

Improving Service Quality & Strengthening Insurer-Agent Trust

Benefits

- Improved time to market for new products
- Improved producer satisfaction
- Reduction in claims loss ratio expense
- Reduction in administrative servicing expenses



WHEN A LIFE AND DISABILITY INSURANCE COMPANY NEEDED TO IMPROVE ITS SERVICE QUALITY AND REBUILD TRUST WITH AGENTS, **TAG, A PEROT SYSTEMS COMPANY**, DELIVERED—REENGINEERING AND ACCELERATING PROCESSES TO LOWER COSTS, BOOST OPERATIONAL EFFICIENCIES, ENHANCE SERVICE PREDICTABILITY, IMPROVE COMPETITIVE POSITION AND STRENGTHEN INSURER-AGENT TRUST.

CHALLENGE

Due to lack of commitment resulting in unpredictable service quality, the customer had lost the trust of its agency groups of independent agents. In addition, high operational costs were diminishing revenues, and a lengthy development process for new products was weakening the insurers' competitive position in the marketplace.

SOLUTION

TAG first moved the business to its insurance platform and TAG's administration teams to regain the trust of the agency groups and deliver on promises. In collaboration with the customer, TAG consultants developed a plan, budget, expectations set, measurement standards, and reporting procedures for a wide-ranging business process reengineering project. Next the project was executed, involving:

- Conversion of paper-based administrative processes to web-enabled solutions
- Conversion of paper documents to easily accessible and manageable digital information
- Conversion of paper checks to EFT (electronic funds transfer)
- Automation of insurance processing from application, underwriting, and issuance to policy maintenance, billing, and claims
- Transfer of call center functions from insurer to outsourced administrative team
- Transition of high fixed costs to predictable variable costs
- Provision of worksite distribution channel for new business

Collaboration and communication, including an open-door policy between the reengineering team and the customer, along with periodic face-to-face strategic planning sessions and weekly status calls, were keys to the project's success.



Put the people, processes, and technology expertise of Perot Systems to work for you. To contact an insurance industry expert, e-mail insurance@ps.net

Solutions for the Insurance Industry:

Consulting Solutions

- Strategic IT Assessment
- TCO and ROI Analysis
- Project, Program, and Transition Management
- Quality Assurance Programs (ISO, CMMI, Six Sigma)

Business Process Solutions

- Administrative Solutions
 - New Business
 - Policyholder Service
 - Commissions
 - Accounting Services
 - General Accounting
 - Claims Administration
- Business Process Design & Re-Engineering
- Claims Processing
- Finance and Accounting Process Assessment
- Order-to-Cash and Procure-to-Pay Processing
- Document Management

Applications Solutions

- Application Development
- Application Management
- Application Migration and Reengineering
- Application Testing

Infrastructure Solutions

- Infrastructure Assessment
- Infrastructure Implementation & Migration
- Program Management
- IT Service Management
- Systems Automation
- Information Assurance Services
- Web Hosting
- Enterprise Computing
- End-User Computing

RESULTS

TAG helped the customer control costs as it improved operational efficiencies and accelerated time-to-market for new products and policyholder services. Through business process reengineering, the customer benefited from:

- Reduction in average monthly administrative fees from \$495,000 to \$335,000
- Savings of \$20,000 per month in pass-through costs from automated EFT and agent web services
- Reduction in claims loss ratio from 67% to 61%, saving millions of dollars per year
- Increase in average monthly new business written from 3,500 to 4,100 policies
- Rapid rollout of three new products and improvement in competitive position resulting from accelerated time-to-market
- Improvement in insurer-agent relationships and agent trust

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