SAP Solution Brief
SAP BusinessObjects Analytic Applications

SAP BusinessObjects Insurance Claims Optimization

Optimize Insurance Claims Performance Management

Quick Facts

Summary
With the SAP® BusinessObjects™ Insurance Claims Optimization analytic application, you can adopt a proactive approach to managing claims processes and achieve heightened visibility throughout your claims process lifecycle. With software that integrates business analytics, external claims information, and operational claims data, you can manage risk before it negatively affects your claims operations.

Business Challenges
- Understand claims performance metrics, drivers, and trends
- Build collaborative business models and mutually supportive relationships with employees and business partners
- Improve overall financial performance by optimizing claims operations
- Enhance customer satisfaction and increase policyholder retention

Key Features
- **Business analytics** – Display detailed or summary-level business analytics and indicators appropriate to user role
- **Business process support** – Support your claims optimizing processes with sophisticated workflows
- **Comprehensive decision support** – Provide detailed analysis of your organization's performance patterns based on transactional data from your claims operational software as well as partner data and industry data

Business Benefits
- **Enhance decision making** with a comprehensive, unified view of claims performance
- **Increase insight** with an integrated view of claims operations and financial metrics
- **Improve claims throughput** by identifying and managing potential claims processing bottlenecks
- **Increase customer satisfaction** via improved claim service turnaround time, litigation management, and claim recoveries
- **Improve claims management performance** through fast, accurate decision making and continuous monitoring of progress

For More Information
Call your SAP representative, or visit us online at www.sap.com/businessanalytics.

In insurance, effectiveness and efficiency in managing claims are essential to controlling costs and satisfying customers. The SAP® BusinessObjects™ Insurance Claims Optimization analytic application helps on both counts. Combining business analytics and industry-specific content, this software monitors claims-related metrics and delivers the kind of timely, accurate insight you need to reduce costs and improve customer satisfaction.

When it comes to claims management, the business case for greater efficiency and effectiveness couldn't be stronger. Consider these facts:

- Claims are the single greatest cost to the insurance business.
- Customer satisfaction is determined by how the claim is handled.
- Settlement costs can be reduced without impacting customer service or market conduct.
- A large percentage of claims personnel costs relate to noncore activities.

When you lack visibility into the key performance indicators (KPIs) that drive your claims operations, you risk high loss ratios, longer service turnaround time, increased litigation, and decreased recoveries. Unfortunately, most traditional applications for operational claims can't deliver the insight you need to avoid these problems.

This is why you'll want to look at SAP BusinessObjects Insurance Claims Optimization.

GAIN INSIGHT INTO YOUR CLAIMS PROCESS LIFECYCLE

SAP BusinessObjects Insurance Claims Optimization supports a proactive approach to claims management for both SAP and non-SAP software environments, allowing you to monitor the financial and operational performance of your claims processing unit and anticipate potential problems. It all starts with powerful, interactive dashboards that support sophisticated workflows to help you better manage the financial and operational aspects of the claims management process. The financial dashboard displays metrics that focus on:

- Loss ratio
- Loss expense ratio
- Paids
- Outstanding reserves
- Reserve changes
- Claim recoveries

The operational dashboard displays operational metrics such as:

- Claims inventory
- New-to-close ratio
- Days to close
- Claim satisfaction index
- Staff turnover rate

Each dashboard proactively identifies potential problem areas, helping you to stay on top of the KPIs that matter most to your business. You can review metrics by line of business, coverage, or organizational unit and drill into detailed reports to analyze, monitor, and mitigate issues such as litigation and other catastrophes before they negatively impact your business. You can also view and compare the performance of law firms, salvage companies, and other claim service providers. And because they are designed to align with role-specific security policies you may have already defined, these dashboards help you deliver only the right information to the right people at the right time.

To help make sure you get the most from this software as quickly as possible, the dashboards come with a predefined "claims universe," a semantic layer that provides valuable content to accelerate time to value. At the same time, you can also extend the universe by incorporating external business partner data, IT partner data, and industry benchmarks into a single unified view that helps increase visibility and effectiveness.

Meanwhile, optional geographic information system functionality helps you visualize loss locations with higher claim incidence and suspicious claim "hot spots." This enables you to continuously monitor operational effectiveness.

The software provides support for your claims optimizing processes with sophisticated workflows, metadata, and industry expertise.

And as your business evolves, SAP BusinessObjects Insurance Claims Optimization scales to meet your needs for an optimized claims process that helps you succeed over the long term.

Reduce Claim Costs

To reduce claim costs, SAP BusinessObjects Insurance Claims Optimization helps you:

- Analyze and compare key payment and reserve measures, such as average paid claims, average outstanding reserves, and average reserve change
- Drill through to detailed reports – for example, loss and trend development reports generated by SAP BusinessObjects Web Intelligence® software
- Conduct ad hoc analysis using SAP BusinessObjects Explorer™ software for root cause analysis
- Identify increases in loss severity and frequency and share with internal business partners in underwriting, actuarial, and other departments

Minimize Litigation Costs
Even though a small percentage of all claims involve litigation, the cost of litigation is enormous and growing. SAP BusinessObjects Insurance Claims Optimization helps you keep this area under control. With the software, you can:

- Analyze, compare, and monitor your claims in litigation by litigation type, stage, and status as well as defense firm type
- Use trend analysis to compare litigation caseload for current versus prior periods
- Drill through detailed business intelligence reports to compare individual law firm performance
- Gain insight with rapid ad hoc query and analysis using SAP BusinessObjects Explorer

Improve Operations for Special Investigative Units
Claims fraud and abuse can represent up to 10% of incurred losses and loss adjustment expenses each year for the property and casualty insurance and the health insurance industry. SAP BusinessObjects Insurance Claims Optimization improves the effectiveness of your special investigative unit (SIU) by helping to defend against suspicious claims and minimize leakage.

You'll be able to:

- Maximize your SIU performance by analyzing, comparing, and monitoring core SIU metrics such as number of new SIU case referrals, number of pending SIU cases, average days to close SIU cases, amounts at issue, and suspicious claims amounts avoided
- Compare suspicious claims by line of business, coverage, and SIU unit
- Visualize suspicious claims hot spots by geography based on loss frequency and size

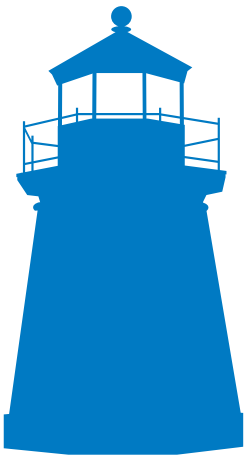
Maximize Claim Recoveries
Recoveries are an important function for any claims unit, whether handled as a dedicated operation or embedded into standard claims procedures. Claim recovery leakage cannot be effectively managed without analysis and the ability to maximize resources by addressing issues as they occur rather than after. SAP BusinessObjects Insurance Claims Optimization improves your claims processing by helping you:

- Maximize claim recoveries by analyzing, comparing, and monitoring your core recovery measures, including time to recovery, the ratio of recoveries to paid claims, and recovery case closed without recovery
- Compare recoveries by line of business, coverage, and claims unit
- Review recoveries by recovery type

STAKE A CLAIM ON INCREASED BUSINESS INSIGHT

By delivering insight into your claims process, SAP BusinessObjects Insurance Claims Optimization simply helps your claims unit run better. With an integrated, intuitively designed resource, you'll be able to analyze, monitor, and mitigate problems before they negatively impact claims throughput and customer satisfaction. Using this functionality, you can:

- **Enhance decision making** with a comprehensive, unified view of claims performance across your claims ecosystem
- **Increase insight** with a single interactive dashboard that integrates claims operations and financial metrics
- **Improve claims throughput** by identifying, analyzing, and managing potential claims processing bottlenecks
- **Increase customer satisfaction** via improved claim service turnaround time, litigation management, and claim recoveries
- **Improve claims management performance** through fast, accurate decision making and continuous monitoring of progress



SAP BusinessObjects Insurance Claims Optimization starts with powerful, interactive dashboards that support sophisticated workflows to help you better manage the financial and operational aspects of the claims management process.

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