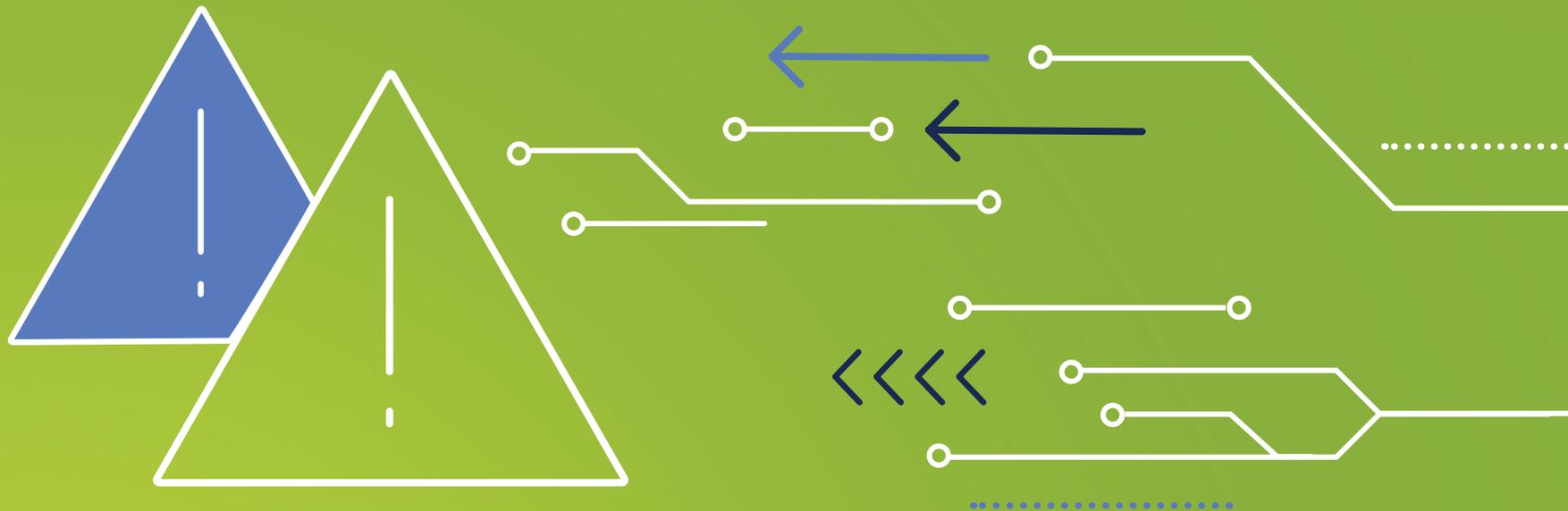


IS RPA WORTH ALL THE HYPE?

Watch out for These 5 Pitfalls of Automation



Realizing Automation's Potential

As the digital transformation of our industry continues, automation is one of the next big innovations insurance organizations are eager to bring in-house. Automation's benefits include cutting down the cost of a claims journey by 30%¹, ensuring underwriters receive only the top 20% of submissions and renewals, and reducing the burden of repetitive work on service teams.

Who doesn't want to save time and money?



	<ul style="list-style-type: none">• Work limited hours, with bathroom and lunch breaks	<ul style="list-style-type: none">• Work all day, including overnight, without breaks
	<ul style="list-style-type: none">• Adapt to process changes and think critically about results	<ul style="list-style-type: none">• Complete tasks according to standard operating procedure without thinking
	<ul style="list-style-type: none">• Take on many parts of many tasks	<ul style="list-style-type: none">• Can only do specific, highly regimented parts of tasks
	<ul style="list-style-type: none">• Require management	<ul style="list-style-type: none">• Require auditing, debugging

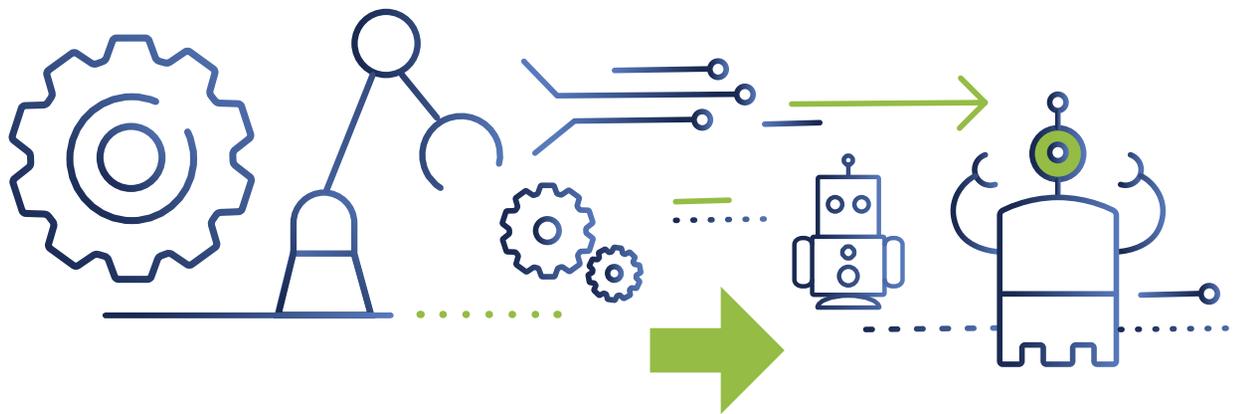
¹ McKinsey, "Time for Insurance Companies to Face Digital Reality"
<https://www.mckinsey.com/industries/financial-services/our-insights/time-for-insurance-companies-to-face-digital-reality>

But executing on the potential of automation can be harder than many expect. Pureplay robotic process automation (RPA) vendors often oversell their solutions, failing to disclose the significant maintenance costs involved. Up to half of initial robotic process automation (RPA) projects fail², and many struggle to scale.

The chasm between the promise of automation and realizing its potential can frighten any organization into inaction. By avoiding the five common misconceptions outlined here, you can successfully navigate your own automation journey.

58% of insurance executives feel that they lag behind other financial service sectors, especially in digital technology.³

Willis Towers Watson



² Ernst & Young, "Get Ready for Robots", https://www.ey.com/Publication/vwLUAssets/Get_ready_for_robots/%24FILE/ey-get-ready-for-robots.pdf

³ Willis Towers Watson, "On a digital highway without speed limits, how can insurers keep pace?", <https://www.willistowerswatson.com/en-US/Insights/2017/06/emphasis-2017-1-how-can-insurers-keep-pace-in-the-race-for-digitalization>

1. IT'S NOT PLUG AND PLAY.

Automating procedures in insurance isn't a one-and-done job. The regulatory environment and hundreds of carrier systems are always changing. Be wary of vendors promising a turnkey solution without ongoing maintenance.

HOW TO INTEGRATE AUTOMATION INTO YOUR OPERATIONS:

PEOPLE

Who oversees the work every day

PROCESS

How the work gets done, by whom, and when

TECHNOLOGY

The mix of systems, databases, tools, and robots

DATA

Information that you can extract and turn into meaningful insights for decision making

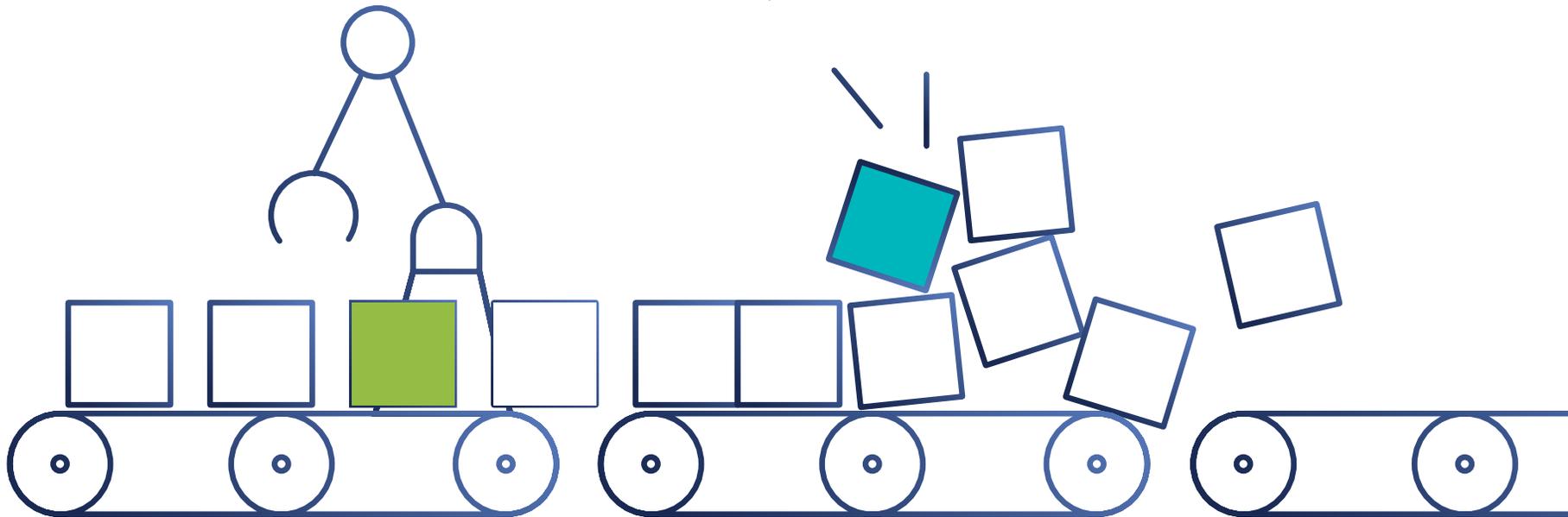


2. NO FLEXIBILITY.

Procedures written for bots have to be meticulous. Whereas people completing a task can see if something looks wrong and fix it on the spot, a bot will keep going until a person notices and intervenes.

How long will it take to catch potential errors, and how many E&O incidents could be caused in the meantime?

The average E&O case costs an insurance agency \$40,000.⁴



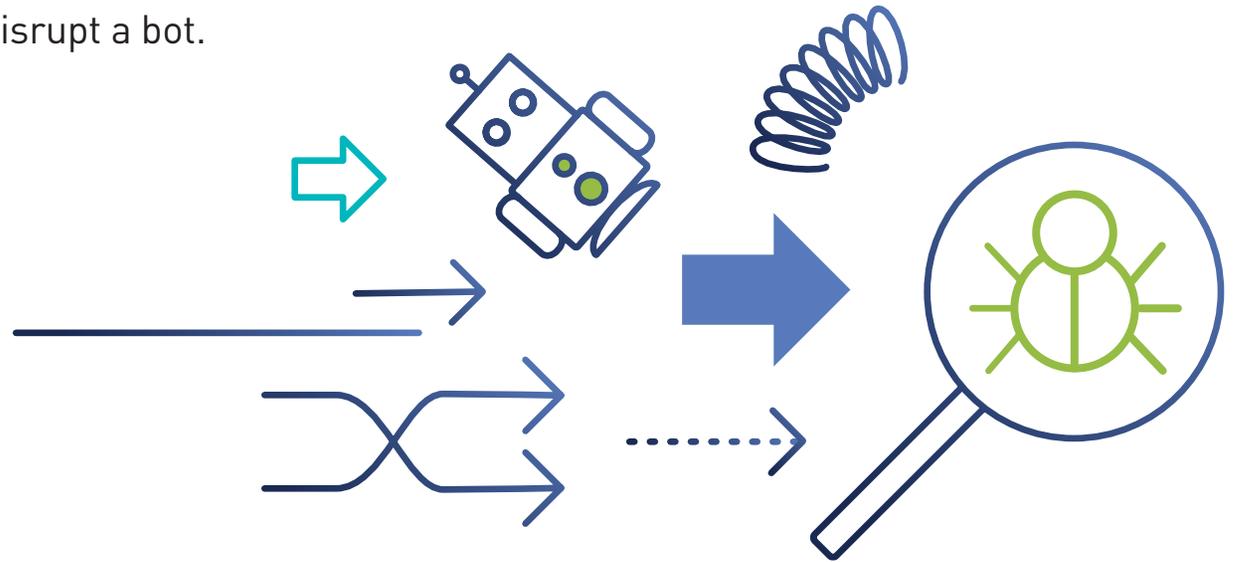
⁴ Insurance Journal, "E&O Insights", <https://www.insurancejournal.com/magazines/mag-features/2011/03/07/189281.htm>

3. BOTS BREAK—A LOT.

The average insurance procedure undergoes several changes a month, yet even the savviest organizations often lack standard processes for managing and updating procedures.

With RPA, it's even more important to have a rigorous process around managing procedure changes. One small deviation in a procedure (like a changed field on a carrier site) can entirely disrupt a bot.

Who will own bot maintenance in your organization? Before launching a new automation initiative, consider the new kind of insurance professional you'll need: a hybrid of IT and service staff, with the procedural and technical know-how to debug bots.



4. PEOPLE AREN'T OFF THE HOOK.

Currently, RPA can only take over slivers of complex insurance processes—usually the most repetitive, high-volume tasks.

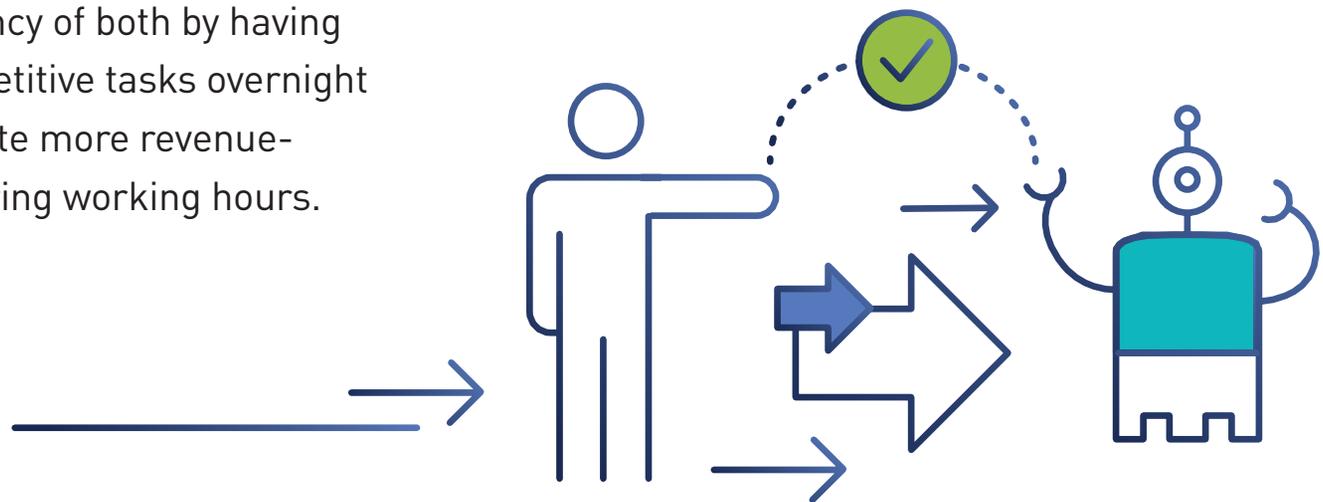
No single bot can handle end-to-end processes. You may need scores of bots to get you through, and you still need people to fill in the gaps. New complexities are created in human-robot workflows.

Are your procedures optimized for a blended human-robot workforce?

Maximize the efficiency of both by having bots do a bulk of repetitive tasks overnight while people complete more revenue-generating tasks during working hours.

QUESTIONS TO ASK BEFORE AUTOMATING A TASK:

- Is it repetitive?
- Is it high volume?
- Can it be done in bulk overnight?
- Is it highly structured?
- Is the system environment stable?
- Can it be easily audited and checked for mistakes?



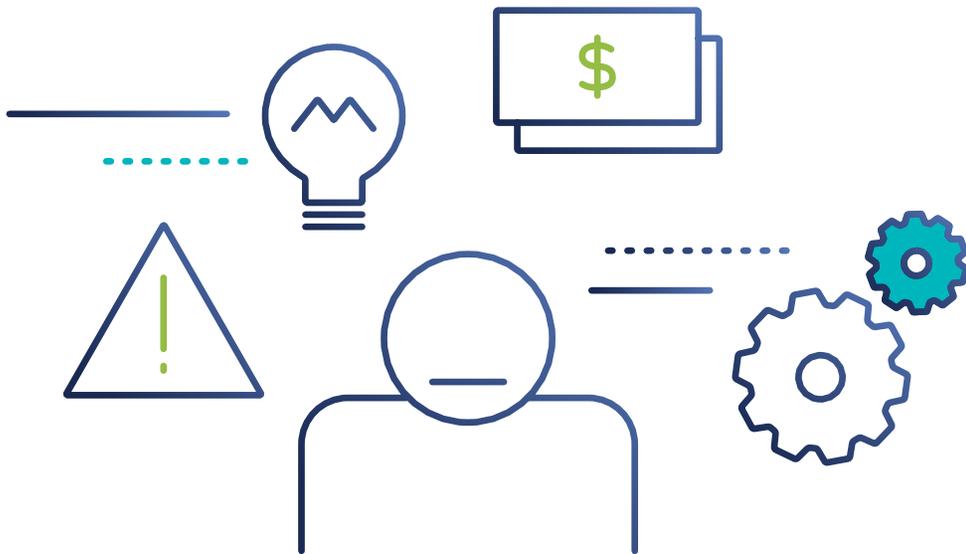
5. IT'S HARD TO GO IT ALONE.

While RPA can improve productivity and reduce labor costs over time, launching a digital initiative is complex and resource intensive.

Do you have the expertise and discipline to manage it in-house? Consider partnering with an organization that can develop, manage, and optimize bots for you. This lowers the costs and risks associated with automation while letting you focus on tackling your core business objectives.



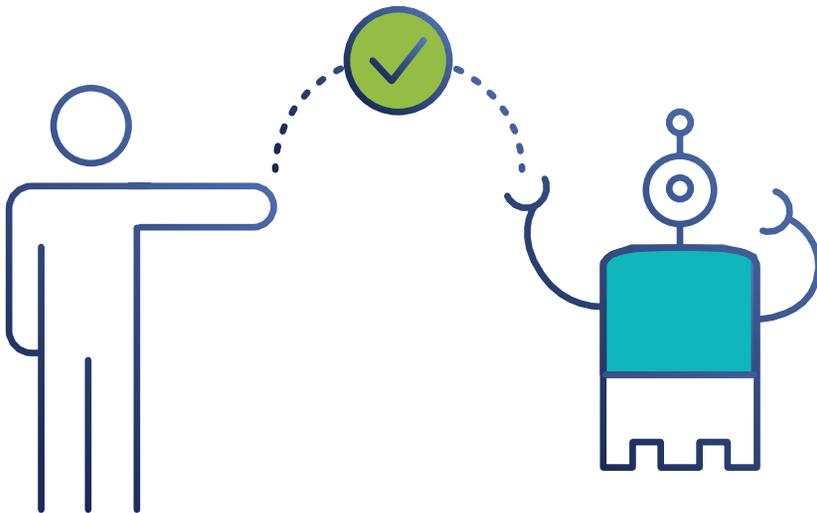
ReSource Pro has the industry expertise and technology capabilities to build, maintain, and continuously optimize RPA tools. Working exclusively with insurance organizations, we know the costs, risks, and opportunities involved and can guide you along every step of the way.



Final word

We can't ignore automation and AI because they're going to transform the insurance industry, from how we measure risk to how we service clients.

But amid all this, the key concept to remember is that what's important isn't the technology itself. It's how we integrate the technology and develop the relationship between robots and people, each with their unique capabilities.



OUR EVOLVING RELATIONSHIP WITH TECHNOLOGY

Tech assisted → Tech augmented

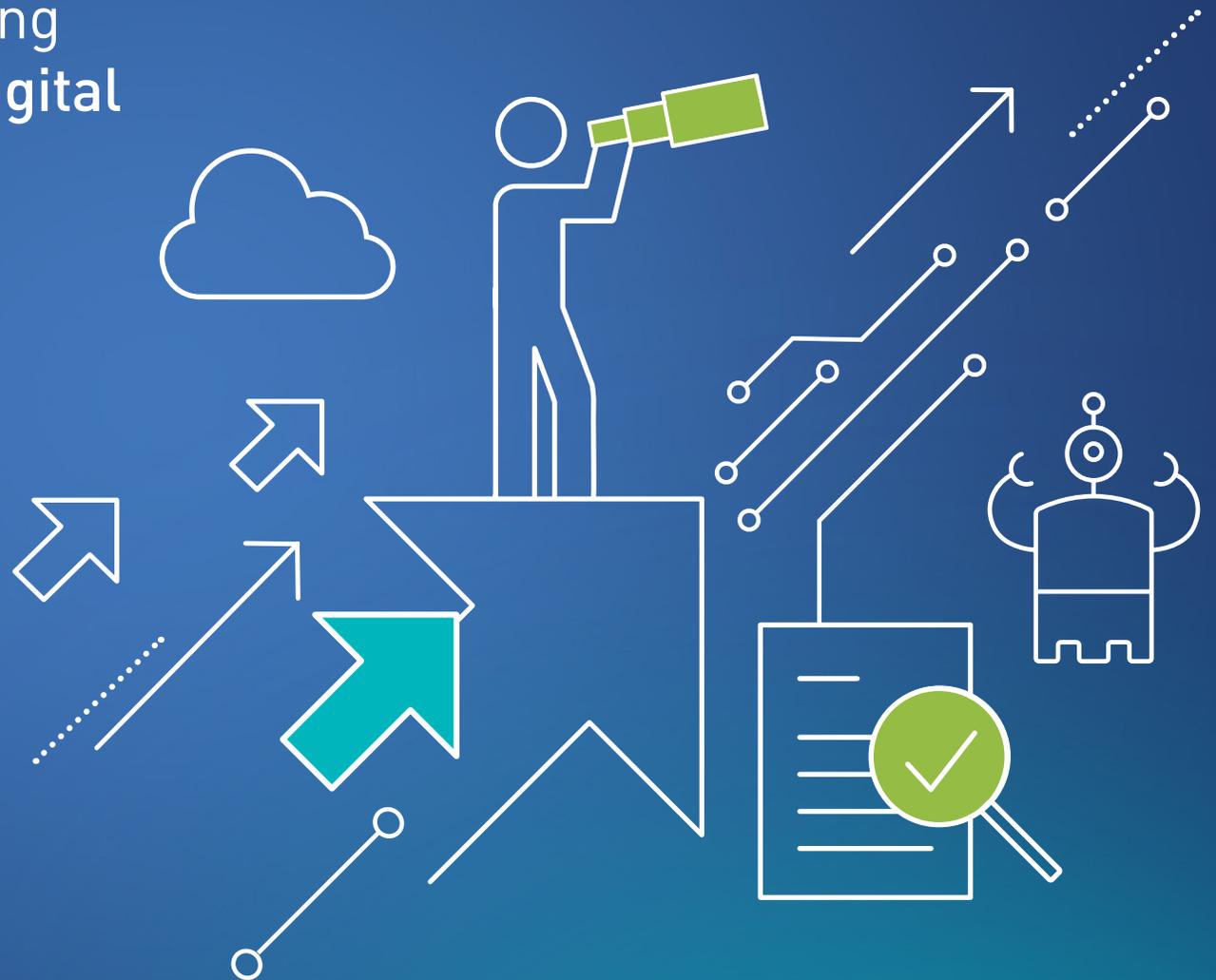
People entering data → People managing bots

Processes reliant on humans to make changes → Bots that rely on humans to spot errors and fix processes

People logging activity → Robot activity automatically logged

You're looking to differentiate. We're here to help.

Learn more by visiting
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