**Insurance Claim Processing – Business Rules Explained Simply**

**🏥 Real-Life Scenario**

Imagine you're someone who recently had surgery and you want to claim money from your health insurance company to cover the expenses. You fill out a form, attach hospital bills, and send it to the insurance company.

The insurance company receives **thousands of such claims every month**. Manually checking each one is **slow and error-prone**. So, they use **automation bots** to do it faster and more accurately.

**🤖 What the Bot Does**

This bot acts like a **digital assistant** for the insurance company. It helps automate the full claim verification process. Here's what it does:

* **Reads claim documents** (PDFs or Excel files).
* **Validates policy details** – Is the policy still active? Is it a valid health policy?
* **Checks for fraud** – Has the claim come from a blacklisted hospital?
* **Applies claim amount caps** – Ensures the claim doesn't exceed daily or maximum treatment limits.
* **Decides the claim status** – Approves, rejects, or sends it for manual review.
* **Sends email notifications** to customers.
* **Logs all actions** for reports and dashboards.

**📋 Business Rules (Explained Simply)**

**✅ Policy Validation Rules**

* **Policy must be active** on the date of the claim.
* Only **“Health” insurance policies** are accepted.

**🚫 Blacklisted Hospital Check**

* If the treatment happened at a **fraud-flagged hospital**, the claim is **rejected**.

**💰 Amount Capping Rules**

| **Treatment Type** | **Max Allowed Amount** |
| --- | --- |
| Room Rent | ₹5,000 per day |
| ICU | ₹10,000 per day |
| Surgery | ₹1,00,000 |
| Consultation | ₹2,000 |
| Medicines | ₹5,000 |

⚠️ If any treatment is over the allowed limit, the bot **caps** it to the maximum amount.

**👨‍⚖️ Manual Review Conditions**

* Claim value is **greater than ₹1,50,000**.
* Unrecognized treatment types (not on the rule list).
* The person has submitted **more than 3 claims in one month**.

**📤 Email Notifications**

* Sends emails based on the status: **Approved**, **Rejected**, or **Under Review**.

**📊 Logging & Dashboard**

* Keeps logs for **audit and reporting**.
* Measures time taken to process claims.
* Tracks how many claims were manually reviewed.

**🎯 Real-World Benefits**

* **Reduces manual work** and speeds up claim processing.
* **Increases accuracy** and consistency.
* **Improves customer satisfaction** by processing claims faster.
* Helps in **detecting fraud** earlier.

Let me know if you'd like a **matching flowchart or diagram** to add to this Word document!