

Follow the money: insight drives improvement

End-to-end improvement of process & policy is saving millions of pounds at RSA, by approaching insight in ways that establish a culture of continuous improvement in claims processing.

Summary

A professional, empowered Insight team is building strong credibility at RSA, bringing together diverse, highly-skilled analysts and creating the right climate & structure, as part of a wider Insight & Improvement function. Focus on simple, effective presentation and communication, aligned to continuous improvement, has allowed them to engage stakeholders at very senior levels, generating sponsorship of their insight and the licence to focus where they can achieve the best return for the business. Projects delivered over a 3 year period have yielded independently verified multi-million pound savings, with no IT investment. The same techniques have been used within the Insight Team to improve the quality and speed of service offered to internal customers to deliver a better insight from lower headcount with higher employee engagement.

Key initiatives

End-to-end: insight drives major savings

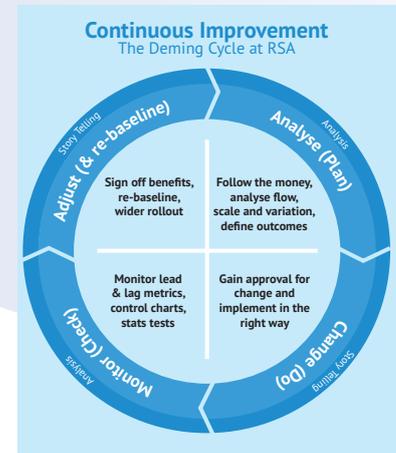
The end-to-end approach to insight at RSA delivers process & policy changes that have generated multi-million pound savings in the last 3 years. All projects follow a Deming cycle (Analyse, Change, Monitor, Adjust), bake changes into process, pricing & a new 'baseline'. Crucially, the insight teams are structured so as to create understanding in the business for four key questions linked to this cycle.

- How many claims are being received? What do they cost? Technical claims analysis monitor the volume and value of claims received.
- What can be done differently? Operational Analytics size variation, analyse process flow, spot opportunities & make the benefits case. They also develop new tools, like text mining & predictive analytics.
- How well are we managing? The MI Team control volumes and track quality, speed and cost of service.
- How can we improve how claims are managed? Process Improvement implement process changes and apply the operational excellence model.

"We created a clear vision" "We focus on what's important" "It's all about a great claims outcome".

Red is good, it's an opportunity for improvement

Outcomes & quality measures are defined from the process flow and improvement opportunities identified through analysis of claims process and performance variation. These are sized and prioritised, based on where the biggest benefits can be achieved, using an 80/20 'Pareto' view. Storytelling makes the message clear; it helps gain approval and ensures changes are implemented in the best way. Crucially, any change is monitored, using 'lead' and 'lag' indicators. Storytelling is used again for final sign-off of independently verified benefits and the process is re-baselined. All changes are supported by new MI focussed on the new outcome and quality measures. "I want to know the reasons for failure" "We live and die by how well we can influence" "We need analysis AND storytelling".



"We are an internal consultancy, we succeed or fail by how well we can influence & drive value. It's vital to understand how money flows through the organisation."

David Hignett,
Head of Operational Insight

"Red is good, as it gives us an opportunity for improvement. I want to know the reasons for failure. If you don't understand what is going on, how do you know how to improve?"

James Lawther,
Head of Claims Analysis

"It's a hugely refreshing environment, it's genuinely about improvement. It frees you up to use different skills, you feel empowered and liberated."

Jon Moore,
MI Manager

"We analyse customer journey characteristics of advocates vs detractors, so we can be predictive to address issues before the claim is resolved."

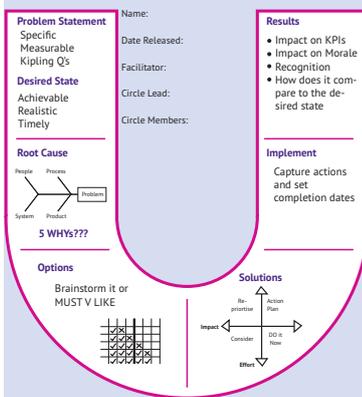
Tony Sutcliffe,
Information Analyst

Results

- Multi-million pound savings over 3 years
- In injury claims, objection rate & claims litigation rate both halved
- Backlog in Pet claims reduced by 60%, reducing customer complaints by more than 40%
- MI Team NPS rocketed up from -20 to +73
- Turnaround time for new data requests in the MI Team cut from 24 days to <48 hours

Our Contribution Counts

Root Cause Problem Solving



- SMART problem statement
- Root cause analysis
- Consider options: Must vs Like, Brainstorming
- Prioritise solutions & approach: impact vs effort
- Capture actions & set completion date
- Identify expected results & benefits

“We look at problems differently, it can be seen as threatening. Yet, it’s a team sport. We need to surface the issues, so we can fix them, not hide them, or manipulate them away.”

James Lawther
Head of Claims Analysis

Follow the money and show the value of insight

Claims spend has the biggest impact on profits and can account for up to two thirds of premiums in a typical insurance company. By ‘following the money’ the team identified that, in Ireland, injury claims account for by far the greatest proportion of claims reserves. Initial analysis identified the scale of variation in claims cost between the 3 settlement routes; current processes sent too many claims via the most expensive route, at over twice the cost. As a result, the focus of claim assessment moved from liability to economic valuation, which achieved far higher agreement rates. Further analysis showed large variation in handler performance and claim values negotiated with solicitors. Further savings came from this, by using control charts and replicating the performance of better handlers. Uncovering this ‘story’ helped halve litigation rate and save millions of Euros. “A small change on big money equals big value” “Economic reality”.

Tell the story and make the complex simple

Fundamental to success is the use of complex analysis techniques to create and tell simple, compelling stories. For instance in pet claims, analysts developed an indemnity spend tree, showing operational levers which have most effect. This model, now replicated in other areas, identified a huge savings opportunity presented by the variation between handlers in claim decisioning. In the operation, the value of this new insight is paying dividends. Weekly comms cells provide a platform to review performance against new outcomes & measures. Claims handlers are coached on how to influence those outcomes, by their own skills & behaviours. “Analysis makes conversations simpler” “We ask questions about indemnity spend every day – it keeps us focussed”.

Develop capability: in and outside of the insight team

Above all, a culture of continuous improvement (CI) has spread across many claims operations, with 300+ front-line colleagues trained to present data/insight. MI is simplified to meet new standards and focussed on what’s important, removing unhelpful targets. The Insight and Improvement team has good appreciation of CI techniques and apply them to their own workload too. For instance, the MI Team is half the size but with greater impact; they rationalised and improved reports, saved 1,000+ production hours and cut from 24 days to 2 days the average time to complete new data requests. Stakeholder NPS rocketed from -20 to +73; engagement in the team has leapt up. “It’s a valuable job now” “We’re adding value to the data” “It’s a people problem not a process problem”.

“We had lots of data but no insight ... blind to the opportunities. We need analysis to point us in the right direction. It’s all about a great claims outcome, easy to say, difficult to achieve.”

Geoff Jones,
Claims Director Ireland

“We define outcomes & quality measures from the process flow. It’s important how you make the change. Action should be based on data. We work to narrow the variation differences; this consistency helps to get the right outcome.”

David Hignett,
Head of Operational Insight

“My teams can see what they need to focus on and why. The analysis makes conversations simpler, it makes a huge difference. We can directly connect the deliverables with loss ratios for our Exec.”

Lee Dainty,
Pet Claims Director

“We put every BAU report through our Communicating Clearly With Data test. We understood our reasons for failure and kept scratching to get to root causes. If something goes out of control we don’t panic, we understand why and the team works to fix it.”

Jon Moore,
MI Manager

RSA is one of the world’s leading insurance companies, with a 300-year heritage. In the UK, they are a leading commercial insurer and the fifth largest personal lines insurer. Written premiums exceed £3bn per annum, including home, motor & pet insurance via brokers, affinity partners and direct (MORE TH>N). The customer contact operation includes 20+ sites & 35 operational teams. For text analytics they use SPSS (IBM).