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Self-Service Portals: This Time, It's Different

Insurers are finding self-service portals to be an important distribution channel and are taking steps to improve functionality. By Joe McKendrick

LATELY, THERE'S BEEN A renewed interest among carriers in moving self-service functionality out to customers and partners. Companies are looking to extend a range of services online, from rate quotes to online applications to automatic contracts.

Not that online portals, which have been around for more than a decade, haven't been tried before. "A few years ago, insurers were implementing screen-scraping-type portals," says Karen Pauli, analyst with TowerGroup, Needham, Mass. "You have to have good back-end functionality before you pop

on a portal." Many carriers did not address "their back-end capabilities, did not aggressively use things like predictive analytics for straight-through processing, were not sophisticated about integrating external data, and have got lots of siloed applications."

But this time, Pauli contends, it's dif-

ferent. Insurance companies "learned because their agents and brokers were irate after everything they sent in came back with errors. There was a good deal of outrage at the whole thing," she relates. Now, however, "we're definitely

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seeing improvement." New portal implementations are more deeply linked to business processes, as well as back-end systems.

A survey conducted by Frost & Sullivan, sponsored by Amdocs, found that 28% of insurance companies now offer self-service portals to customers.

This lagged the overall average of 35%. The main reasons for moving to self-service offerings are that self-service applications are more convenient for customers (27%), Web self-service helps companies reduce operational costs (17%), customers are more aware of self-service offerings (14%), and self-service applications are less time consuming for the customer (14%).

EMBRACING AUTOMATION

Columbus, Ohio-based SafeAuto Insurance Co., for example, has been implementing self-service for consumers, providing personal auto insurance exclusively through online and telephone distribution channels.

The company has been rolling out a portal environment that not only better automates communication with customers, but also upgrades its legacy claims-processing systems into a service-oriented architecture, enabling inte-

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— Philip Augur, Arch Re Facultative

gration between its existing infrastructure and channels.

"We're upgrading our whole claims system, and with that, we're automating communication to make it much easier for our customers," says Jeff Fields, SafeAuto's CIO. The company is deploying the Thunderhead NOW platform from UK-based Thunderhead to make the migration to SOA, which ensures that customers using the call channel will have the same information as they would over the Web.

The new portal environment is also enabling a dramatic streamlining of work for the company's customer service representatives and claims processors. "We had more than 300 letters, and we're bringing those 300 letters down to 30 to 40 templates that will have a lot of automation and controls around communication that will be much more consistent for our customers."

Self-service portals are also making headway in the reinsurance business. Arch Re Facultative, for example, recently deployed a self-service portal environment designed to smooth the contractual process with its client companies. Prior to the portal implementation, underwriters and managers at client insurance companies were burdened with packaging up and sending business over to reinsurers via a tedious, mainly manual process, requiring research and risk analysis.

The challenge for Arch Re Facultative, a supplier of facultative reinsurance in the United States and Canada and a subsidiary of the Arch Capital Group, was to be able to automate as much of this automatic business as possible, relates Philip Augur, chief operations officer at Arch Re Facultative.

"That's the price these days to even be at the bargaining table with companies that are considering doing this," he explains. "We needed some sort of a

Web-based facility for them to submit their risks. Otherwise, it just creates a new administrative burden on them, where they have to do a lot of extracts on their systems, or deal with IT issues on their side."

By offering a Web-based service portal, underwriters at customer insurance firms "would be able to submit the risks as they come up on their desks," Augur says. "Then they're more likely to discuss the opportunity with us. Before many client companies would even consider our proposal, we needed a more efficient mechanism for clients to report the risks subject to the contract."

ADDITIONAL BENEFITS

Some carriers are deploying self-service portals to serve new functions that were not even possible up until now. For example, MetLife's Broker-Dealer Group has been able to roll out an electronic signature capability to its network of

13,000 brokers and dealers. About half of this group is taking advantage of the ability to submit and approve applications electronically, says Bob Begun, VP of operations for the insurance organization.

MetLife's online portal, which has been in place for several years and has taken out much of the paperwork that encumbered the application process, now addresses what Begun sees as the final frontier of online services—getting final sign-off on the contracts. A new feature, called eApp, streamlines the application process by enabling registered representatives and clients to provide signatures electronically.

"We took a process that used to take three to four days, which included mailing the paper, sending it to our processing center, where we would have to open it up, scan it, get it into our imaging system, look at it, review it and send

it off to another location, and encapsulated that into a one-hour process."

Tower Group's Pauli says at this time, there are no technical obstacles to effective portal deployments—only organizational roadblocks. "There has been an exponential jump in technology capabilities from the first time people tried to put portals out," she says. "Now we have SOA, we have the computing power, we have predictive analytics. There is no technology barrier now—it's more of a budget and appetite and understanding on the part of carriers." **INN**

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