DEFRAGMENTING GROWTH AND 'INSURING' BUSINESS BENEFITS

Abstract

A Bermuda-based specialty insurer was hamstrung by the fragmented nature of its risk modeling processes, an outcome of onboarding multiple vendors to keep pace with its fast growth. But when the Head of Business Process Outsourcing handed over a consolidation mandate to Infosys BPM, the resulting digitally-driven transformation had outstanding outcomes – both for the company and himself.

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Fast growth and fragmentation

Infosys BPM's client, a ~$2 Bn Bermuda-based international underwriter of specialty insurance products insurer had been growing at a fast clip of ~14% CAGR over the years but did not want to increase its headcount at the same pace. As a result, the senior management was concerned about their fragmented catastrophe (CAT) modeling processes, as they were managed by multiple vendors who had been onboarded separately as the company grew. Most of these vendors used manual processes, and the lack of standardisation and automation had led to a slow turnaround and high costs for end-to-end risk modeling.

To improve this situation, the Head of the firm's Business Process Outsourcing started looking for a suitable partner to consolidate the CAT modeling group's worldwide activities. Having evaluated several, in 2020 he tasked Infosys BPM with the mandate, impressed by its strong insurance domain expertise and excellent track record of delivering digital transformation.
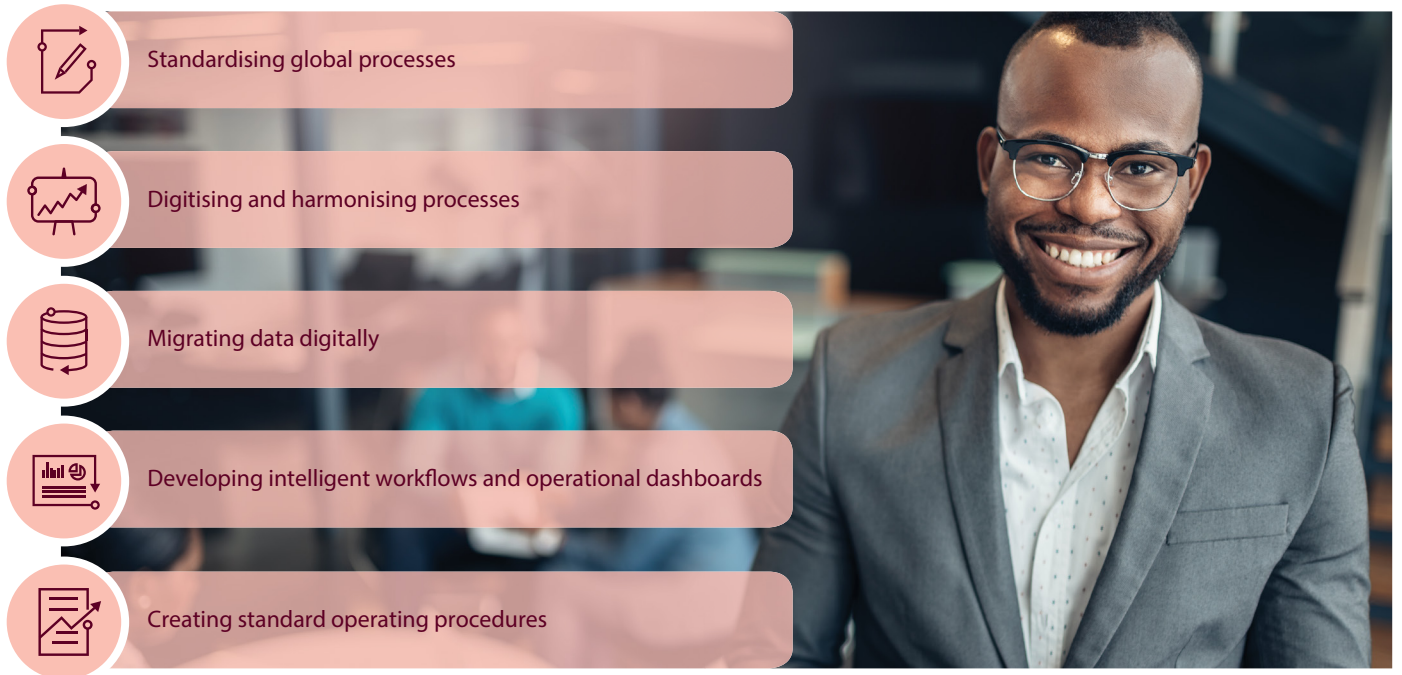
Transitioning to Transformation

The scope of the digital transformation mandate covered several critical processes across the US, UK, and Bermuda, and included statements of value (SOV) cleansing and CAT modeling for the insurer's multiple lines of business. After studying the challenges of consolidating these processes in-depth, Infosys BPM presented a solution which involved implementing Infosys Data Services Suite (IDSS) and Infosys Case Management Solution (ICMS).

Approach summary

- Standardising global processes
- Digitising and harmonising processes
- Migrating data digitally
- Developing intelligent workflows and operational dashboards
- Creating standard operating procedures

While IDSS is a framework specifically designed to migrate data efficiently and cost-effectively, ICMS is a robust platform with analytics and tools to enable efficient collaboration across operational siloes. Before deploying these tools, the Infosys BPM team first worked on digitising and standardising all the global processes, harmonising them across regions, and then started the data migration from across locations to be automated on the new platform. The team then implemented an intelligent workflow

and developed operational dashboards for the underwriters. Finally, they created app simulators as well as documentation and videos around standard operating procedures to make the transition to the new system easier.

After the deployment of the solution, the ICMS intelligent workflows could automatically create cases from emails, capturing documents and artifacts as needed, while also tracking and prioritising the cases based on defined SLA's. The IDSS
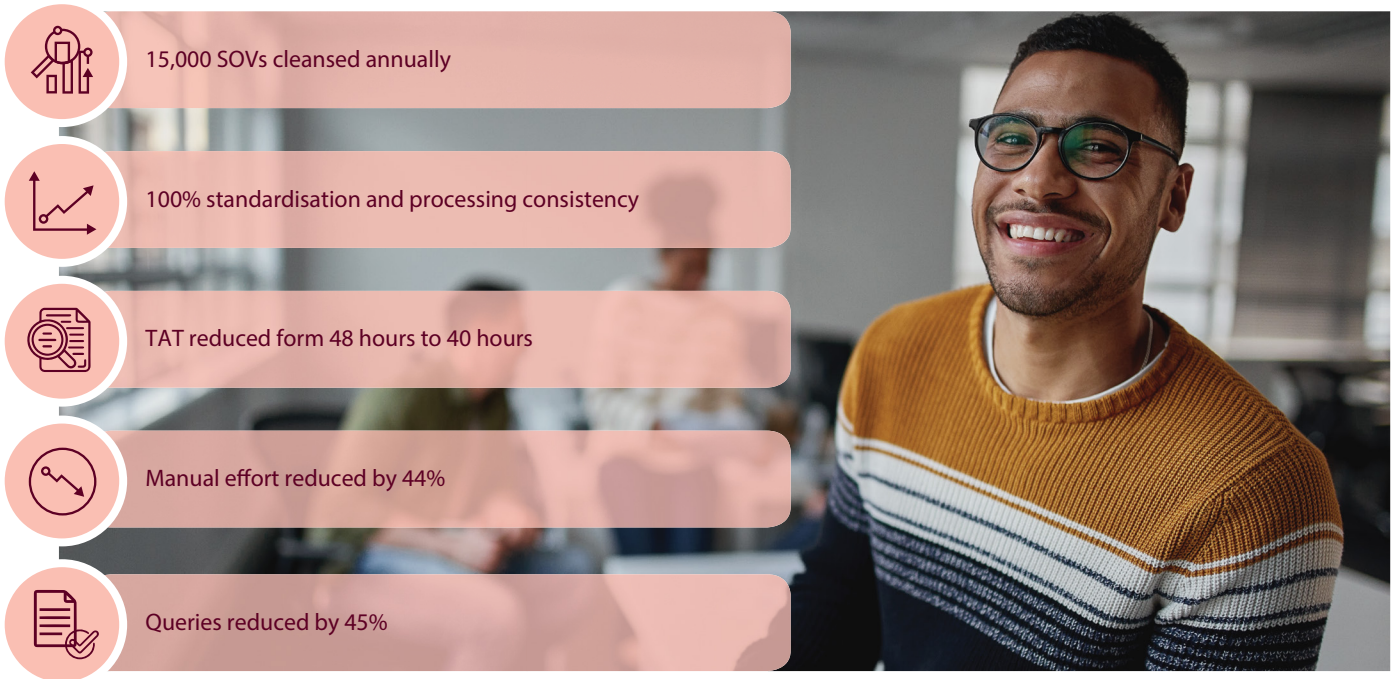
tool was then able to automatically pick data from different formats as received from the brokers, format and align it in the input file, and run it in the modeling tool to create an output file with all required formatting completed automatically. Also, the solution's business intelligence dashboards captured key KPI metrics and visualised them for the underwriters in real-time.

Outstanding outcomes

After the transformation project was wrapped up and delivered, the Head of Business Process Outsourcing expressed his appreciation for Infosys BPM's regular reports which had given him a clear picture on the team's progress. The team too was grateful for all the management support he provided to the team. And it was this close collaboration that eventually yielded outstanding outcomes.

Key benefits

- 15,000 SOVs cleansed annually

- 100% standardisation and processing consistency

- TAT reduced form 48 hours to 40 hours

- Manual effort reduced by 44%

- Queries reduced by 45%

Thus, for the over 15,000 SOVs that the company received annually, the Infosys BPM team's solution achieved 100% standardisation and cleansing process consistency. As a result, the turnaround time (TAT) for SOV cleansing reduced from 48 hours to 40 hours. Further, with ICMS well-integrated with the IDSS automation and other internal company systems, the manual intervention needed by underwriters greatly reduced by 44%. Lastly, due to the implementation of benchmark knowledge management practices, queries too have reduced by 45%.

In the end, the Head was greatly pleased not only with the improved risk evaluation and pricing effectiveness of the CAT modeling group, but also with the news he soon received. As a reward for the success of the digital transformation, the company had promoted him to the position of a Vice President.

Designations have been altered to preserve the identities of the people involved.

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