

Pushing Less Paper

How Smart Document Capture and Processing Can Streamline Insurance Business Operations



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Enduring the burdens caused by mountains of paper can become a distant memory



Executive Summary

Since the earliest days of the industry, insurance companies have faced a never-ending struggle: processing the voluminous amount of paperwork that underwriting, claims, and compliance require. But the days of enduring the burdens caused by mountains of paper can become a distant memory. By investing in new, proven methods of converting paper documents to readable digital formats, insurance organizations can fully automate document processing to accelerate workflows, minimize processing times and enable more efficient operations.



Part I: The Paper Chase

The average insurance organization receives one to two bulk deliveries of physical mail every day, which amounts to thousands of pages of insurance documents that need to be processed for claims and other tasks to be completed.

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Simply by switching to paperless document management, research shows that companies can save tens of thousands of dollars every year in paper costs, and that's just the start of the benefits.

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Traditionally, this processing takes place by hand, which creates a bottleneck in the company's workflow. Manually processing documents is slow and tedious, and human workers can be hard-pressed to keep up with the constant influx of paperwork.

As this process drags on, the rest of the organization is stuck sitting on its hands, waiting for the information and documents it needs to keep the business running. Employees get stuck in limbo, time is wasted, ROI declines, and customers grow more frustrated with each passing hour.

A better solution is needed. That's where it helps to work with companies able to digitize document capture through a combination of hardware, software and artificial intelligence (AI)-based solutions. Simply by switching to paperless document management, research shows that companies can save tens of thousands of dollars every year in [paper costs](#), and that's just the start of the benefits.



Part II: Solving Business Problems for Insurance Organizations

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The accelerated workflow reduces wait times for documents to be processed, which speeds up customer service and ultimately paves the way for faster claims processing.

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By combining hardware and software solutions to improve document processing and management, insurance organizations can solve several business problems while speeding up productivity. Among the pain points addressed are:

- **Operational Inefficiency** – The human component of manually handling mail is slow, tedious, and prone to errors. The buildup of bottlenecks at the start of a business workflow creates a chain reaction throughout the organization that slows efficiency to a crawl and eats into a company's profit margins. According to an [Accenture report](#), a two percent improvement in lost costs can create an \$11 billion annual increase in bottom line results for U.S. companies alone. Implementing best-in-class tools to speed up document capture and processing facilitates greater productivity, delivers a high ROI and increases the workload the organization is able to handle.
- **Customer Dissatisfaction** – Automated document processing addresses multiple key customer service pain points. The accelerated workflow reduces wait times for documents to be processed, which speeds up customer service and ultimately paves the way for faster claims processing. Research has shown that a [claims automation solution](#) can reduce processing times from two business days to only 15 minutes.



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The use of AI also reduces the frequency of document errors, missing data and other mistakes that can disrupt the customer experience while extending wait times for document and claims processing. According to [Bain & Company](#), satisfied customer claims experiences can increase Net Promoter Scores by almost 30 percent for U.S.-based companies. Improved customer satisfaction can also reduce customer turnover, increasing revenues for the organization.

- **Security Concerns** – Digitization of documents reduces the risk of physical documents becoming misplaced or stolen, while enterprise-grade security measures can help to provide consistent security for data and documents while stored in the cloud.
- **Lack of Insight** – Through the digitization and automation of insurance documents, organizations effectively create data acquisition channels that can help identify and drive new efficiencies. These insights can range from the reduction in paper and ink expenses, to opportunities for the further reduction of wasted resources throughout the organization.

Insights might also identify redundancies in data collection or common errors in documentation that could be addressed to reduce error rates and improve the customer experience. With data points at an organization’s disposal, these new insights can lead to action that creates solutions benefiting the company, its workers, and its customers.





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Part III: Digitizing Documents

Paperless document management provides a range of benefits that improve workflows, boost efficiency, and lead to cost savings. The process of digitizing document capture has three primary elements:



Functionality is customizable to each business's needs and can even be designed to seek out specific fields and information based on the type of document being processed.



1. Automating Document Processing

A digitized document offers convenience in terms of its ability to be shared or delivered instantly via email or file-sharing technology, but the most distinct advantage of automated processing is the ability to interpret and extract information from those digital pages.

The use of artificial intelligence and machine learning solutions has unlocked new capabilities in terms of how businesses can automate document processing. The first phase is classifying separate documents processed from a single inbound mail drop: AI-driven document capture software is able to analyze the data on these pages to separate and organize documents together. It will go through the entire mail drop and determine that the first two pages belong to one document, while pages 3 through 7 belong to another.

This process continues through the entire stack, and the software automatically organizes the pages into their own individual documents. Once the pages have been classified, the documents can enter a process called "determination." In this process, the software uses AI capabilities to identify data fields relevant to the insurance company.

This functionality is customizable to each business's needs and can even be designed to seek out specific fields and information based on the type of document being processed. When a scanned document features an image of a driver's license, for example, the software can extract



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the important data fields from that license: first name, last name, street address, driver's license number, and so on. This data can be accurately copied, transferred to other forms and fields, and/or stored to use later, and it can all happen in seconds without a human hand touching the document.



Compared to human intervention, when workers carry an error rate of 8 percent, the automated system is both faster and less likely to pass errors on down the line.



The accuracy of this processing can be improved by creating certain rules around each given field. If your company's claim numbers, for example, are always 10 numerical digits followed by three alphas, then you can train the AI to only accept claim numbers following that format. If a claim number doesn't meet that standard, the document can be flagged for human review.

These checks and balances provide even greater assurance that data is accurate. Compared to human intervention, when workers carry an error rate of **8 percent**, the automated system is both faster and less likely to pass errors on down the line. With AI processing documents, errors and inconsistencies can be quickly identified and addressed.

2. Taking Advantage of Cloud Solutions

Organizations that operate in the cloud can utilize the many advantages that cloud platforms offer. From document capture to content services to storage, operating in the cloud can be more efficient and cost-effective. Best-of-breed solutions can easily interface with other lines of business systems.

Insurance adjusters, for example, can scan documents on a scanner, have them processed through cloud-based intelligent document capture software where the data can then be easily accessed throughout the organization. This efficiency works in reverse, too: Adjusters in the field can easily pull up relevant data while on-location, instead of having to call the local office or wait until they return to their desk.



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Even if you have document management software or other solutions you're already happy with, you don't have to give them up just to take advantage of these new cloud-based tools. Most cloud-based business management solutions are designed to integrate with a range of other business software, supporting efficiency and ease-of-use at any organization. The interfaces used to access this software are available through a web browser system for easy user access anywhere, anytime. Smart enterprise content capture platforms can run on Linux and Windows, both of which are widely used throughout the insurance industry, especially among enterprise-scale organizations. Versatility and scalability are essential to growing companies.

3. **Accelerating Performance Through Smart Document Capture**

Automation begins with the hardware taking tedious work out of human hands. High-quality images are key to creating a fully automated capture and processing system. Businesses should look for imaging hardware that offers full-color imaging, so that documents are digitized in a high-quality format that makes them easier to read and process. A quality image is critical to every other aspect of reading, processing and managing insurance documents: without sharp imaging, human validation may be necessary.

This high-resolution imaging was not always an option in the past, but enhancements in imaging and scanning have enabled new efficiencies that can benefit the insurance workplace. Today's hardware manufacturers also offer portable scanners that run off of battery or USB power, providing document scanning capabilities to adjusters working in the field.

Depending upon the workflow and volume of documents that need to be processed, many hardware "on-ramp" solutions are available for users to choose from. Epson, for example, provides a wide range of document scanners in mobile, desktop and network configurations that can meet many organizational document workflow and capture needs.



Conclusion: A New Standard of Excellence

The challenges of managing documents are one of the greatest pain points faced by insurance companies. At its worst, the daily influx of paperwork requires manual processing that creates bottlenecks in productivity, increases the risk of errors, sinks the organization's ROI and erodes the customer experience.

For years, this friction was an unavoidable part of running an insurance company. But new technologies can now respond to the specific challenges facing organizations, and some of the most tedious aspects of managing paperwork can now be completed without a single moment of human intervention. Insurance companies have an opportunity to revolutionize their entire business workflow by addressing one of its fundamental limitations.

When customers file a claim, they want their insurance company to respond with speed and accuracy. Meeting those customer expectations is no longer a distant goal that always feels out of reach. With the right tools and business solutions in place, automation can create a new standard of excellence.



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Zia Consulting is an award-winning system integrator of content management, process management, document capture, and cloud sharing technologies. We address the needs of enterprises to better manage, process, and secure documents by automating business processes and enhancing information governance. Our vertical accelerators for insurance, mortgage, accounting, manufacturing, and more are utilized by some of the world's largest enterprises to reduce costs, increase efficiency, and mitigate risk.



Ephesoft, Inc. delivers Smart Capture® technology on a private or public cloud platform that turns the world's unstructured content into actionable information. Using supervised machine learning and a focus on efficiency and reliability, Ephesoft has crafted the next generation of smart document capture technology. Organizations use this power to automate any document-based business processes, improving accuracy, increasing productivity and reducing costs. Ephesoft is headquartered in Irvine, Calif., with regional offices throughout the US, EMEA and Asia Pacific. The company is undergoing rapid growth and has customers in over 50 countries.



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