Incorrect claims are expensive.

Cost of inpatient treatment (DE)

€73b

= 30-40% of typical health insurer's total budget

Incorrect claims received

8-10%

Savings potential (DE) / year

€500b

The current hospital claims management process is cumbersome & inefficient.

How incumbents and startups can work together.

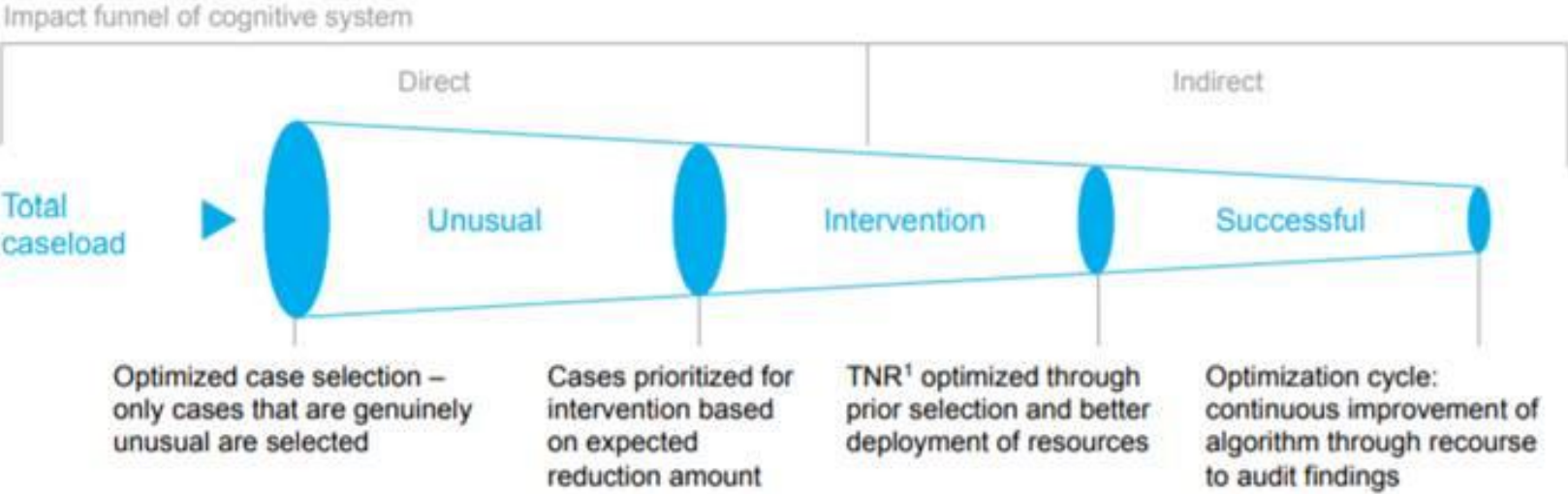Figure 8 Cooperation between incumbents and start-ups

Incumbents can't tackle these challenges alone...

INCUMBENTS

INSURTECHS

IT from the 70s — State-of-the-art APIs

Different talent profile — Digital natives

Decades-old internal processes — Greenfield processes, sleek design

...but there are enough challenges to tackle for InsurTechs

Large customer base

Billions of cash on balance sheet

Regulatory and underwriting expertise

Source: EIOPA InsurTech Roundtable, presentation by Finleap [¹]

AI system for filtering claims.

Cognitive systems help to reliably filter out incorrect claims and successfully reject them – thanks to smart and self-learning algorithms

Potential along the audit process

Impact funnel of cognitive system

	Direct		Indirect

Total caseload ► Unusual | Intervention | Successful

| Optimized case selection – only cases that are genuinely unusual are selected | Cases prioritized for intervention based on expected reduction amount | TNR[1] optimized through prior selection and better deployment of resources | Optimization cycle: continuous improvement of algorithm through recourse to audit findings |

Algorithm selects the most promising cases for intervention – auditing and intervention by auditors still necessary

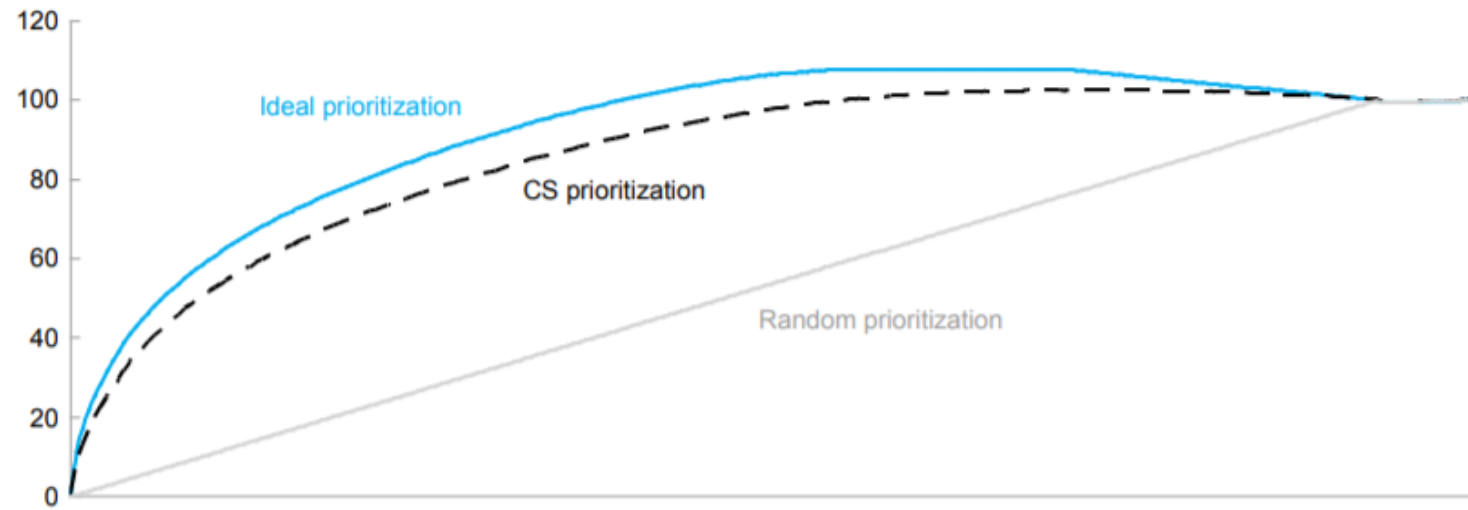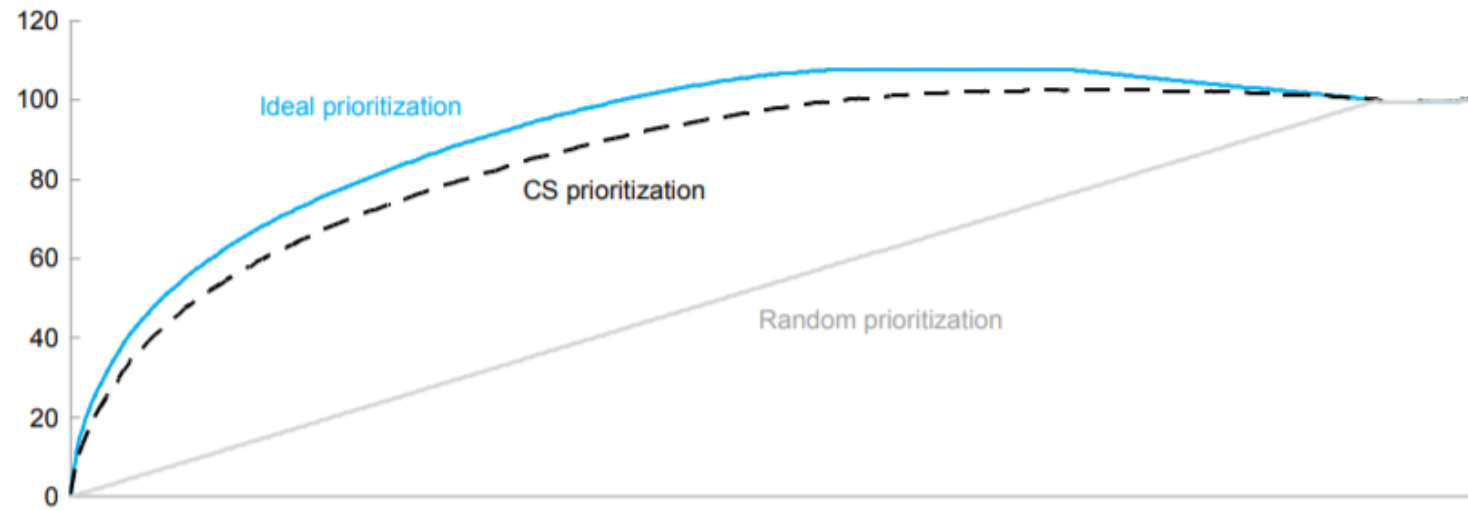1 Total net reduction

SOURCE: McKinsey

Benefits.

Exhibit 4

AI-driven prediction models for identifying reduction potential nearly reach the ideal hit rate

Cases prioritized by cognitive system based on potential
(Test data)

Share of total reduction amount, percent

SOURCE: McKinsey

Benefits.

Exhibit 4

AI-driven prediction models for identifying reduction potential nearly reach the ideal hit rate

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