Predictive Analytics in Insurance Claim Management

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1. Introduction

Predictive analytics is concerned with the extraction of useful information from data to anticipate the future. The growing importance of 'data' in a plethora of activities, particularly in the decision-making milieu, is hypothetically grounded on the axiomatic adage that 'more data' leads to finer decisions. Sayings like 'data is the new oil' and 'in God we trust; all others must bring data' reflect the established philosophy of primarily relying on hard evidence to steer human endeavors in today’s digitally connected and data-centric world. Predominantly, the practice of insurance has increasingly inclined towards data, leading actuaries and financial analysts to scrutinize voluminous amounts of dynamic data variables like policy mapping, geographical location, socio-economic conditions, claim amount, customer profile, and patterns in worldwide losses arising out of varied perils. Insurance companies today are using predictive analytics techniques to better assess risks, recommend more suitable policy coverage, prevent fraud, and efficiently manage claims.

One of the main business objectives of any insurance company is to maintain profitability at an optimal level, and this is possible only by prompt and efficient settlement of customer claims. Settlement of insurance claims, however, involves evaluation of the extent of liability of the insurance provider, which in turn is dependent on multiple determinants. In practice, this has not only turned out to be a subjective task but is also inversely proportional – the higher the stakes involved, the more subjectivity is introduced in the assessment. Even for the same case, assessment could vary if it is a case of a routine motor accident versus a celebrity or high net worth individual accident. Rapid advances in technology have now made it possible to delve into such patterns and relationships in data to help managers make more informed decisions. Research work in this context is not only warranted but also essentially needed, especially for a domain like claim management for two reasons: first, a claim settled can make or mar the reputation of the insurance company; and second, unlike any other business, in insurance, one cannot gauge the tangible product quality until a debacle strikes.

From the customer perspective, incorrect assessment or delayed settlement of a claim is perceived as partial inefficiency.

1.1. Background and Significance

Predictive analytics has a twisted solution in the form of history and development in all types of industries, and the insurance industry is no exception. Traditionally, it refers to claim and reserve management as an art form based on estimating the costs and human knowledge. It grew from the basics, processes, and rules of thumb, slowly in the insurance sector. Traditional claim operational management and processes are becoming volume-driven, and the current rising trend has attracted management and research attention from most areas in the insurance industry. Fraud management tools are becoming more user-friendly; data-driven tools are used to detect and manage current claims and prevent fraud. Decommissioning time has reduced the duration of the physical investigation needed. Increased competition drives all organizations to reduce losses and, more importantly, real claims. Focus on cost and efficiency – traditional ways of claim management and non-processing are operational. In previous data sets, training and forecasting of models using data sharing techniques initiated an accuracy of 90% to 99%. Evidence-based decision-making is the key turning point for the insurance industry. Reducing fraud – using predictive technology, companies reduce false claims to minimize fraud and improve levels of service by quickly satisfying the interests of legitimate users. Various studies have shown that between 60% and 80% of payments are part of elite and systematic claims. Improving the initial notification time enhances the level of service. Call handling and claim handling are simplified, reducing staffing costs by up to 15%. The substantial growth of modern technologies has created huge repositories of data every day. These, along with other variables, all indicate a greater trend than previously observed, suggesting that computer analytics should be in place.

1.2. Purpose and Scope of the Study

This study aims to explore the specifics of predictive analytics in the context of insurance claim management. The study's focus rests on operational aspects, such as the accuracy of claims assessments. To investigate these, two questions are formulated: What are the advantages and limitations of using predictive analytics to improve the efficiency and effectiveness of claims management? How can predictive analytics be used within the framework of insurance claim management to minimize the potential for abuses by the insured and to hasten the identification of fraud? The study will present an answer to these questions by limiting the concept of predictive analytics to customer claim analytics through big data analysis and behavioral data. Here, the term predictive analytics is understood as an analysis used to make predictions about future behaviors. The analysis can serve as a useful starting point for understanding customer behaviors to develop real-time performance indicators and instruments for claim management.

The purpose of predictive analytics in the insurance sector is to anticipate future risks and to set the boundaries for profitable risk acceptance. Skillfully implemented, it can also contribute valuable information about the strategic positioning of insurers' operations by providing insight into where and how expenditure affects results and vice versa. In times of regulation and the rising importance of risk capital and performance indicators, it is important to be aware of the advantages and potential applications of predictive analytics, but we must also understand the limitations and constraints. Operational efficiency: one potential use of predictive analytics involves the assessment of personal injury. In this case, it is used to link observations from accidents to the subsequent claim cost. It identifies factors that have an effect on cost and the magnitude of these effects. Therefore, it can be used to identify what additional information should be sought alongside the claim form to provide a fair settlement. Prediction accuracy: some autoregressions may also be useful for setting reserves as well as liabilities, particularly for companies with high volumes of relatively uniform claims.

2. Foundations of Predictive Analytics

Predictive analytics, descriptive analytics, and prescriptive analytics are the overarching terms focusing on various kinds of analytical activities. Analytics refers to exploring the total or partial dimensions of continuous or pattern-based data to collect insights within a set framework. Descriptive analytics refers to a paradigm that focuses on characterizing historical data. The present, static, and segregated information offers insights to comprehend the tied relationships by learning from the past. In contrast, prescriptive analytics explores the techniques to develop actionable insights by focusing on progressively developing and predictive outcomes. Predictive analytics, in the context of this study, can be defined as the application of techniques to set the predictive frameworks using different models and theories towards proposed estimations. In sum, descriptive analytics offers a bottom-up approach by understanding historical and present data. In contrast, prescriptive and predictive frameworks offer a top-down approach by developing insights on the upper part of the data to provide estimates and actionable insights.

Predictive modeling works based on a series of techniques, components, and paradigms. The basic components of the predictive modeling paradigm include working with statistical techniques and an understanding of algorithms. Data integration and programming in combination work as programming languages to integrate statistical tools and algorithms to come up with the final points of delivery. Statistical data analysis primarily works with various regression analyses or functions that lie under the framework of algorithms. Similarly, machine learning, working through algorithms, offers an alternative to perform predictive modeling. Various types of algorithms, such as decision trees, random forests, support vector machines, time series, and autoregressive integrated moving averages, text mining, and sentiment analysis, work around overfitting, underfitting, and bias-variance tradeoff in the dataset, and are extensively used to move towards a predictive analytics framework. The problem analysis of predictive analytics is based on designing the strategy to address the various categories of questions and involvements in predictive modeling. Thereafter, the model and workings are described in the syndication and reporting in the market with reference to the key challenges of the field in focus, such as the automobile insurance claim process. The telematics and advanced analytics are known and limited to identifying predictors, socioeconomics, living standards, car age, distance driven, and vehicle value. Model testing and syndication channels are also under development with reference to the sector of advanced analytics and claim management. The provided findings are based on the insurance data, but the stress is made on the increasing practical and policy implications. Practical applications of the paper are useful for various stakeholders in the insurance markets.

2.1. Definition and Concepts

Predictive analytics refers to the usage of statistical algorithms to make predictions of future outcomes based on the interpretation of historical data. In the insurance context, predictive analytics can predict to what extent a policyholder will file an insurance claim in the future. Moreover, it can be employed to forecast the costs of a claim. Although predictive analytics is considered a part of statistical modeling and data mining, traditional statistical analysis focuses on examining previous data to interpret or justify specific phenomena. On the other hand, the objective of predictive analytics is to forecast future outcomes based on historical data.

There are several central concepts that are essential to define in order to explain the basic concept of predictive analytics. First, data collection is essential since the model's accuracy relies on the quantity and quality of the historical data employed to construct the model. Second, feature selection should be noted since it is not desirable and often unrealistic to include all available historical data for the construction of the model. Model validation is essential due to the fact that a model assesses its predictive performance based on historical data. This current research aims to explore the predictions of artificial intelligence to simplify the model development procedure.

Algorithms, either individual algorithms or a combination of them, develop predictive analytics. The present study scrutinized ordinary least squares, decision tree induction, and logistic regression, in addition to the combination of those algorithms. The present study should account for the significance of insurance industry-specific difficulties, including model interpretation and development.

2.2. Key Techniques and Algorithms

In predictive analytics, predictive models are created and trained using past experiences and claims. A variety of techniques and algorithms are used for this. They can roughly be divided into statistical and machine learning methods.

The most popular statistical method for creating predictive models is regression. It is often useful for creating algorithms for frequency and severity predictions and for regulatory reserves. Oftentimes, linear and Poisson or log-normal distribution regression is used. The most important strength of the regression algorithms is their interpretability. However, they are not very useful for mining complex and large datasets. Other statistical methods that are sometimes used in claim modeling are classification and regression trees, generalized additive models, and principal component analysis for cluster analysis. Decision trees are particularly useful for claims, since they can represent rule-based expert knowledge in a transparent manner. Also, non-regression statistical methods are gaining popularity because they are generally less sensitive to statistical assumptions.

Outside actuarial science, it can be argued that neural networks and association rules are most widely used in the claim modeling process. Also, support vector machines are often part of the toolkit used. The main strength of past-driven algorithms, including predictive modeling approaches, is that lessons learned from past strategies can quickly be incorporated into the model, based on what has worked in the past. The main data mining strength is that, via machine classification and clustering, data can be summarized, including larger quantities of data, which can suggest important classes of claims to focus on, such as fraud or subrogation. Associations between different classes of data may also be identified. Ensemble techniques such as boosting and bagging are widely used. Various machine learning algorithms are available but often require refining. Overfitting of data can be an issue, and data is usually split cross-sectionally. It is important in the modeling process to rank classification models based on "lift" and "accuracy" for cross-validation in the past data used in model fitting. Techniques such as random search optimization can be used in this process. The limitation of machine learning applications is that these algorithms may not be as transparent as regression in terms of establishing and discovering causality. Associations or predictions are made by these in the decision rules, which can be difficult to interpret.

3. Applications of Predictive Analytics in Insurance

In the insurance industry, predictive modeling techniques offer many interesting applications. This research focuses on two applications that pertain to the claims management of insurance: predicting fraud and optimizing claims processes. Fraud detection is a crucial activity for each insurance company, due to ineffective technical reserves, reduced profit margins, market attractiveness, and the corporation's competitive positioning. Applying predictive techniques enables the insurer to be ahead of the game in controlling and compensating for fraud risk. Claims processing is the showcase for the insurer's service and represents the most significant contact point between the company and the client. By simplifying this process, insurance companies can significantly reduce the time and money they spend on their operational activities. This helps to create an efficient business model and improve consumer loyalty. Automated claim optimization contributes to customer satisfaction and improves the outcome of claims. Insurance claims history reveals a wealth of unexploited client information. By using historical data, carriers can predict the result of future claims successfully, allowing the client to benefit from improved services. This paper will discuss those applications and provide the methodologies and outputs for each of them, demonstrating their value. Making sense of big data and recognizing trends and patterns have been fundamentally transformed by the use of predictive analytics. In the insurance industry, predictive analytics offers an opportunity for innovation across all insurance lines.

3.1. Fraud Detection

In the insurance world, predictive analytics is very important in the automation of the claim management processes. One of these is fraud detection, which is basically to create analytical models that will perform risk evaluations on the claims made by the policyholders. Such flagging of 'risk percentage' will help insurers in identifying the claims that need to be investigated. These models use statistical methods to predict the likelihood of a claim being fraudulent based on historical data and algorithms for machine learning that recognize patterns present in fraudulent claims. The simplest of scores is generated with historical fraud claims and is stored in the master table along with the claim ID. When a current claim is reported, the scores are generated through all the predictive models. The outputs can be put through rules that will decide whether the claim needs to be investigated.

Many case studies present organizations that have put these predictive rules to cut their fraudulent claim percentage. Markets include auto insurance, workers' compensation, and pet insurance. The role of these models is highlighted only as part of the risk management strategy, which is globally defined by different organizations. Most of the leading global insurers believe that these models cannot function in silos and have to be an integrated module in the Risk Management Framework adopted by organizations as a whole. The approaches adopted by global leaders in the insurance market include surveys and interviews of the management team. There are a number of issues and challenges faced in the way of successful predictive modeling. They differ from the challenges faced in a typical analytical project. The reason is that things keep changing in the fraud world, and the claims history distribution will be different while fraudsters look for new 'holes' in the system.

The major challenge in predictive modeling is not just building a good model but maintaining its performance, which becomes complex when fraudsters start changing their methods to bypass the predictive modeling system. Hence, the biggest difficulty is the cheating of a good model. Some of the approaches adopted by global leaders that could try to tackle the challenge include the inflow of good practices, evolving with the models, increasing collaborative involvement, understanding trends, and generally understanding the needs and requirements for preventing fraud.

3.2. Claim Processing Efficiency

Predictive analytics can help insurers assess the likelihood of various claims occurring before they receive them without having to depend on fraud scores. This allows the insurer to immediately identify and escalate potential fraud or high-severity claims, assign the right claim handler to start working on the claim right away, and identify any potential issues in the adjustment and settlement process early on. The following techniques are relevant within this context, primarily based on the use of historical and sometimes real-time data: 1. Fraud detection 2. Claim severity prediction 3. Prediction of claim validity 4. Claim analytics in agriculture Combining different techniques in a workflow is by no means unheard of. The main advantage here is efficient claim processes, meaning faster and qualitatively better decisions in the claim handling process, which, in turn, result in higher customer satisfaction. Moreover, such efficient workflows have the potential to reduce the frequency of incoming phone calls, emails, or the like, which insurance companies receive regarding the timely processing of such claims. This is likely to reduce the fixed operational costs of an insurance company as well as enable the existing claim handling resources to work on the cases that require their attention. Several successful applications of claim prediction exist, showing that the processing time of claims varies dramatically for different claim severity, claim validity, or other predicted outcomes.

4. AI Integration in Insurance Claim Management

Artificial intelligence (AI) can assist with or directly accomplish several functions in insurance claim management and can also contribute to the development of predictive analytics. Two key advantages of AI in claim management are its potential to provide automation of routine tasks in the registration, adjudication, and resolution of claims, processing claims when only machine-readable data is involved at much lower administrative costs; and AI can help with 'augmented intelligence' to assist, advise, and decide on claims where a combination of human and machine intelligence outperforms either human or machine forms of intelligence alone. Key challenges for successful AI in claim assessment include privacy concerns and the lack of reliability and interpretability of AI algorithms. Most leading insurance firms have existing claim engines that they have evolved over time. Based on advancements in machine learning and AI, they can effectively integrate these technologies with their existing systems through collaboration between machine and human intelligence.

Strategy: build or rent simple, relatively isolated tools with compelling use cases that combine machine and human intelligence in new ways to demonstrate the value of AI in claim management. Doing so allows rapid exploration and demonstration of value to existing operations and enables evaluation and refinement of new technologies and methods without disrupting existing workflows. This top-down strategy leverages existing workflows and analytics and enables the addition of straightforward, AI-enhanced alternatives to these existing approaches. From the assessment of national insurance firms' practices in AI implementation, three distinct stakeholder-oriented strategies were identified that guide these firms: 'collaborative AI', 'applied pinpoint AI', and 'hybrid AI'. These strategies prescribe the integration between human specialized knowledge and AI algorithms within specific operable or refill activities to innovate in-house operations. These three collaborative AI strategies are based on four best practices that aim to guide the implementation of AI solutions that will enhance the operability of incumbent insurance claim activities. Some experimental studies are currently exploring these three strategies. The future of this domain appears to move towards the larger integration of AI algorithms within digital and robotic insurance operations. As insurers seek greater digital and robotics capabilities within their operations, it is likely that further AI integration within claim operational capacity shall take place.

4.1. Benefits and Challenges

Advantages. AI can bring several benefits to the domain of insurance claim management. By automating routine processes, operational efficiency can be improved. AI systems are able to monitor, analyze, and manage high volumes of diverse data, which results in a decrease in administrative errors and better decision-making. Due to advancements in machine learning and data analytics, AI can provide insurance companies with more accurate and granular insights related to different areas of claims assessment. AI systems have been shown to be as much as 90% accurate in recognizing the severity of car accidents from photographs compared to a 70% accuracy for human experts when conducting motor injury claims in under three seconds. AI systems are also able to analyze evidence and historical data in great detail within a relatively short time frame.

If deployed correctly, AI can result in faster claim processing times since it can evaluate policyholders' situations and histories, reach a decision, and inform relevant stakeholders about this in a very short amount of time or even in real time. This is a notable advantage as a long claim processing time can negatively impact policyholders. Additionally, by incorporating data from past claims and comparing this with incoming claims, insurers can also identify which claims are fraudulent in a more timely fashion. AI systems can play a role in enhancing personalization as insurers are increasingly able to offer a tailored and end-to-end customer experience, which includes personalized risk profiling, product offerings, and customer service. This, in turn, can result in higher customer satisfaction by enabling quick and fair filling and processing of insurance claims.

Challenges. Despite the huge benefits that AI can exert on the insurance industry, there are also several challenges and risks that insurers will need to address and mitigate. AI consuming and generating large amounts of data is likely to reinforce the need for data privacy and protection. Accident photographs uploaded to an AI system may feature sensitive information such as vehicle registration plates and identifying road signs. Unchecked use of data or lack of security associated with the AI-enabled insurance ecosystems can potentially result in data breaches and fuel cybercrime. The insurance sector is increasingly becoming the target of cybercrime due to its role as a data-rich and transaction-focused industry. Additionally, the insurance industry may attract relatively advanced adversaries likely to exploit new AI systems to further their attacks on the industry. This reinforces the need to incorporate strong cybersecurity controls, processes, and behaviors into both current and future AI-enabled operating models.

Another challenge relates to the fact that AI can only learn from what has been taught by people. As a result, AI requires access to an extensive range of data sources that feature relevant contextual information and multiple scenarios in order to learn effectively. With regard to claims, the insurance industry echoes the sentiment that the claims process is like a 'black art,' with very few transparent rules, criteria, or regulatory guidance. This can make claims management a somewhat subjective process. AI typically requires extensive amounts of training data to enable the relevant machine learning system to provide sound outputs.

4.2. Best Practices

As the integration of AI in claims management processes demands careful attention and approach, paying heed to both regulatory compliance and ethical and privacy considerations. Initiatives must be grounded in and complement organizational strategies in order to reap the greatest benefits. Investing in necessary capabilities is critical, while at the same time instilling a 'data-driven decision-making' culture in the organization to facilitate growth. Pilot testing can alert organizations to potential challenges of AI integration, such as reluctance from claim adjusters or opposing departmental interests. Continuous monitoring and evaluation of AI systems is encouraged in order to adapt to changing trends, technologies, and workplace needs. The intention is to provide organizations with the necessary knowledge and understanding of best practices to commence a well-informed and sustainable AI adoption journey.

This section offers a roadmap built on best practices to guide maximum value creation in the area of AI in claims management. This involves, first and foremost, aligning AI initiatives with organizational strategies. The underlying objective of integrating AI is to optimize resource allocation and enable human capital to add value through complex tasks. Allocating enough resources to training staff to use these tools is also advised in order to keep up with the changing trends of AI systems. Norms such as greater transparency and a focus on explainability are being incorporated into various AI tools to maintain ethics, and the technology is continuously updated to comply with increasingly stringent data protection policies. The art of underwriting, for instance, should remain data-driven, but investment is needed due to the inevitable resource-intensive consumption of underwriters' time that piloting takes. Increased collaboration among departments is also involved in the pilot process. Setting out to train and explain to the organization what AI tools are, how they are being used, and what they can deliver is vital in changing the culture of data use. Ultimately, to enable a sustainable change in the working pattern, we recommend continuously evaluating and adapting the use of AI tools to the changing insurance needs.

5. Future Trends and Implications

The changes and innovations explained in the preceding sections will continue to evolve and disrupt the insurance industry. New predictive techniques are still being developed to account for things like regional and weather anomalies and population demographics. Technological enhancements in emerging research areas such as big data, more advanced machine learning, and extreme constraint propagation have the potential to improve predictive capabilities by learning, reasoning, and updating on many variables simultaneously. Insurers and other organizations should always be aware of the current and future implications of performing ongoing research to anticipate the changes they should respond to. Insurers who can view R&D as a necessity in this era of rapid technological innovation and change, rather than an optional expense, will be long-term winners. The use of blockchain in claims processing will also affect the way that predictive models work in the future. It is predicted that in one year's time, a percentage of insurance claims will involve blockchain technology, significantly impacting how they are processed and how this data can be used. While a full analysis of the confidentiality needs to be considered while using predictive analytics in the claims process, some of the boxes are not ticked and will need some modifications around permissions for the legal basis of processing, understandable terms and conditions, and the right to object to fully unleash the potential of the predictive models. Establishing ethical guidelines for using predictive models, leveraging more and different types of data, and even AI in the claims process will be necessary as the ethical voices gain volume in the debate.

5.1. Emerging Technologies

Rapid developments and innovations have given rise to emerging technologies shaping the insurance sector. Buzzwords range from robotic process automation, artificial intelligence, and big data to blockchain and distributed ledger technologies. While these technologies are relatively isolated, they share one important commonality: they improve an organization's analytical capabilities by delivering and processing ever-increasing volumes, velocities, and varieties of data. While the aforementioned psychology of prediction has its own significant implications, we focus primarily on how the technological advancements assist. Artificial intelligence, for example, enhances insurers' ability to assess risk by analyzing medical records, processing and interpreting X-rays, and predicting equipment failures to prevent possible claims. Big data allows insurers to price risk more accurately by analyzing behavioral patterns such as vehicle data, and blockchain technology can help mitigate fraud by proposing an immutable claims history verifying customers' loss experience. Applications also span across innovative areas such as IoT, where smart contracts are envisaged to respond directly to GPS information indicating delayed flights, automatically settling a customer's insurance claim.

While the technological advancements are significant, they are also characterized by a set of challenges that inhibit their immediate and all-pervasive significance. For example, many insurers are struggling to integrate their existing legacy systems with the new and innovative technology. Even more interesting is the fact that many of these technologies are not yet widespread. Their future significance may thus be augmented by the fact that they offer a competitive advantage to their early adopters. Regulatory frameworks also need to be reviewed and adjusted regularly when the new technologies are leveraged in insurance. One final point to make is that the importance of these innovative technologies lies in the fact that they are not static and are constantly evolving. This means that the way insurance companies use them will be continuously reshaped. In the future, more technological advances will emerge that will shape the overall technological landscape.

5.2. Regulatory Considerations

Data regulation and privacy can become a central theme in the empirical research of predictive analytics. The existence of internal data that belongs to the company's core assets is a distinctive element of companies with legal obligations, restrictions, and controls that a company must respond to and deal with, for example, the presence of private or sensitive data. The preponderant factor is related to the level and quality of privacy protection. When decision-making processes are based on distributed assessments, these assessments may end up being of a personal and private nature. In this case, transparency becomes a precondition for the legitimacy of the optimal verification that must be visible to the user. It is also necessary to define the best practices and informal fine-tuning when dealing with regulators and control agencies on legal and privacy aspects.

New data and advanced analytics should only be used for projects developed, implemented, and funded by personnel trained for the specific task and relevant to the group's activities. Today, there are no laws aimed specifically at predictive data use. For contemporary insurance companies, adapting big data with advanced analytics means developing a business risk approach and being able to navigate the narrow path connecting innovation and regulation. The increased use of data and predictive analytics in the insurance sector must not privilege the idea of legally permissible ethics or aim primarily to escape from enforceable legal risks. The link between big data and the law is still largely overlooked, and, paradoxically, some data policy statements undermine the very regulatory objectives that they set as their benchmarks.

6. Conclusion

Advancements in machine learning have changed the way businesses worldwide operate. Since predictive analytics has been closely associated with machine learning, the insurance industry is certainly not untouched by its charm. Predictive analytics can surely enhance the speed and accuracy of decision-making, leading to an increase in operational efficiency, customer satisfaction, and decision-making. Having outlined the potential applications and implications of predictive analytics in insurance claim management, this essay stands out from the existing research. We believe it is of significant importance to understand these aspects and emphasize that insurance companies need to apply predictive analytics as a strategic approach and then move on to the technological aspects. Such strategic use should be applied at the beginning of a project. The insurance companies that recognize this vision as a source of internal value co-creation and strategic alignment for a sustainable advantage over their competitors and use it to gain a vision of being executed perfectly in the future will grow and become the leaders in their market for insurance services. Emerging technologies and regulatory trends are expected to revolutionize the insurance industry and claim management processes in the near future. The essay, rooted in decision analytics, propounds that it is pivotal for insurers to be flexible when these changes occur in order to reap the maximum benefits of new technologies. Carrier companies are provided with a call to action to adapt predictive analytics as a strategic vision and operationalize it in the claims management process. It is essential to understand that the strategic vision of predictive analytics is beyond the normal application and IT cycle. It capitalizes on the nature of conscious anticipation as a philosophy aligning strategic competitiveness. It can also be termed as pro-value vision. In conclusion, this essay clearly demonstrates that using predictive analytics can yield better and consistent decision-making in claims management. An insurer can also adapt claims management techniques over time through continuous improvement in leveraging predictive analytics and enhancing the efficient management of claims.

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