



AGENT CHARGEBACK FOR AUTO INSURANCE

ORGANIZATION

The client is an auto insurance provider with 90 percent of their business coming from writing non-standard auto insurance policies for drivers who do not qualify for standard policies or market premium rates. The remaining portion of their business provides standard personal auto insurance, commercial auto insurance, and collector automobile insurance.

CHALLENGE

Independent Insurance Agents use an internal quoting system to create quotes for potential customers. If a customer is satisfied with the quoted rate, the quote is then converted into a policy.

During the quoting process, there are various reports generated on the potential customer's driving history. These reports are used to evaluate the customer's risk of being involved in an accident and determine the policy rate.

Each report is ordered from a third-party source and has a cost associated with it. The average cost for report generation for a customer during the quoting process is \$35.00. If a quote is not converted into a policy, the client loses this amount.

Initially, the client decided to forgo this loss; however, the client noticed a trend where there was an increase in the number of reports being generated and a lower quote-to-policy conversion rate. In order to incentivize agents to focus on converting quotes into policies, a program was designed to charge agents the report fees for unconverted quotes if they did not meet the threshold for quote-to-policy conversion.

SOLUTION

XTIVIA architected and delivered a robust, configurable, and low maintenance SOA with a Complex Events Processing (CEP) based solution to charge agents report fees associated with unconverted quotes.

The solution gathered information from the quoting system, agent database, and reporting systems to determine which agents should be charged and the respective amounts. These amounts were then invoiced to the agent once a month at the end of the assessment period.

The solution consisted of the following:

- Pre-process and validation of events.
- Data enrichment.
- Apply business rules and process state machine.
- Services and scheduling.

Pre-process and validation:

- Receive events
- Detect duplicates
- Event sequencing
- Validate and filter out unwanted events

Data enrichment:

- Load and look up reference data
- Refresh reference data
- Add attributes to the events if required based on the reference data.

KEY COMPONENTS

TECHNOLOGY USED

Service Oriented Architecture (SOA)

Complex Events Processing (CEP)

Enterprise Service Bus (ESB)





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SOLUTION (CONTINUED)

Apply business rules and process state machine:

- Apply standard rules
- Apply rules to increment counts
- Apply formula for calculating conversion ratio
- Apply formula to calculate the amount owed by agent at the end of assessment period
- Update the state machine based on the event

Services and scheduling:

- Schedule to run at the end of assessment period
- At the end of the assessment period invoke service to insert into the commission staging table
- Insert data for reporting into the report staging tables

RESULTS

The agent chargeback process was automated and the new solution was successfully rolled out in all the focus states. The client realized the following key benefits from the XTIVIA solution:

- Reduction in cost for unconverted policies.
- Increase in quote to policy conversion rate.
- Increased revenue.

XTIVIA OVERVIEW

XTIVIA is a proven technology integration and innovation company known for delivering leading-edge technology solutions to our clients' specific requirements, regardless of project complexity. We bring next-level business operations to reality through Application Development, Business Intelligence, Data Warehousing, Database Support & Management, Enterprise Information Management, Digital Experience Solutions and Enterprise Resource Planning. Our success stems from a demonstrated ability to deliver deep expertise via professional services, empowering clients to leverage their chosen technology successfully, competitively and profitably. XTIVIA has offices in Colorado, New York, New Jersey, Missouri, Texas, Virginia, and India. www.xtivia.com