



AIA Target Claim Capabilities Build

HK and SG; Individual Life and CS

Initial View for Discussions

November 2017

Group Operations



Claims Operations Transformation

Context



BACKGROUND & OBJECTIVE

- Claims Transformation is a group initiated programme with an objective to simplify and automate end-to-end claims processes to reduce manual work, improve turnaround time, increase accuracy, reduce fraud and more efficiently manage workflow.
- Outcomes from end-to-end process review is a foundation for leveraging system transformation to support CS & IL business growth in the future and to breakthrough current system limitations

BENEFITS

- Consistent and superior claim experience across channels
- Integrate seamlessly with business partners (intermediaries) and service providers (hospitals, clinics, doctors and others)
- Reduce operational costs via straight through processing
- Improve effectiveness through enhanced claim management capabilities

DELIVERY SO FAR

- Baseline of current state & gap analysis
- High-level business requirements across claims life cycle (validated OSS, HK & SG)
- Agreed and validated Target Operating Model & capabilities between BUs and group office
- Cost estimations from TSS & SAG

COST OF NOT DOING

- Unidentified Fraud
- Rework
- Inefficient utilization of resources
- Manual calculation errors & fragmented processes
- Multiple hands-off and inconsistent customer experience
- Over payment
- Inward looking vs Customer focus

OPERATIONS STRATEGY OVERVIEW - CLAIM



Vision

We strive to be the best claims operation in the industry with fair and timely claim settlement for our policyholders and claimants

2022 Ambition

Transform our end-to-end claims operations to provide best in class customer experience to deliver incremental business benefits of US\$150m p.a. in reduced claims costs and operational efficiencies by improving our STP capabilities, improving TAT's, increasing our customer connectivity and reducing our fraud and leakage payments

Focus

Simplified single customer claims experience

- 100% e-submission of cashless claims
- 80% e-submission of pay & file claims
- Push notification of claims status
- Increased NPS score by X%

Risk and skill based adjudication

- Skilled based assignment
- STP for eligible claims
- Instant customer feedback and complaints management

Data enriched system

- Rules based data driven adjudication
- Analytics and AI based modelling to reduce fraud payments by 50% - 80%
- 100% Reduction in avoidable leakage across the top 5 main markets

Enablers

Capabilities

- MyPage for digital submission of claims, claims status and push notifications of claims updates
- Provider connectivity for paperless processing
- Healthcare TOM

Process

- Single optimized process defined using key principles:
 - Automation
 - Rules based
 - Complexity
 - Paperless
 - Best Practice

People

- Knowledge and skills based team structures
- Claims career based development program and toolkit
- Roles deployed for higher value tasks

Technology

- Digital front end for e-submission
- Data and rules based processing for auto adjudication
- Data acquisition for enhanced analytics and AI
- Shared architecture for re-use across BU's

Execution Excellence

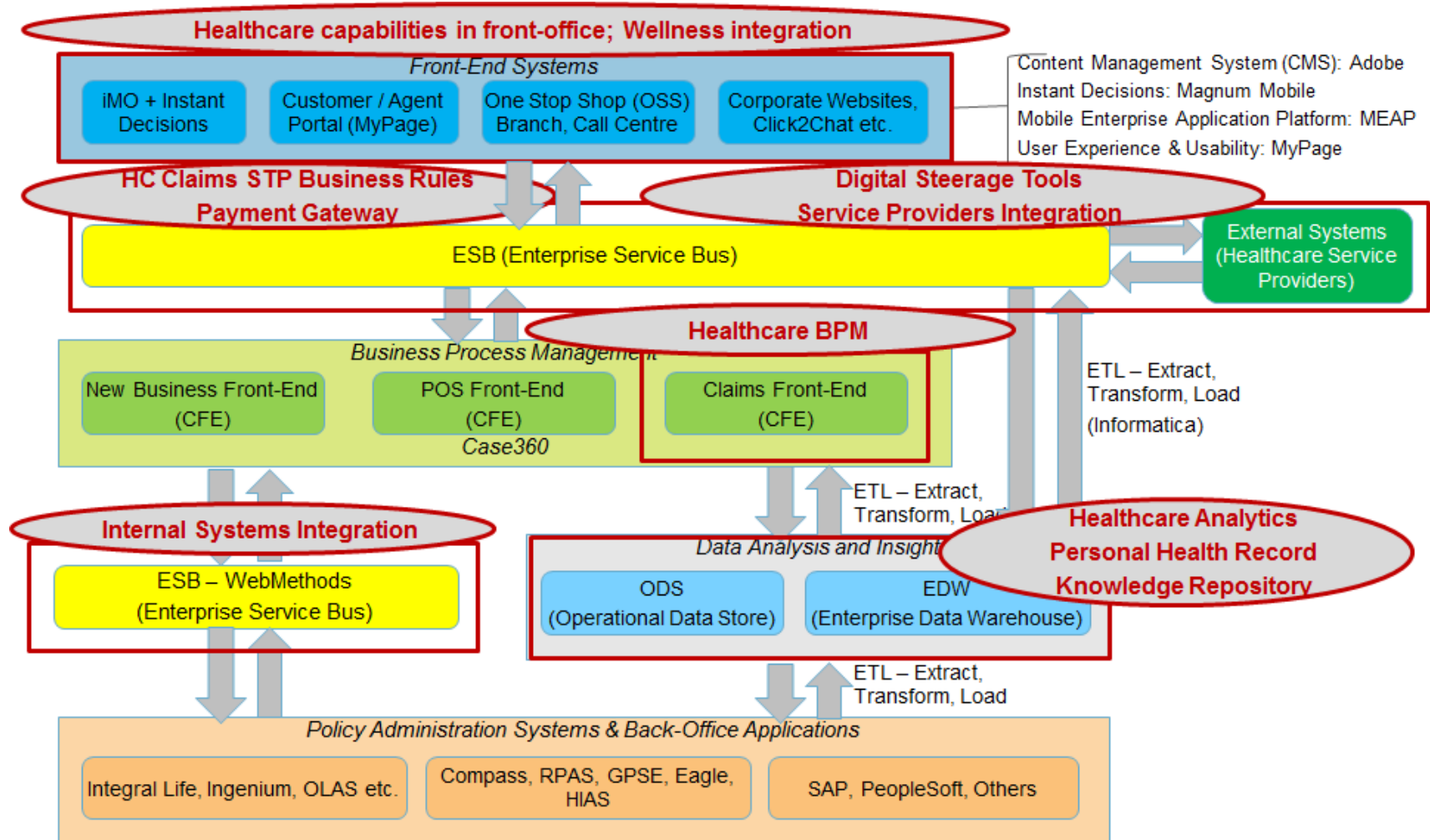
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Desired End-State

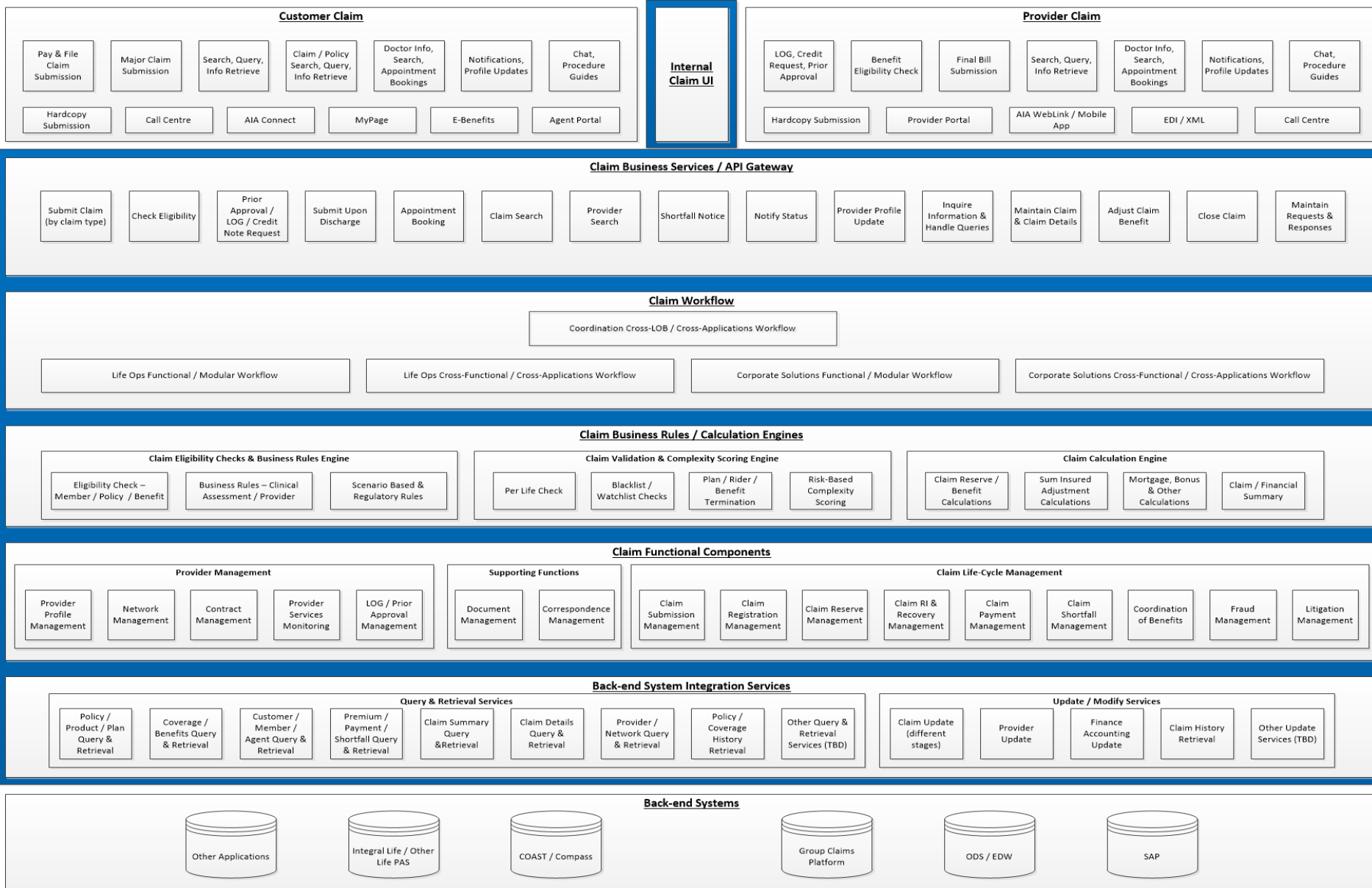


- Enhanced and consistent user experience for customers, agents and providers
- Proactive customer engagement on health journey
- Instant customer notification including claims acknowledgment
- Enriched upfront data gathering for claims processing
- Risk / complexity based claims segmentation; skills-based assignment
- Automated validation of policy, member, benefit, clinical rules, provider etc.
- Auto adjudication (benefit setup)
- Active claims reserve management
- Active fraud management
- Coordination of benefits (across CS & IL – this is to be supported by org TOM)
- Proactive management of shortfalls, reminders, pending claims
- Financial management (recurring payment, advance payments, GIRO payment, GL entries etc.)
- Real-time Operation KPIs Management (TAT, Utilization etc.)
- Support scenario based claims best practices / knowledge management
- User-driven, table-driven system design

Business Architecture



Target Operating Model





Supporting Materials



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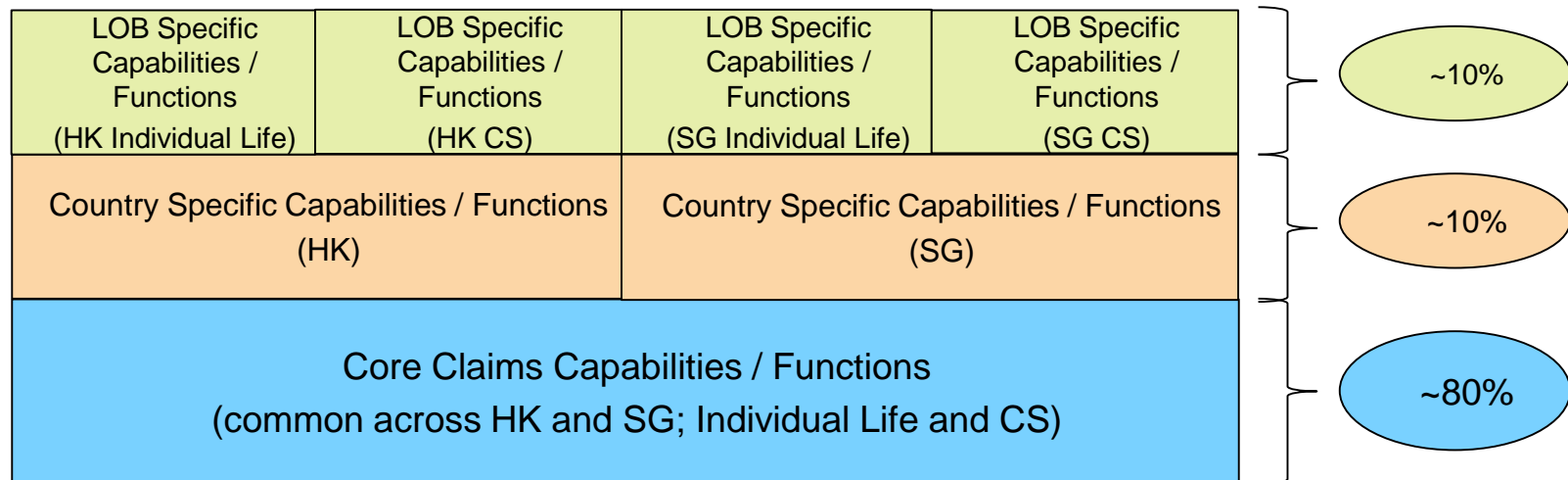
Options Analysis – 1 of 3



Target Claims Capabilities – Functional View

- Conducted series of workshops with HK and SG Individual Life and CS claims business users for regional alignment of future claims capabilities for both CS & IL
- Total of 180+ target capabilities / functionalities identified, aligned and validated that AIA should have in the Claims domain

Below is the summary view of the functional capabilities after alignment workshops:



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Options Analysis – 3 of 3



Target Claims Capabilities – Deployment View

High-level deployment view grouping of the target claims capabilities / functionalities under the 3 buckets is shown below:

<u>LOB Specific Capabilities / Functions (Individual Life)</u>	<u>LOB Specific Capabilities / Functions (CS)</u>
<ol style="list-style-type: none"> 1) Specific functions such as no-claim bonus, product-specific functions etc. 2) Cross-functional workflow integration with IL 	<ol style="list-style-type: none"> 1) Specific functions such as ASO handling, recovery and shortfalls management etc. 2) Cross-functional workflow integration with COAST
<p style="text-align: center;"><u>Country Specific Capabilities / Functions (HK and SG)</u></p> <ol style="list-style-type: none"> 1) Localize target claims workflow framework for LBU 2) Localize business rules and calculation engine framework for LBU and products 3) End-point integration of the claims business services for channels and external connectivity 4) End-point integration of the claims functions to the back-end systems 5) UI / UX and customer journeys for LBU 	
<p style="text-align: center;"><u>Core Claims Capabilities / Functions</u> <u>(common across HK and SG; Individual Life and CS)</u></p> <ol style="list-style-type: none"> 1) Claims functional components implementation – claims life-cycle management capabilities / functions from submission through to settlement; general supporting capabilities / functions such as document management, audit management, business administration etc. 2) Business rules and calculation engine framework design – common rules set, rules definition, rules parameters 3) Claims business services implementation for consistent multi-channel support – submit claim, notify status, check eligibility, search etc. 4) Claims application database implementation driven by standard claims domain and information model 5) Utilities components implementation such as securities, logging etc. 6) Standard core target claims workflow framework implementation 	



Thank You

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