

Sustainable Claims Cost Reduction

Reduce claims adjustment expenses and prevent claims fraud



The property and casualty insurance industry is faced with rising claims cost and relatively stagnant revenues over the past few years. Pricing is controlled in the highly regulated industry while intensified competition and economic crisis is mounting additional pressure. Claims costs are surging with rise in adjustment expenses, upsurge in fraud incidents, and increase in sources of revenue leakage.

EXL's Sustainable Claims Cost Reduction is an analytics-driven solution to reduce claims adjustment expenses, identify and prevent claims fraud, and minimize other sources of leakage. The solution uses customized

methodology and proprietary analytics toolkit, MicroAnalytix™ to address the key cost drivers across the entire claims life cycle.

The key differentiators of this approach are:

- ▶ Faster, accurate, innovative and comprehensive data usage
- ▶ Use of advanced techniques for data management, analytics and reporting, e.g. genetic algorithms, neural networks, etc
- ▶ Efficient business intelligence via dashboards that facilitate easy monitoring, decision-making, and process control

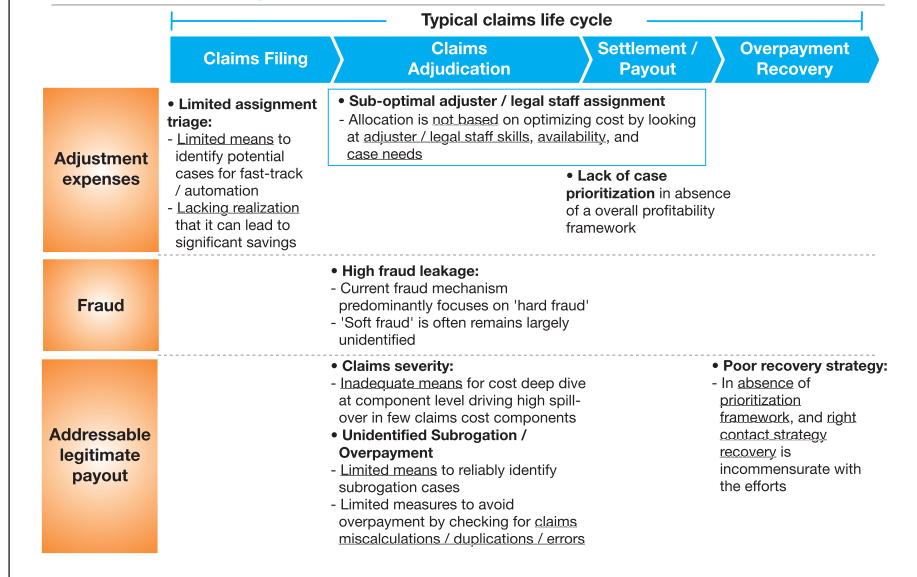


The solution not only helps Chief Claims Officer to improve financial performance via effective claims expense management and rigorous process-control enforcement, but also lays the foundation of sustainable growth. It empowers executives to improve process efficiency, reduce claims costs and revenue leakages while enabling timely and accurate risk identification.

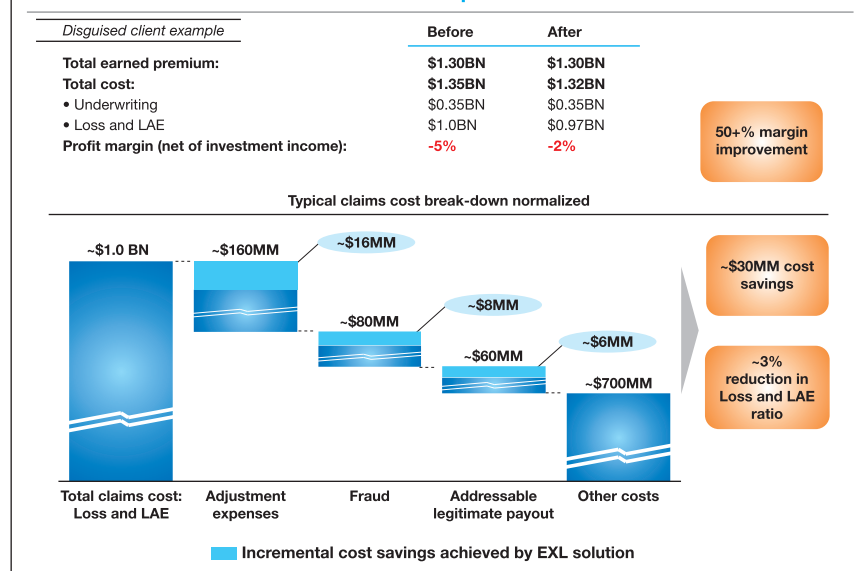
Sustainable Claims Cost Reduction is based on EXL's extensive experience working with over 25 leading insurers. It has enabled clients achieve substantial benefits including:

- ▶ Reduced claims cost by up to 3%
- ▶ Increased margin improvement by as much as 50%
- ▶ Improved fraud detection rate by 125%

EXL solution identifies key cost drivers throughout the Claims Life Cycle



EXL solution controls and improves LAE ratio



Case Study

EXL successfully deployed Sustainable Claims Cost Reduction at one of the leading US property and casualty insurance firm to improve effectiveness of subrogation decisions. EXL analyzed subrogation information for client's Auto and Property Line of business and used advanced predictive analytics (two-stage heckman model) to identify and prioritize subrogation opportunities. The approach delivered ~\$8MM in benefits to the client.

To learn more about EXL's Sustainable Claims Cost Reduction, please write to us at marketing@exlservice.com

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