Digitization & Automation along the Re-Insurance value chain at Swiss Re

ACORD conference 2017 Boston

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In this session you will learn about Swiss Re's strategy on how to digitize information for simplified data capturing and activity automation along the full (Re-) Insurance value chain, what Swiss Re has achieved so far, and what lies ahead. We will highlight how the ACORD Standards and efforts through the Ruschlikon group have helped us to maximize operational excellence, improve data quality, and increase client satisfaction.
Agenda

01 About Swiss Re and P&C Business Management

02 Strategic positioning

03 Our digital journey to date

04 Our digital journey ahead
About Swiss Re and P&C Business Management
Swiss Re and P&C Business Management context

Swiss Re Organisational Overview

P&C Business Management Head: Jason Richards

Claims Management

- Actuarial & Reserving
  - Bob Giambo

- Operations & Enabling
  - Shelley White

- Reinsurance & Liability Mgt
  - Mark Hallam

- Client Accounting Services
  - Silvia Zigerlig

- Key Case Management
  - Theodor Bachmann

Americas

- Brian Jones

EMEA

- Alexander König

Asia

- David O’Sullivan
Strategic positioning
Digital shift
A radical change of the business scenario presenting new opportunities and challenges
How to become Digital Future Ready?
By implementing the three key foundational aspirations

Knowledge Differentiation (Cognitive Assist & Smart Analytics)
→ Sponsor: Brian Jones
  ▪ Systematically develop key insights out of the vast information landscape for portfolio management and loss control
  ▪ Transform insights into operationalized renewal steering and value added services

Information Capitalization (Digitization & Automation)
→ Sponsor: Shelley White
  ▪ Develop mechanism to digitize more information for simplified data capturing and for activity automation
  ▪ Expand information reach to new external data sources and aggregate information to provide knowledge insights

Digital Collaboration (BPM & Work Integration)
→ Sponsor: David O’Sullivan
  ▪ Seamlessly connect digital capabilities enabling opportunity flagging, smooth process execution and skill orchestration
  ▪ Optimize XFT collaboration enabling an end-to-end view providing continuous product & service development
The digital transformation
Transforming P&C Business Managements’ value proposition

- **Digital Collaboration**
  - BPM & Work Integration
    - Faster decisions
    - Smooth execution
    - Skill orchestration

- **Knowledge Differentiation**
  - Cognitive Assist & Smart Analytics
  - Unjustified Claims
  - Loss prevention services
  - New value services for clients

- **Information Capitalization**
  - Digitization & Automation
    - Digest large amount of data
    - No-touch processing
    - No client burden

2007-2015

Transactional view

Process complexity

Information complexity

High

Low

No touch processing

No client burden

Swiss Re

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P&C BM Digital Operating platform
Initiatives and focus for 2017 and beyond

**Digital Collaboration**

**80/80 aspiration**
Improve effectiveness of our automation engine through risk appetite adjustment, more clean data internal & external and system enhancements.

**ACORD messaging**
Implement exchange of placement & contractual information to enable contract condition validation prior to transactional processing.

**Next50**
Increase the penetration of digitized data by converting "paper" based documents into ACORD messages for transaction automation.

**Smart insights**
Develop search, flagging and learning capabilities to systematically provide key insights out of the vast information landscape.

**Smart Review**
Provide real time quantitative & qualitative analysis for steering claims & accounting portfolio, considering historic patterns and other triggers.

**BM Pathfinder**
Support decision making by providing faster and broader access to information for portfolio management, loss control and value added services for our clients.

**Knowledge Differentiation**

**Information Capitalization**
Increase the penetration of digitized data by converting "paper" based documents into ACORD messages for transaction automation.
Our digital journey to date
ACORD – an integral part of Swiss Re’s digital strategy
The standard in action

[2007]:
- Founding of Ruschlikon group with a common vision for reducing back office frictional costs and streamlining processes for the (re)insurance sector by implementing global ACORD data standards together with an agreed set of business processes and rules

[2008]:
- Implementation of TA and FA automation capabilities for straight-through processing & validation in Swiss Re’s Operating Platform

[2010]:
- Implementation of CM message exchange including straight through processing capabilities

[2013]:
- Implementation of eMessaging capabilities allowing fully-automatic validation and processing of ACORD messages

[2015]:
- Rollout of ACORD message exchange for the LPC (London Processing Centre)

[2016]:
- Initiation of digitized data capturing and validation of unstructured documents (e.g. PDF’s) by leveraging the ACORD standard

[2017]:
- Launch of Post-placement and Placement collaboration with AonB

Focus for next year:
- Continue digitization journey for unstructured documents
- Operationalize Placement and Post Placement message exchange with AonB
- ACORD 2016.10 message upgrade

[2001]:
- Launch of Swiss Re’s message gateway for TA and FA message exchange

[2001-2007]:
- Continuous launch with additional partners

[2007-2017]:
- Founding of Ruschlikon group with a common vision for reducing back office frictional costs and streamlining processes for the (re)insurance sector by implementing global ACORD data standards together with an agreed set of business processes and rules

[2010]:
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2018
Swiss Re leading the industry
Ruschlikon KPIs (electronic administration – global P&C TA only)

Electronic administration (H1 2017 statistics)

- % electronically administered vs. manually administered (% of messages; global P&C TA only)
- % electronically administered vs. manually administered (% of premium; global P&C TA only)

Key messages

- Swiss Re is leading the industry for ACORD based messaging

- In 1st HY 2017 33% of claims and technical accounting transactions are sourced and processed digital representing 32% of booked premium (P&C Reinsurance)

- Major contribution comes from Rüschlikon based ACORD traffic with 19 partners
ACORD messaging makes a difference to our clients
Ruschlikon KPIs (Turnaround time electronic administration)

Average Turnaround Time (in days) for electronical messaging – H1 2017 statistics

Key messages
- Significant and tangible benefits are delivered through ACORD messaging
- Efficiency gain for Swiss Re up to 60%
- Typically message turnaround time within 1 to 3 working days
- Accelerated cash flow (daily)
Our digital journey ahead
The road to 80/80
Where we are today

First 80
Transactional Info Capture

Second 80
Transaction Processing

Digitize 80%

Automate 80%

43% Digitized

32% Automated

54% Semi-Automated

Future

Strategic Vision

ACORD based structured messaging (B2B, ELRAC, LPC, Stripe, RLite)

Automated Contract Capture

Next50

eMessaging Transaction Automation Engine

Unstructured documents

Contracts

Accounts

Claims

Financial Handling

Robotics

Manual; 14%
Classic Business; 57%
B2B Acord; 26%
Next50; 1%
ELRAC; 4%
LPC; 6%
RLite; 2%
STRIPE; 2%
fPOD; 2%

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P&C BM DOP – 80/80 aspiration – First 80
Today and in 2020 – Targeting a digitization level of 80%
P&C BM DOP – 80/80 aspiration – Second 80
Targeting an efficiency level of 80% for Technical Accounting & Claims by 2020

Key messages
The success of the 80/80 aspiration is dependent on a few key challenges we face with regards to further automation and digitization:

- **Bordereau based bookings**: 8% of the SwissRe P&C book is Claims Bordereau based (mainly in EMEA region); no established ACORD standard/process.
- **Internal barriers**: Apply the “right” risk appetite to maximize automation. Complexity drivers stopping automation, e.g. special conditions.
- **Data Quality**: internally (legacy) and externally (quality of message content and structure provided by our clients).
- **Implementation of clients with small transaction volumes**: 11% of the SwissRe P&C book is about clients with less than 250 bookings per year.
- **High dependency on Next50**: Dependency on technology and clients document structures.

1) Semi-automation: Automated data capturing; but requiring human resolution e.g. due to failed validations
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