SEPT 26

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Case Study

US-based Leading Freight Company Cuts Invalid Payouts by 84%, Transforms Claims Management with GenAI

Overview

A US-based Class 1 freight company was managing employee claims through a largely manual process. Complex labor agreements and lengthy approval cycles slowed reviews and made them harder to manage, increasing the risk of errors and fraudulent payments while affecting productivity and employee morale.

To address these challenges, the company partnered with Tech Mahindra to modernize claims management with GenAI. Together, we digitized employment agreements, automated claims validation, and used historical claims data to support faster, more accurate decisions.

The streamlined workflow improved review consistency, reduced administrative effort, and created a faster, more scalable approach to claims management.

Challenge

Nearly **25%** of claims were paid automatically once review timelines expired.

Solution

An intelligent rule engine was implemented to validate employee claims.

Business Impact

Annual invalid claims payouts were reduced by approximately **84%.**

Client Background and Challenges

The railroad company manages employee claims against a complex set of employment agreements and review guidelines. As volumes grew, manual checks and cross-referencing became increasingly difficult to manage. This extended processing timelines, consumed operational capacity, and increased the risk of errors and financial leakage.

High Manual Effort:

Labor-intensive assessments increased workloads and slowed resolution

Long Processing Cycles:

Claims often took 45–60 days to resolve

Operational Capacity Constraints:

Claims processing diverted operations and

Complex Validation:

Multiple agreements and guidelines made consistent decisions difficult

Time-Based Auto-Approvals:

Nearly 25% of claims were paid automatically when review windows expired

Risk of Human Error:

Manual checks increased the likelihood of inaccurate decisions and approvals

Our Approach and Solution

We deployed a GenAI-powered solution built on three integrated models to minimize manual effort, standardize validation workflows, and turn historical claims data into sharper decisions:

- **Employment Agreement Digitization:** Digitized employment agreements to reduce manual validation effort and human error

- **Automated Claims Validation:** Implemented an intelligent business rule engine to validate employee claims against digitized rule mapping

- **Claims Risks Insights:** Analyzed historical claims data to flag invalid or high-risk claims

Business and Community Impact

Our solution delivered measurable improvements in claims processing efficiency and financial risk, including:

- **Processing Efficiency:** Cut claims processing time by approximately **90%**, reducing turnaround from 45-60 days to just a few days
- **Financial Impact:** Reduced annual invalid claims payouts by approximately **84%** through improved review accuracy and validation
- **Risk Reduction:** **Eliminated auto-paid claims** tied to expired review timelines
- **Scalable Operations:** Built a **scalable platform** ready to support additional employee claims processes

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