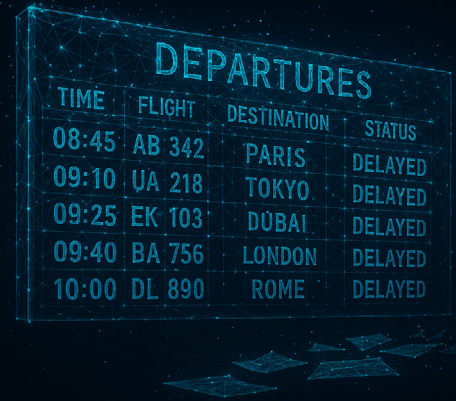# CLAIMS PROCESSING AT HIGH ALTITUDE

How Airlines are using Legal-AI and automation to drastically cut legal spending while boosting efficiency and accuracy in high-volume passenger claims.

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MASS LITIGATION IN THE AGE OF AI

Many airlines are confronted with a high volume of passenger claims. This is not surprising; many problems can get in the way of a perfect flying experience such as delays, lost baggage, flight cancellations, and unpredictable weather conditions. Today, it is easier than ever for passengers to assert their rights and file a claim in just a few clicks online often through third-party booking or refunding services.

To manage the resulting volume of cases efficiently, airlines are looking into solutions for reliably processing claims at scale.

Automatically handling high-volume processes linked to compliance, complex procedures, and reputational risk seemed impossible just a few years ago, but now, thanks to the ease of integration of generative AI solutions into automation platforms, modern Case Management Platforms like JUNE are transforming legal operations allowing Airlines to quickly process incoming claims independently from the volume while facilitating collaboration among stakeholders, case tracking, and data centralization to derive insights on trends and foster proactive strategic actions.

Ultimately, automation is currently leading to controlled legal spending while improving both efficiency and customer satisfaction.

In this short whitepaper, we will briefly analyze some of the key challenges addressed by such systems while following the journey and thought process of a German Airline moving from purely manual processes to AI-powered automation in legal operations.

Status Quo

Common claims for Airlines:
Compensation, Baggage Claims, Injury Claims, Refund Requests

Facts:

- 218,000 departing flights in the EU, EEA, and UK were delayed by over three hours in 2024

- 1.5% of all departures are eligible for compensation under EU261

- €5-6bn is the approximate potential compensation liability considering an average of 120 passengers per flight and a €250 payout

- Only 1/3 of entitled passengers submit claims

- Summer is peak season for delays and claims (2%, €2bn)

- Up to 36 days: current claim processing time without automation (depending on complexity of contested cases)

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AIRLINES HITTING THEIR FLIGHT CEILING DUE TO INCREASING VOLUMES

Legal teams in Airlines face new challenges driven by both external factors and more demanding internal requirements. Here are some of the issues that are currently leading Airlines to reshaping their operational landscape.

Mounting Number of Passenger Complaints

Airlines are expected to ensure the reliable and timely transportation of passengers under agreed terms, yet external factors – weather, strikes, technical or logistic constraints– inevitably cause delays and cancellations. Under EU Air Passenger Rights Regulation (EC 261), each disrupted flight may spawn hundreds of individual claims, overwhelming in-house legal teams and partner law firms.

Loosing Focus on Predictability and Visibility in a Sea of Data

The large number of claims forcing Airlines to deal with an extremely high volume of data. This poses particular challenges for legal departments in airlines and their outside counsels. Countless documents, whether printed or digital, must be reviewed and processed as part of the correspondence between the parties.

These include current weather conditions and technical malfunctions, as well as individual Information about each passenger. To process cases efficiently, such data must be researched and collated. Manually processing and evaluating this information is time-consuming, resource-intensive and error-prone, and it prolongs the process without added value.
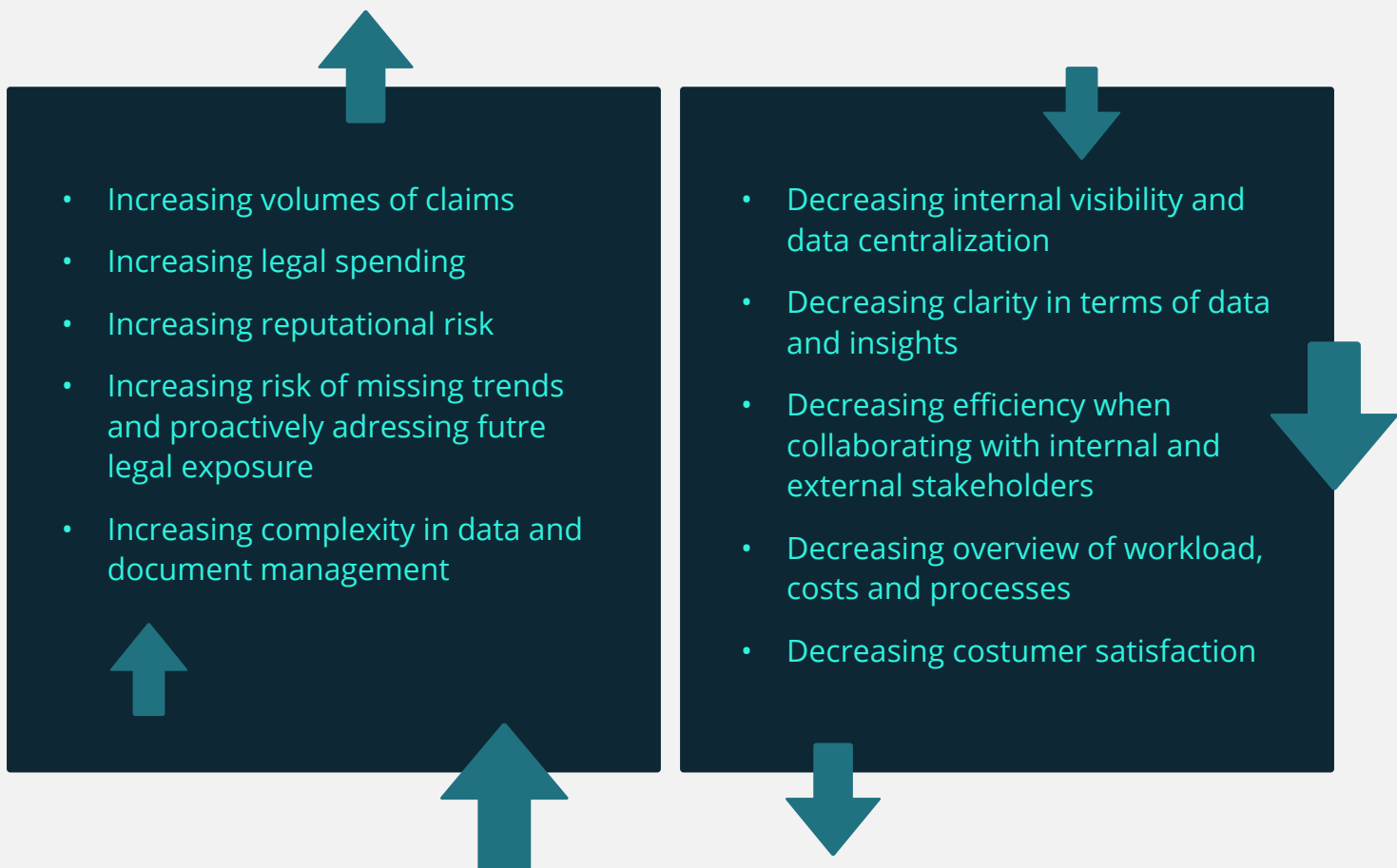
Without intelligent systems it becomes hard to maintain an overview of all the data, gather precious insights to spot trends and make strategic decisions and centralize information in a single source of truth that supports both visibility and collaboration among all internal and external stakeholders.

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Inefficient Collaboration Leads to Delays and Duplicate Processes

Airlines' legal departments generally do not work on their own but collaborate with other internal departments as well as external counsels and legal managed service providers. However, current internal systems are often characterized by siloed structures.

This compartmentalization poses a risk of gaps, delays, poor Standard Operating Procedures (SOPs), and human error in knowledge transfer and task assignment. Working across multiple platforms or sending around documents back and forth is linked to slow review processes and a lack of overview of workload, status quo, and potential bottlenecks.

Airlines are Facing New Challenges and Risks:

- Increasing volumes of claims
- Increasing legal spending
- Increasing reputational risk
- Increasing risk of missing trends and proactively adressing futre legal exposure
- Increasing complexity in data and document management

- Decreasing internal visibility and data centralization
- Decreasing clarity in terms of data and insights
- Decreasing efficiency when collaborating with internal and external stakeholders
- Decreasing overview of workload, costs and processes
- Decreasing costumer satisfaction

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FROM A SIM TO THE REAL COCKPIT: A CONCRETE EXAMPLE OF AUTOMATION

These were some of the challenges that also needed to be quickly addressed by a major German Airline Company. They understood that it was time to leverage AI-driven automation to modernize and streamline internal legal operations in order to be fully equipped to face current and upcoming challenges.

They realized the need for a comprehensive system that could also be simultaneously accessed by internal and external user groups, centralized, and capable of granting specific individual rights to different stakeholders involved in the proceedings. This was the only way to ensure consistent compliance with data protection regulations, simplified workflows, and clear processes.

The key objective was to significantly increase the efficiency of claim processing while optimizing resources and spending. After all, faster completion time of procedures is also in the interests of customers.

Therefore, it became obvious that it was necessary to digitize and automate processes wherever possible. Simplifying cooperation with the courts, external counsels and payment service providers was also paramount. To achieve this level of digitalization, state-of-the-art modern AI-powered technology and language models became the obvious solution.

KPIs In Focus – The Impact of Automation

- Total Legal Spend
- External Counsel Spend
- Average Case Duration
- Time to Assignment and Response

- Cost per Claim
- Automation Rate
- Stakeholder Satisfaction
- Minimum Claim Backlog

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THE CASE FOR AI-POWERED AUTOMATION IN PASSENGERS CLAIMS MANAGEMENT

- Higher volume and increasing complexity trigger higher risk and costs. Given the mounting number of flights and subsequent eligible cases, manual handling becomes untenable.

- Under-leveraged obligations, processing delays, and slow communications are perceived as lack of transparency.

- The high volume of cases and lack of distinct case-by-case verification limits the opportunities to contest unjustified claims as well as handling justified claims quickly.

- Without automation, Airlines struggle with claim capture, consistency, and speed in collaborative processes.

- Automated workflows guarantee both compliance and proactive projections for strategic decision-making processes and automated reporting boosts visibility while allowing for optimization.

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TAKE OFF WITH JUNE LEGAL
AI AND AUTOMATION

Following an intensive benchmarking phase, the German Airline opted for JUNE's modular AI-powered Case Management and Automation platform, which precisely met all the requirements for fast and efficient claim processing. Here is a short list of key requirements fulfilled by the platform.

Digitization of Passenger Claim Procedures: Data Centralization and End-to-End Collaborative Processing

JUNE transforms unstructured content into structured insights, automates complex legal tasks and routine processes, and streamlines workflows – reducing legal workload by up to 80 %.

As a single source of truth, JUNE provides a uniform database for the entire legal workflow of the customer and their partner law firms.

AI-driven workflows, document creation and real-time reports streamline daily tasks. Thus, JUNE is perfectly suited to managing the entire process chain – from claim receipt to closure – on a single platform. An AI-driven, central platform with no media discontinuity.

Compliance with all data protection requirements is guaranteed. JUNE is ISO 27001 certified and securely runs on a specially configured Azure infrastructure within the EU, which also includes all machine learning and GPT implementations.

Automatic Data Extraction: Intelligent Acceleration and Smart Strategic Insights

JUNE transforms vast amounts of data into legal knowledge: using generative AI, Natural Language Processing (NLP) and Machine Learning (ML), the platform extracts and structures complex legal data, recognizes hidden connections, and converts unstructured information into actionable insights.

The Legal-AI extracts all essential information from all sorts of incoming documents and automatically recognizes postal documents and emails, identifies the document type and independently extracts relevant content, such as deadlines, dates and parties involved. These are then automatically assigned and processed, eliminating manual efforts.

AI also captures complex relationships within and across cases. In addition, users can employ prompting to create their own AI extraction for legal statements and complex issues. Thanks to its API connection to the airline's source system, JUNE can extract and structure all essential data within the entire digital ecosystem.

Intelligent Data-Driven Workflow Automation

In addition to data extraction, AI enables comprehensive, data-driven workflows, providing administrative support and facilitating legal value creation. JUNE understands the entire file inventory and acts as a personal assistant and knowledge provider in real time. The detailed, AI-supported evaluation of data paves the way for success analyses, search functions and automated processes, such as stakeholder management, deadline calculation, reporting and workflow control.

AI can also summarize and chronologically organize the contents of files, listing all claims, key arguments, and evidence. Thanks to sophisticated features such as the semantic full-text search, the AI engine not only finds similar cases or legal issues, but also the appropriate arguments in all available legal sources. Additionally, the smart assistant also provides support when drafting counter-positions and legal letters by selecting suitable arguments from the internal databank Airlines can create and manage within the admin interface.

Legal Defence Insourcing

JUNE transforms manual workflows into structured, data-driven and automated processes, thereby reducing the resources required for core tasks. Thanks to the significant increase in efficiency, airlines can now handle many first-instance proceedings themselves. Cases that were previously handled externally due to capacity constraints can now be concluded using internal resources. This significantly reduces costs and frees up capacity at the service provider for more complex cases.

Efficient Internal and External Stakeholder Collaboration and Faster Compensation

As a single source of truth and a uniformly integrated platform solution, JUNE eliminates media breaks and redundant work steps resulting from the use of separate systems by the customer and the external partner law firm. Once specific workflows are set up, they can be transferred seamlessly.

Germany's electronic lawyer mailbox (beA) is also fully integrated into JUNE's workflows. This criterion was obviously vital for the carrier operating from Germany.

Incoming messages are automatically retrieved and transferred to the processing workflow. In JUNE, letters can be sent and attachments added directly from the file.
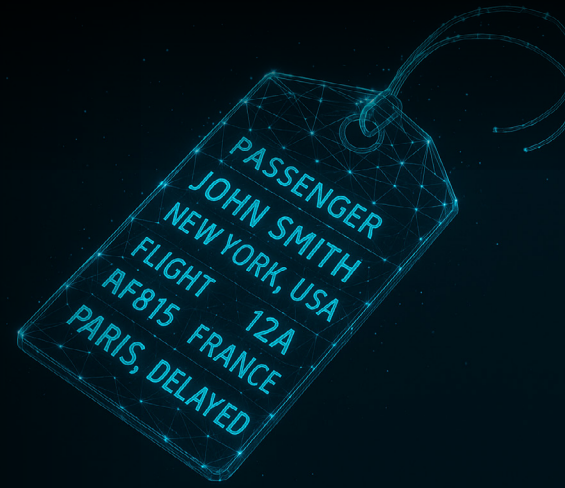
Thanks to the beA integration, the Airline has achieved one of its major goals: being able to transfer the entire process to beA, enabling collaboration between the legal department and the external service provider on a single platform, and accommodating the courts. Another priority was to eliminate analogue mail to enable faster and more efficient decision-making. The airline group has also achieved this with JUNE. Customers benefit from faster results and receive compensation more quickly for legitimate claims.

IMPLEMENTATION

The implementation required careful planning. However, when deploying such integral systems, it is normal to deal with a certain level of uncertainty as it is often difficult to have a full overview and map every single process in advance. After all, several departments ought to be involved in the process, and countless threads need to come together within a cohesive collaborative ecosystem. Therefore, it is sometimes necessary to quickly react to unforeseen challenges.

JUNE's team adapted implementation procedures to the specific situation of the Airline with bespoke measures. Alexander Erb, Head of Customer Success with JUNE explains: "The process at the Airline Carrier's was highly professional. We worked successfully with two proven passenger litigation experts who enabled us to quickly answer all our specific questions." Consequently, the go-live was achieved just nine months after the project inception.

One of the most important steps was integrating the data interface. This brings together the vast amount of data collected for each flight into a One Data Platform (ODP). This data then flows into JUNE, where it is processed and utilized. Another challenge was aggregating the large array of datapoints and eventualities in JUNE in a meaningful way.

"We gained a lot of valuable experience from this implementation process," says Alexander Erb. "We rethought and redeveloped some essential core JUNE components to better cater to the needs of customers with similar expectations. This also means that other Airlines we are currently onboarding can expect an even more expedite and structured implementation thanks to the insights and experience we have gathered."

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THE OUTCOME: HIGHER FLIGHT LEVEL AND SMOOTH CRUISING ON AUTOPILOT

Case Processing Takes Place Within Minutes

Currently, the airline uses JUNE primarily for incoming and outgoing mail and automatically triggered workflows. When a letter arrives, the AI engine extracts all the essential data and transfers it into the digital file which is then enriched with the relevant flight information from the connected databases. Once defined, workflows are then automatically triggered, and the relevant users are prompted to complete the corresponding tasks.

This clearly demonstrates the power of AI: cases can now be processed much faster, sometimes in just a few minutes with full control and a complete overview of each process. In addition, the team and external parties now have a shared platform for documents and activities, greatly facilitating collaboration. JUNE enables efficiency gains of up to 80%.

The airline also makes frequent and extensive use of reports and insights. These reports give the company constant and full control over its valuable data. External legal partners also concur and utilize the platform for their own reporting and for closely monitoring case management processes while leveraging features connected to templates and report customization.

Customer Experience and Reputation

Not surprisingly, the German Airline presented in this whitepaper is now often cited as an exceptional example when it comes to best practices in claim handling by several authoritative industry sources.
And this also impacts its image with customers, their trust, and their opinion. Whereas the short and mid-term impact of Legal-AI is seen in efficiency and costs, the long-term impact is visible in increased customer loyalty and ultimately increased revenue from the core business: providing transportation for happy passengers.

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YOUR TICKET TO
AI TRANSFORMATION

As presented in this whitepaper, AI-powered transformation is inevitable. Therefore, it is highly recommended that you also look into potential areas of optimization within legal processes.

JUNE's team is primarily made of legal and AI experts that can guide you through the discovery of concrete solutions to improve efficiency and customer satisfaction.

With focus on scalability, JUNE has been set up in such a way that rolling it out to subsidiaries or extending the platform capabilities for lawsuits in other countries can be done with minimal additional effort. JUNE can therefore easily be adopted to intelligently automate workflows across all legal operations with internal and external stakeholders.

A free consultation will help you understand what objectives your Airline will achieve through AI-Legal automation.

START YOUR JOURNEY NOW

www.june.tech/contact

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SUMMARY OF POTENTIAL BENEFITS FOR YOU AND YOUR PASSENGERS

Airline Industry – EU 261 & ADA Claims

Challenge: High-volume, repeatable claims requiring fast SLA-bound responses

Metric	Pre-Automation	Post-Automation	ROI Impact
Processing Cost per Claim	15–50 €	Potentially down to 3–8 €	Up to 80 % per case
Response Time	10–36 days	Potentially <72 hours	SLA compliance, PR risk mitigation
Offloaded Cases (Legal Managed Services / Ext. Counsels)	20–25% of cases	Reduced to potentially <5%	Legal spend down by 1.5–3M € / year
Outcome Quality	Delayed settlements	Faster, favorable resolution	Legal team success boost, increased customer loyalty

In a nutshell:

- More efficient case handling
- Faster case resolution time
- Lower internal costs
- Lower external legal spend

- Full control, visibility, and transparency
- Enhanced customer experience

Data sources:

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Skycop – Blog, January 2025
Alertify – Blog, January 2025
Airadvisor – Blog, June 2025
EIN Presswire – Blog, January 2025
Mighty Travels Premium – Blog, November 2024
AirGuide – Blog, January 2025
Visa Verge – Blog, May 2025

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Premier – Claim processing benchmark report, 2025
Clever Docs – Cost of Manual Claims Processing, 2025
PwC – Passenger Claim Report, 2020
Journal of Aviation – 2022

All visuals in this whitepaper were generated using ChatGPT (OpenAI)

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Mass Litigation in the Age of AI

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