



AUTO INSURANCE ENDORSEMENT: BI | TIBCO

ORGANIZATION

The client is a leading property & casualty insurance provider specializing in auto insurance programs. The client specializes in personal automobile insurance with a focus on non-standard auto policies, which accounts for more than 90 percent of premiums. The client also writes standard and preferred personal auto insurance, monoline commercial auto insurance and classic collector automobile insurance. The client has a presence in 44 states and has a network of more than 12,000 independent agents.

CHALLENGE

Our client is the 2nd largest provider of non-standard automobile insurance in the nation. Around 2,000–5,000 policies are written every day with more than 95 percent of the policies written by the agents. The information provided during policy inception may result in an endorsement process that results in premium uprate.

Endorsements are a time-sensitive process that result in sharing forms with customers for e-signature, making changes to the policy based on state-mandated rules, recalculating the premium, and mailing the new policy declaration pages to the customer, etc. These endorsements were being done manually by Customer Service Representatives (CSR), and some of the challenges with manual endorsements are:

- Applying several complex rules resulting in increased lead time in training the CSR.
- Not enough capacity to process large volumes of Policies (2,000–5,000 a day) resulting in delayed processing and high risk exposure.
- Compliance issues due to human errors, untimely changes, and incorrect cancellations.
- Business users inability to make changes to endorsements rules and apply them effectively and efficiently to all endorsements.
- Poor customer and agent experience due to lack of consistency in generating notes and notifications throughout the process.
- Premium leakage due to delays in making changes to the policy (e.g., uprate of premium if the signed driver exclusion form is not turned in, removal of discounts due to lack of proof, etc.).
- The client required a consistent, efficient, automated, and easily maintainable solution that would process endorsement requests and apply the policy changes in a timely fashion.

TECHNICAL LANDSCAPE:

Our client grew inorganically resulting in a disparate technology landscape. They migrated from a mainframe-based system to a .Net, Java-/J2EE-based system. These systems were written over several years and continuously enhanced without major architectural changes.

SOME OF THE LIMITATIONS OF THE EXISTING SOLUTIONS WERE:

- Batch-driven business process leading to poor customer experience and lack of process visibility.
- Errors delivered to the CSR through reports after the fact (non-actionable) instead of being delivered in real-time.
- Application logic and business rules tightly coupled and duplicated across multiple systems.
- Duplication of data and lack of governance for business process and rules changes.
- DLL-based architecture resulting in unstable solution due to memory leaks, multiple versions of the DLLS, and deployment refresh issues.

KEY COMPONENTS

TECHNOLOGIES USED

TIBCO™ - BusinessWorks; EMS; Hawk

TIBCO SDK

TIBCO Administrator





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SOLUTION

XTIVIA created architecture and delivered a robust, configurable, and low maintenance SOA and Complex Events Processing-based (CEP) solution to automate the manual endorsement process.

OUR APPROACH:

- Change the batch-driven business processes to real time event driven business processes.
- Instrument existing applications to generate events for key policy milestones.
- Cache the events, apply patterns, and correlate them in a CEP platform.
- Apply inferencing business rules to make business decisions in real-time.

TIBCO BusinessEvents CEP capabilities are used to:

- Subscribe to the events (Policy Issued, Policy Suspended, UBI Device Connected, etc.).
- Maintain state models to trigger time-sensitive processes (endorse a policy if e-signature is not received in required period).
- Suspend and cancel a policy if proof is not furnished in required period.
- Correlate events to initiate compensation actions (revert endorsement when e-signature is received).
- Cache for high performance and scalability.

RESULTS

The endorsement process was automated and the new solution was rolled-out in all the focus states. The following key benefits were realized by the client:

- Automation of policy endorsements resulting in timely processing of endorsements, reduction in CSR training effort, and reduced risk exposure due to accurate and consistent policies.
- Better compliance with with state regulations—the application of endorsements is consistent across all the policies since the rules are not interpreted and not applied manually.
- Due to endorsements, a timely uprate of policies led to a reduction in premium leakage.
- Improved customer experience due to focus of CSR on other value added activities.

