



How to increase Subrogation yield using Big Data analytics

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No wonder Big Data tops the agenda of most of the CIOs in 2013. There are many benefits of Big Data analytics including some very obvious ones like '360 view of the customers' to increase cross sell and upsell, lower customer churn, increase customer loyalty, do targeted marketing etc. However, here we talk about something which could show fast Return of Investment (RoI) and also radically improve the way insurance business is done.

Subrogation or Claims recovery in P&C insurance is such a process which could greatly be improved by Big Data Analytics. We know that subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. Researches show that Insurers lose revenues up to 15% of the total claims settled by missing subrogation/ claims recovery opportunities. It is estimated to be \$15 billion annually in the US alone. This money if not lost could add to the bottom line of the insurer and could give a major boost to the Insurance Industry too. A possible reason for poor subrogation recovery is the minute scrutiny of the massive documentation required for each claim. Perhaps its also because it requires onsite investigations by qualified experts at the earliest. As a standard practice various forms, pictures, video recordings, narratives, police reports etc are collected to process the claim and are attached in the dossier of the claim to be used during the entire processing. Scrutiny of these documents & data is a mammoth task in itself. The answer to whether claims recovery is possible lies hidden in these documents. There are tiny 'signs' within the reports and narratives which show whether the claim is 'recoverable'. A thorough analysis could only tell how to go about on the claim. Most of these being 'unstructured data', pose a real challenge for the IT guys to do any analysis on them. There are loads of claims pending and all have to be processed correctly and fast.

Here Big Data could just be the answer. Think about a system which could-

- a) Prompt on every possible 'recoverable' claim.

- b) Grade it on a scale of 0-5 on 'recoverability' (Red, yellow or green dots too would be just perfect)
- c) Based on the complexity, claims could be assigned to specific teams having experience in handling similar claim recoveries.
- d) Enable social collaboration with people (both internal & external) who could help in speedy recovery. Take help from subject experts during different stages of the claim.
- e) Track the funnel and keep all posted.

Subrogation is key to the business success of any Insurance company. Big Data could add lot of value by making subrogation recoveries easy and effective adding a lot of revenues.

What's your own quest of making Big Data mainstream into your business? Would you like to help us to know more about that? Would you like to know about the other insurance processes which could be improved just as this? Wouldn't you like to know more about what other Insurance companies are doing? Your competition is trying to do BIG too. How about you? Its time to be proactive. It's time to act to succeed to win! [Give me a shout!](#)

About the author



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