



## Product Development Support Improves Services, Cuts Costs

### A Success Story: East Coast Insurance Client

When a leading East Coast financial services company needed to expand U.S. operations, Perot Systems stepped in to assume key administration functions and provide new product development support services.

### The Challenge

After acquiring an East Coast based life insurance company in 2001, our client needed a platform to support business expansion in the U.S., enhance transaction efficiency, and reduce time-to-market for new product launches. In addition, the client needed a company who could help address basic service issues because agency groups had begun to question the insurer's ability to fulfill customer obligations. The company decided to outsource several key operations to a third-party administrator who would need to remain accountable and proactively address any problems that arose. The client needed to accomplish four primary objectives through the outsourcing engagement:

- Find a reliable service provider who could handle expanding levels of business while improving customer service
- Create an engagement that reduced overall costs
- Define roles so they could reduce costs and avoid committing significant resources to managing the outsourced operations
- Develop a mutually beneficial long-term relationship for both parties

### The Solution

We were selected by the client to manage key business processes. Both Perot Systems and the client worked together to formalize and execute a process-improvement and delivery plan based on establishing single points of accountability within both organizations. This required blending cultural values and sharing a commitment to success.

During the initial transition, the client's business was doubling and tripling through distribution channel expansion and new product introductions, which added significant challenges in staffing, training, and infrastructure. This included 30 new life insurance products that required immediate support. To solve these immediate business needs, we worked with the client to sponsor training programs to ensure that the

product development team was up to speed and also initiated team-building activities to strengthen and accelerate collaboration.

### The Results

Business experienced significant growth within the first two years of the contract. The number of annuity policies received more than doubled, and service center calls increased substantially. Despite both planned and unplanned growth and volume increases, the transition of more than 600,000 in-force policies occurred ahead of schedule and under budget.

Perot Systems currently provides the client with many critical insurance administration services and our LifeSys™ service platform serves as the core back-office enabling technology that processes and tracks policies from initial new business submission to claims processing. In addition, we actively participate on teams that develop and implement software applications that support new service offerings. By improving implementation procedures through improved technology and processes, new products are brought to market faster and with more success.

The client continues to expand the scope of contracted services and considers Perot Systems as a strategic extension of their own delivery network. Through a continuing collaborative strategy based on mutual trust and respect, our client has achieved several key objectives including:

- Reduced information technology and insurance transaction costs
- Accelerated and enabled aggressive product and market expansion
- Reduced end-to-end cycle time for fully underwritten policies
- Improved performance-based metrics and tracking with management dashboards
- Increased policies issued monthly
- Reduced the client's administrative management staff

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- Re-established insurer/agent relationships and trust
- Transferred call center functions from the insurer to an outsourced administrative team allowing the client to refocus their resources on new initiatives

As a result of our collaborative relationship, the client now has an enhanced competitive position through improved operations along with substantial cost reductions. Let us work with your organization to help you to achieve your operational goals.

**To learn how our insurance solutions can benefit your organization, contact us at [insurance@ps.net](mailto:insurance@ps.net).**

## About Perot Systems

Perot Systems is a trusted provider of end-to-end business process, consulting, application, and infrastructure solutions. We provide Business Process Outsourcing (BPO) services for new business, policy administration, policyholder and producer call centers, and claims adjudication to support 3 million life, annuity, and health policies for more than 35 leading insurers. We also hold all required Third Party Administration licenses. Our 30 years of insurance industry expertise, combined with a leading technology platform and global delivery model helps bring you immediate operational benefits while building long term strategic results.

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