

When you bring Quantexa's DI Platform into the insurance value chain, you can combine context with data science models to automate most decisions. Other decisions can be referred to your operational teams – intuitively presented with the context to support anything from a quick decision to a detailed investigation. Ultimately, the results are:

Automated decisions that build on the knowledge of your best people

Augmented decisions that help your people spot critical connections they can't easily see or may never know about otherwise

Consider that insurers are often unable to determine if claimant "Joseph Anthony" from City A and claimant "J. P. Anthony" from City B are the same person. Or that "Allcon Labs, Ltd." is the same organization as "All Labs, Inc." With dynamic Entity Resolution, the foundation of Quantexa's Decision Intelligence Platform, you get accurate answers, not only to these fundamental questions, but also the context regarding those party's behaviors, relationship, and connections at scale.

A multi-line Tier 1 organization has used Quantexa's DI technology to improve new customer conversion rates by 50% by having better customer intelligence and insight. In fact, several Tier 1 insurers are using Quantexa's DI Platform to:

Verify identities quickly and with far greater accuracy

Offer customers multi-policy discounts by developing a more complete picture of each customer's potential needs

See associations with other entities that enable better risk scoring and fraud detection

"Quantexa's Decision Intelligence Platform helps us surface fraud and reduce claims leakage. Importantly, by bringing previously undisclosed conflicts to light, Quantexa allows us to connect the dots on organized crime networks like no other tool we have."
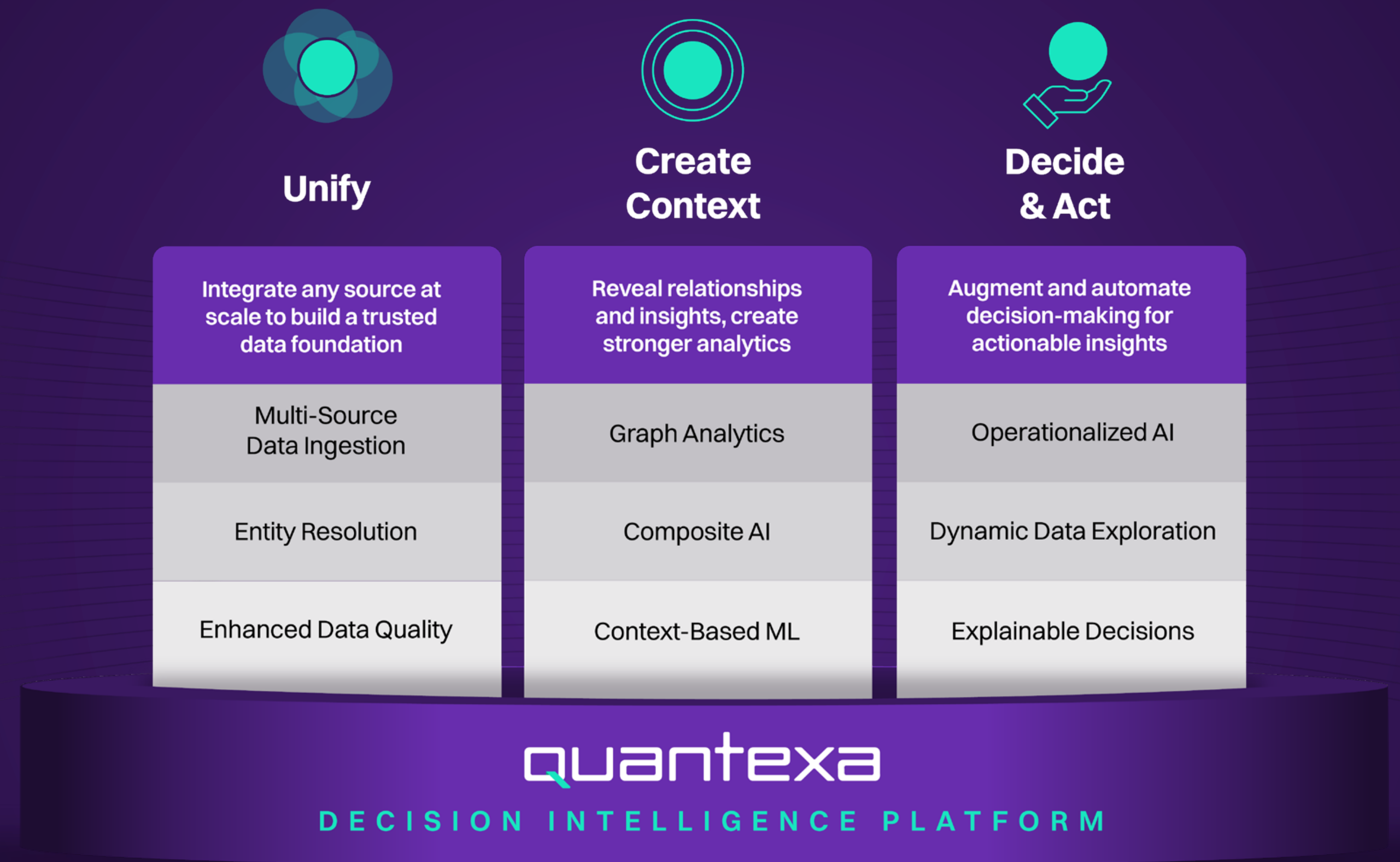
- Global insurer

How the Quantexa Decision Intelligence Platform works

Imagine what your insurance business could achieve if your teams had a complete, 360-degree view of every person, business, location, physical or digital asset to truly understand who you do business with.

Quantexa's Decision Intelligence Platform gives you the ability to take ambiguous, siloed data, and stitch it together into the most trusted, reusable resource across your organization.

The result? You get a continuous stream of relevant insights that maximize the value of your data assets – insights that help you solve business problems and capture otherwise hidden opportunities. And it's all delivered through one platform.

Unify	Create Context	Decide & Act
Integrate any source at scale to build a trusted data foundation	Reveal relationships and insights, create stronger analytics	Augment and automate decision-making for actionable insights
Multi-Source Data Ingestion	Graph Analytics	Operationalized AI
Entity Resolution	Composite AI	Dynamic Data Exploration
Enhanced Data Quality	Context-Based ML	Explainable Decisions

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DECISION INTELLIGENCE PLATFORM

An open and modular enterprise platform for outcome-driven solutions

Why work with Quantexa?

The answer is simple: **Quantexa delivers results**. Insurers that have adopted Quantexa's DI Platform have realized significant improvements in efficiency and cost savings including:

1%+
reduction in loss ratios
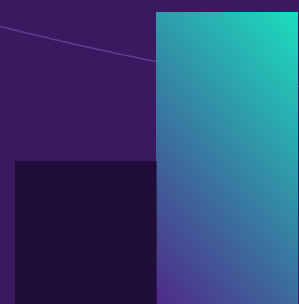through automated underwriting and claims decisioning

30x
faster customer profiling
and risk assessment across underwriting and claims

90%
"accurate" automation of claims
approved, including US$80 million of claims leakage avoidance

50%
improvement in customer sales
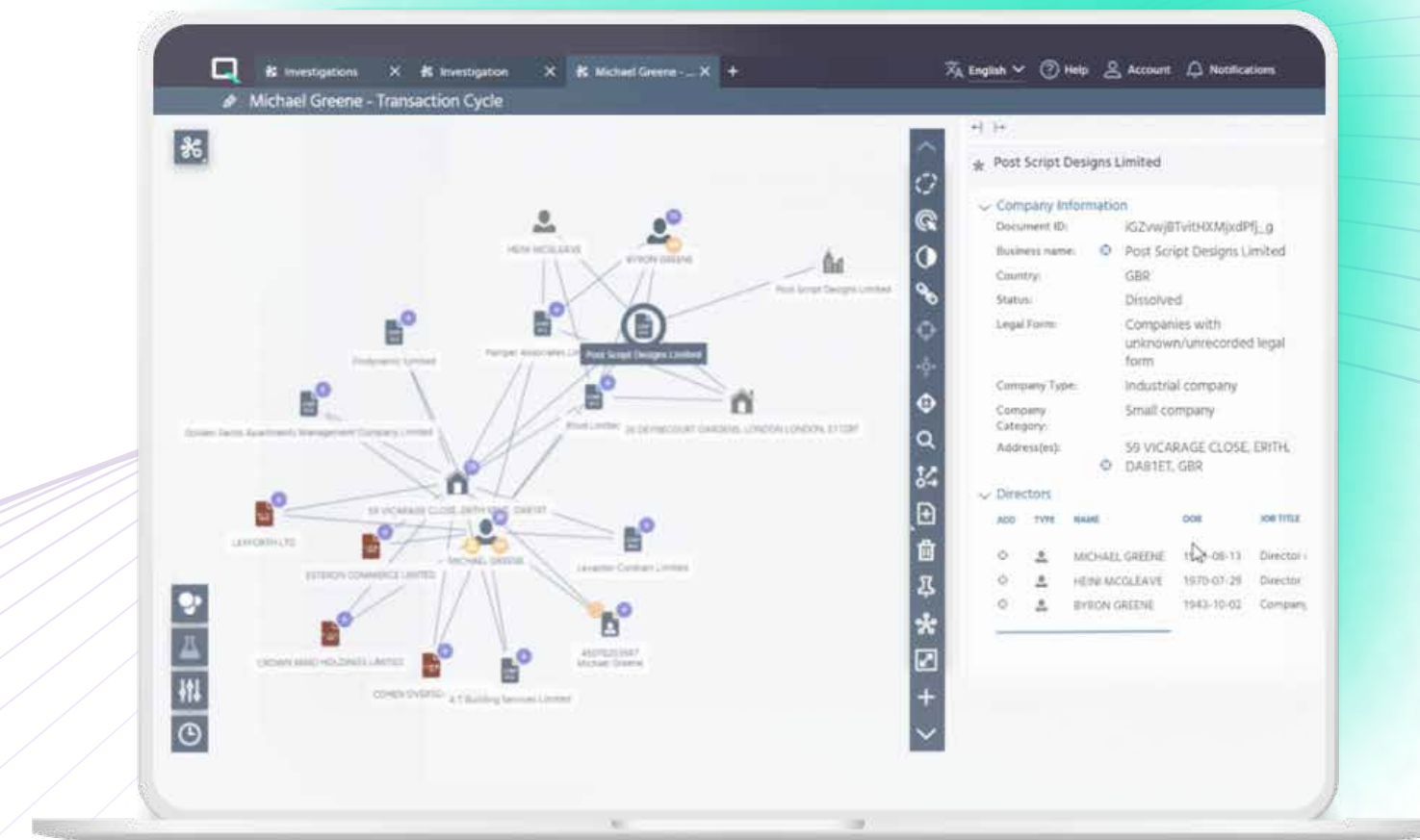conversion and US$200 million in additional revenue generated

70%
improvement in fraud impact
and doubling of complex cases set up

80%
reduction in know your customer (KYC) investigation time

Get started with
Decision Intelligence

Demonstrate immediate value by using the Quantexa Decision Intelligence Platform with every available dataset.
Here's your guide to seeing rapid and ongoing value from your Quantexa investment:
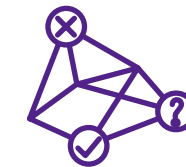
Unlock Value, Repeatedly

Pick another line of business and a use case, and continue building out the data foundation as part of your existing infrastructure.

Continue Optimizing

With a unified data foundation and additional use cases, you'll create a culture of continual optimization where confident decision-making becomes the norm.

Drive Decision Maturity

Continually increase your capabilities by deploying new technology advancements, along with learning and certification opportunities for your workforce.

Become Resilient and Agile

Your data foundation is immediately ready for any use case, giving your organization flexibility, resiliency, and agility to be ahead of the curve and address any threat or opportunity.

How can we help?

If you're interested in learning more about how Quantexa can partner with your insurance firm to help you meet your toughest challenges, talk with our experts.

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