White Paper

Growing for Tomorrow

Using SharePoint and other tools to solve four key insurance business problems

HYLAND SOFTWARE

Microsoft GOLD CERTIFIED Partner

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Executive Summary

In order to succeed in today's insurance market, insurers must be comfortable with ups, downs and sudden changes. It is clear that industry conditions are less predictable than ever before and insurers must focus on everything from distribution and customer service to efficiency and compliance. Executives must be able to use and reuse data and content within their organization to compete effectively.

This white paper will explore options available to insurers to better manage, share and control their documents, data and information across the organization. Taking into account Web-based options like Microsoft's SharePoint, this paper is intended to present insurers with the best practice for managing enterprise content.

Identifying the Problems

Today's insurance companies face challenges that read like an old war story: Unmatched economic perils. Bloodthirsty competitors. A grassroots rallying cry from consumers for transparency. The truth is, carriers must fight battles on diverse fronts or prepare to lay down their swords.

It's no longer enough to say you're an organization built on customer service. To retain and attract policyholders, insurers must demonstrate an understanding of their consumers. They must offer varied choices in services and products. They must show willingness to not only share information but the ability to share and use it quickly and completely. And, they must do all of this at the lowest cost. Lose focus on any one of these and profitability and market share are at risk. To succeed, insurers must find a way to focus on four distinct areas of concern: distribution, customer service, efficiency and compliance.

In order to begin to tackle this tall order, insurers' foundations of systems and processes must be laser-focused on these goals. In an industry that thrives on documents, forms and correspondence, these processes and systems can quickly get bogged down. To avoid the document quicksand, insurance companies must develop methods to manage this enterprise content. Often, it's not enough just to be able to access the content quickly – but put it to work again and again.

Compounding the issue is that there are multiple types of content insurance companies must master. It's not just about separating policy applications from claims; it's about uncovering the purpose behind the content. For example, before a product ever makes it to an agent to sell, an insurer devotes countless hours to development and testing. Multiple people, even multiple teams, play a role in readying the new product for distribution. This collaborative process relies on collaborative content – content that is unique, often project-based and created by cross-functional teams. Most often these documents are created with applications like word processing programs or e-mail suites.

Once that product is created and distributed to the sales force, however, it results in transactional content and processes. Agents, for example, use the product (collaborative content) to attract a customer who submits an application (transactional content). Transactional content is processed by a worker (in this case an underwriter processes the application), often with the help of a core line of business application (LOB) like a policy administration system, and follows a set of pre-determined corporate rules. Transactional content is all the data and documents required to complete these repeatable processes.

Collaborative content and transactional content is intertwined in insurance. Often the line separating where collaborative content ends and transactional content starts isn't as clear as in the previous example. Insurance companies must find a way to manage both collaborative and transactional content simultaneously to compete effectively in today's market. Today's insurance carrier must manage collaborative and transactional content to:

- Enhance distribution channels to become the carrier of choice
- Provide nothing short of superior service to retain customers
- Increase underwriting efficiency to ensure appropriate risk management
- Comply with internal and external standards for cost avoidance

Enhance Distribution Channels To Become The Carrier Of Choice

Most insurers today are built on the reliance of the carrier – agent model. Although the degree of reliance on this relationship may vary, if a carrier's agents are successful, so is the carrier itself. Carriers depend on agents for revenue, market share and overall success. Therefore, facilitating agent success should be at the heart of every carrier's marketing plans.

Both transactional content and collaborative content is required for a successful agent – carrier relationship. Many insurers have found success in offering a sales portal to agents where agents can access all information they need to sell the insurer's products.

Pushing content to agents via this collaborative portal enables the insurer to go to market faster and increase revenue faster than competitors. For example, an agent could access collaborative content like manuals or Word® documents with contact persons at the carrier. Agents could also access transactional documents from LOB applications, including new policy applications or claims forms. Rather than simply making all content available to all agents, however, insurers would also benefit from making only the most appropriate content available.

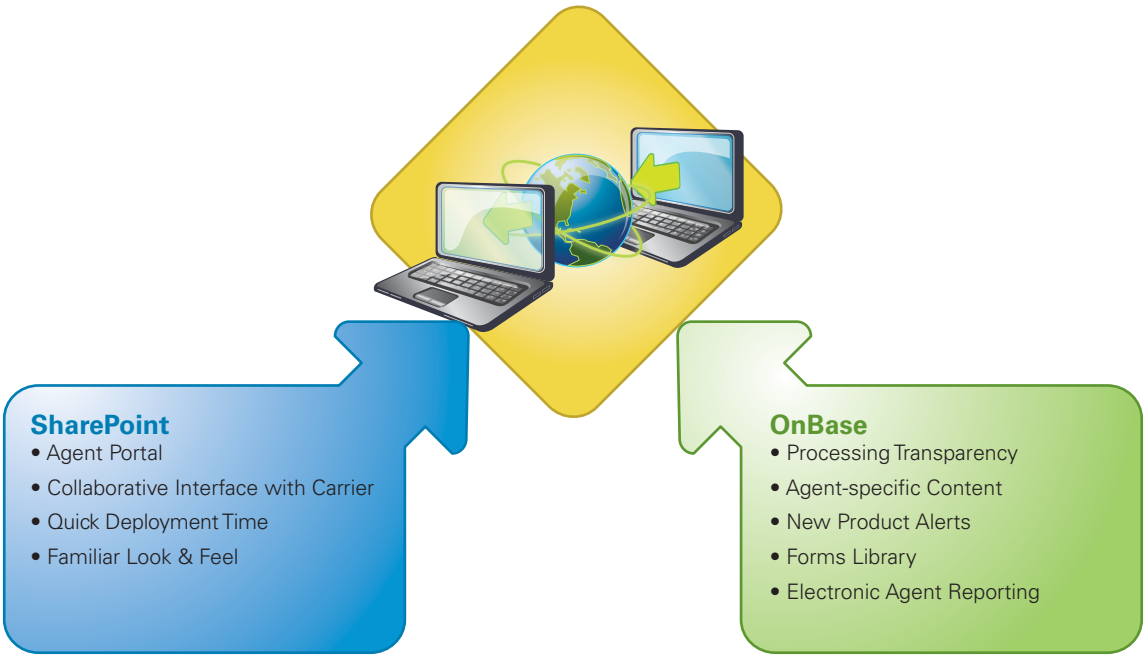
For example, consider the time it takes to prepare a new product for distribution to agents. It takes some insurers up to six months to get a new product to market, but industry leaders are aiming for a two to three month development cycle. The delay, for many carriers, can be atrributed to the inability of their legacy systems to link people and information across departments and locations. With expected delays on the front-end, insurers can't afford slowdowns on the back, lest a competitor beat them to the punch – and the profits. Creating a real-time portal with everything agents need to sell new products means more sales that are closed faster. E-mails get lost in inboxes and overlooked on Blackberries; a one-stop agent portal demands attention.

Additionally, an insurer may be licensed to sell its products in multiple states, but surely not all agents will be able to sell in every state. Enabling agents to access and put into action only the right documents they need doesn't just make for happier agents, but also keeps them on track and selling.

Beyond simply providing agents with the right tools, insurers should strive to be the carrier of choice among agents. Today's agents demand mobile workforce capabilities and self-service tools. Allowing agents—and even other mobile workers like claims adjusters—to scan transactional documents directly into the Web portal helps accomplish this. From an agent's perspective, it also increases transparency to review all transactional content (e.g., pending claims, applications submitted, etc.) with the carrier. Even traditionally frustrating tasks, like making changes to commission statements, can be managed via a Web portal. Instead of relying on paper statements mailed to agents, an insurer can make the statements available securely online. With a collaborative Web portal that allows agents to access transactional content, virtually everything the agent needs to do business with the carrier is online.

Of course, this not only makes an agent's life easier, but also gives the carrier of choice a competitive advantage. Most carriers simply don't provide such instant information, so the ones that do – even small and mid-size insurers – can level the playing field quickly and cheaply.

Although vastly different, both types of content are required for a successful agent – carrier relationship. Additionally, by making the content available via the familiar interface of the Web, user adoption is increased. There are also opportunities to increase renewal rates. If an insurer can shorten the renewal process by sending more accurate and timely statements to agents, agents have a clearer picture of renewal likelihood. The ultimate result is happier agents who sell more of the carrier's products.



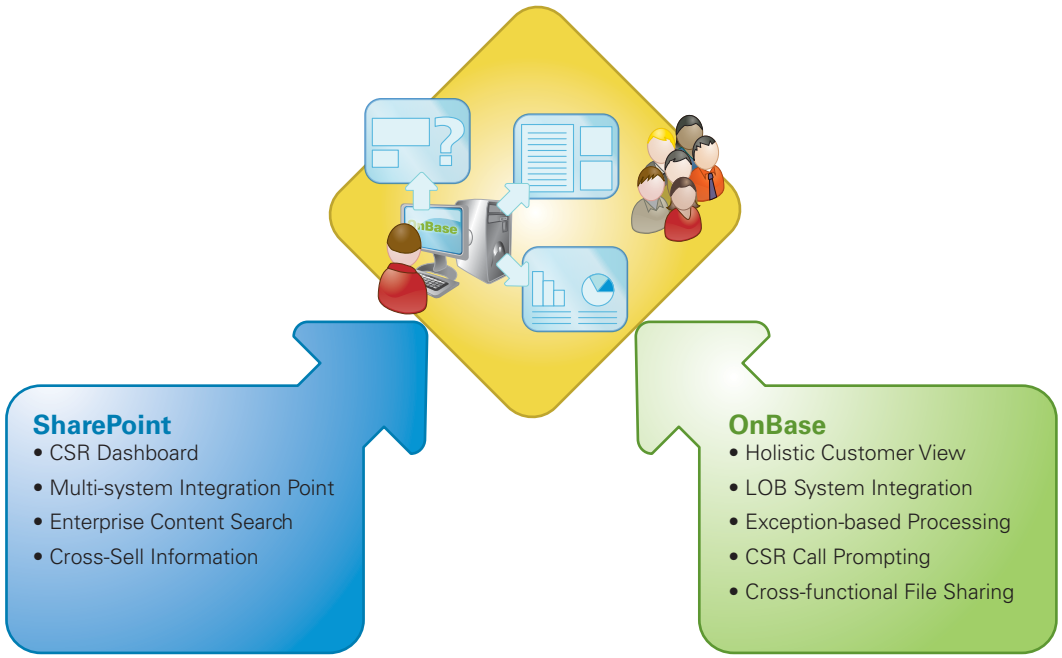
Superior Service To Retain Customers

Policyholders don't contact their insurance company to say hello; they reach out when they need help. By having answers as soon as—or even before—an insured needs it, the carrier is more likely to retain their business. To serve insureds quickly and efficiently, carriers need to make their customer service representatives (CSRs) as prepared as possible.

Many insurers have begun to arm their CSRs with "dashboards" of information. These dashboards allow CSRs to access policyholder information electronically. The sooner a carrier can accurately resolve a policyholder's issue, the happier the policyholder is likely to be. Although these solutions have dramatically increased the potential for first-call resolution, many lack a key element. Often based on a portal integrated with LOB systems, CSRs surely have access to transactional content—policy applications, claims, canceled checks, etc. Rarely, however, do dashboards complete the picture and provide access to collaborative content.

By providing CSRs a true dashboard with access to both types of content and enterprise search capabilities, policyholders get faster, more accurate information. These dashboards can even provide instant integration with legacy customer service, "green screen" applications. Such a dashboard should allow for cross-functional file sharing to further increase the likelihood of first call resolution. Eliminating callbacks makes for more satisfied customers who create less churn and are more likely to purchase additional products and services from their carrier.

A customer service dashboard could be even more effective if it showed not just the transactional policy data the customer is inquiring about, but a full history of the customer's business with the insurer. For example, perhaps a commercial customer calls with a typical question about their policy. Wouldn't the CSR have an advantage if they could see not just that one policy, but all written business the customer has with the insurer? What if there was a problem with another policy? If the dashboard only showed the specific – but limited – bit of information the customer inquired about, the CSR would never know. A more powerful, organized, uniform dashboard could not just resolve customer service problems before they start, but open opportunities for cross-selling and retention premiums.



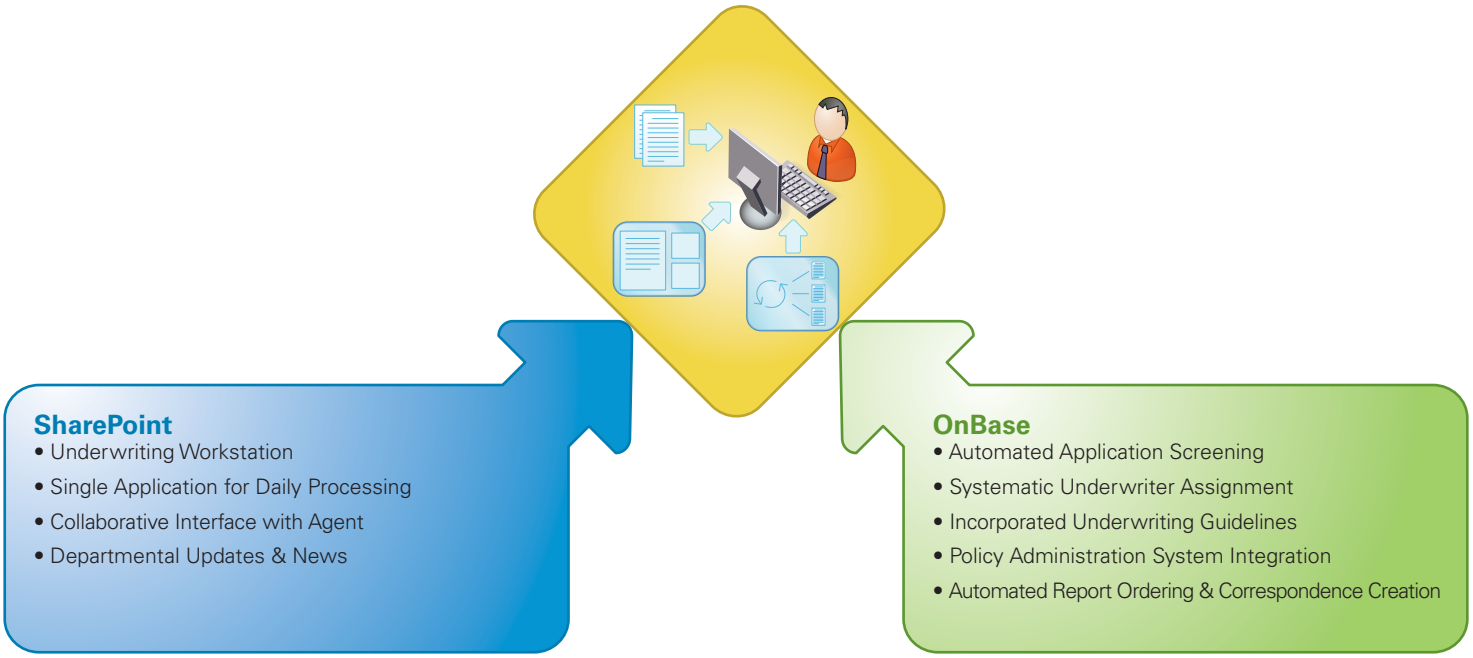
Increased Underwriting Efficiency To Ensure Appropriate Risk Management And Increased Sales

Sound underwriting is the keystone to every insurer's success. Faster underwriting with the appropriate amount of risk means bigger profits for the carrier. Failure to properly analyze risks and the insurer loses exponentially. The advent of underwriting workstations ensures that underwriters make better decisions. Underwriting workstations typically include software and additional tools that allow underwriters to communicate and collaborate with people inside and outside the company. These tools help underwriters track incoming applications and analyze existing books of business and overall risk.

For example, consider the diverse needs involved in a typical underwriting process. An application is initiated by an agent and submitted to the insurance carrier. Not only is information entered into the agency management system, but it's also captured within multiple software applications (e.g., billing and rating applications, among others) within the carrier. Using pre-defined business rules and adhering to the corporate underwriting appetite, the information is funneled to the appropriate underwriter. The underwriter may e-mail the agent for additional information required to process the application. Once the underwriter has all required information, a decision is made and recorded in their LOB system.

Successful underwriting requires timely, collaborative content at the front end of the process and transactional content at the back end. Underwriting workstations with powerful workflow capabilities not only provide underwriters with access to required contractual documents (transactional content), but also provide a means to facilitate communication with agents (collaborative content). To make a decision on an application, an underwriter not only needs access to a policy administration system, but additional documents and content outside of the system. The faster the underwriter can access the documents, the faster they can make the best decision and move on to the next application. With such a solution, even automated report ordering, customer correspondence generation and other time-saving tasks can be a reality.

By employing an underwriting workstation that accommodates both collaborative and transactional content, carriers are afforded an extra layer of risk management. Insurers that can accomplish this not only ensure access to information, but facilitate communication to reduce handoffs and errors. As a result, these companies are virtually guaranteed to only take on business in line with their risk tolerance.



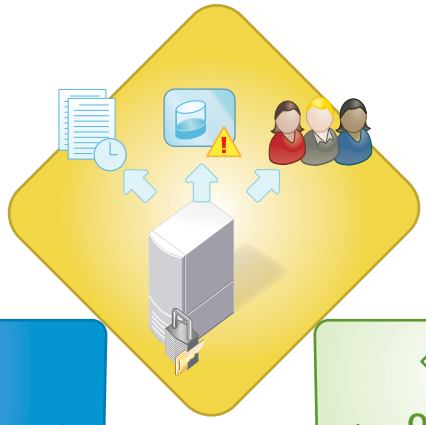
Compliance With Internal And External Standards For Cost Avoidance

Compliance is more than just the Sarbanes Oxley Act (SOX) and the Health Insurance Portability and Accountability Act (HIPAA). Compliance also takes into account state regulations, privacy concerns, rate making and internal standards like corporate or product-based service level agreements (SLAs). These issues already weigh heavily on an insurer's mind and can quickly devour internal resources.

Take a glance at any insurance publication or give a listen to any industry expert and you'll learn about new regulations aimed at insurance companies. More than just Sarbanes-Oxley and the U.S. Health Insurance Portability and Accountability Act (HIPAA), insurers can expect to face regulations similar to those that used to only govern the largest companies. These additional state and federal regulations, including the Model Audit Rule and beyond, come in response to the growing consumer demand for transparent business processes. The impact will be felt on insurers of all shapes, sizes and locations and not just the largest, publicly traded companies.

Although these regulations will certainly impact how a carrier maintains transactional content, it will likely impact collaborative content as well. Insurers will need to develop clear guidelines to delineate how both types of content will be tracked and maintained. Records managers and IT managers must work together to determine which systems will be used to track documents and actions. Some documents will require a centralized records management approach while others will be fine with ad hoc records management.

Even something that seems as simple as protecting employee insurance policy information requires a well-thought content management plan. Surely, most data will be protected by a LOB policy administration system. But what about the supporting documents that are easier to access? Or what if your policy administration system doesn't have such strict controls? What could happen if sensitive employee health records were accessible by the general worker? This doesn't just call into question corporate ethics, but also becomes a matter of federal regulations like HIPAA. Controlling and protecting employee data – or even the data of key accounts – is a must in today's electronic age. Taking a proactive approach to managing this content will help insurers avoid excessive fines, fees and even lawsuits.



SharePoint
- Compliance Interface
- Create New Policies & Procedures
- Access Self Assessment Control Scripts
- Legal & Auditor Access Point

OnBase
- Monitor SLAs
- Report on Process Variances
- Systematically Create Time-sensitive Correspondence
- Event-based Retention Management
- Granular Security Infrastructure

Solving The Diverse Content Equation

But what is the solution to these complex issues? For years, insurers relied on manual, paper-laden processes to manage their information. Even in today's electronic age, many still struggle with the delays, mistakes and increased costs that go along with a paper-based infrastructure. Some have installed simple document management systems that effectively act as an electronic filing cabinet for specific departmental needs. While these systems have helped insurers cut down on some paper consumption, they are nothing more than scan and retrieve applications. Neither paper nor electronic filing cabinets will help carriers keep their focus on the competitive demands of today's insurance industry.

In recent years, however, many insurance companies turned to enterprise content management (ECM) applications. ECM means different things to different organizations. But, in short, it's the capture, storage, management, preservation and delivery of business content in an organization. These products have evolved from simple scan and retrieve applications (like the electronic filing cabinet mentioned previously) with basic document routing. Now, many offer powerful automation and business process management (BPM) capabilities to help insurers manage their internal processes.

To effectively compete in today's economy and today's technology-driven insurance market, this is exactly the type of solution most carriers need. With multiple documents combining to make one larger record—be it a new business application, a claim file or something else—virtually every transaction is based on the concept of case management. Rarely is one person or even one department responsible for the creation and management of all the documents that go into the larger record. They get passed across teams, changes are made, new versions are created and sometimes they even leave the confines of your insurance company. Your ECM strategy must facilitate the flow of this information throughout. These solutions improve processes to make customers happier, employees more productive and bottom lines bigger. The challenge most carriers find themselves asking is which solution best fits their needs.

To find the answer, insurers should assess existing distribution channels, efficiency and customer service levels and their ability to meet existing internal and external compliance standards. Weaknesses exposed represent the need for products tailored to turn shortcomings into strengths. Insurers should also analyze existing business pains and determine which ones are most impacting existing policyholders and detracting new ones. These pains—including decreasing market share, poor customer retention and compliance penalties—must be the first fixed.

But the answer doesn't always come easy after merely identifying problem spots—unless, of course, the carrier has an unlimited budget. Additionally, to help ease strained IT staffs and budgets, the solution should be deployed quickly and easily. The system should be intuitive for employees to ease end user adoption. Additional consideration ought to be given to ease of use, overall expense, ability to deploy in chunks and whether the product matches the insurer's existing IT infrastructure. All of this will combine to guarantee a rapid return on investment (ROI), content and productive users and a more competitive company.

But how? Where can an insurance company find all of that in a package that doesn't cost a fortune?

Such a solution lies in pairing Microsoft SharePoint with OnBase by Hyland Software.

SharePoint and OnBase are different tools that work together to help insurers achieve not only their ECM vision, but save money and find new opportunities to make it. Both products are different tools working toward the same goal: reduced costs and improved efficiency. And at a time when most in the industry are looking for any means to pull into a full recovery, reducing costs and increasing efficiency is a good place to start. The combination not only increases access to documents, but increases the speed and accuracy of business processes.

SharePoint is a browser-based collaborative tool that is familiar to virtually any member of the Internet age. It eliminates the cumbersome network file-share and redundant file storage.

OnBase is designed to improve repeatable, predictable processes that occur every hour of every day in every insurance company.

Together, the two manage both collaborative content and transactional content and work together in a way that makes it simple for users to understand and adopt. When it comes to transactional insurance content, OnBase boasts more than 350 insurance implementations. This Microsoft-centric application helps insurers address distribution, efficiency, customer service and compliance needs with laser focus. When it comes to fixing process problems across your organization, OnBase can bring rapid improvement. This ECM product is easily integrated with existing LOBs applications to ease user adoption and drive productivity. Further, OnBase is regularly used to decrease manual paper-based processes and costs for insurers.

For collaborative content, SharePoint's ease of use and familiarity is unparalleled. Its viral adoption in carriers of all sizes is evidence of that. SharePoint's Web-based interface provides the perfect platform for cross-functional file sharing and collaboration. Also, most insurers have at least a few products from the Microsoft suite in their IT arsenal, including Office, Outlook and even SQL. This provides natural integration points with SharePoint to further smooth ECM processes.

Integrating the two products is a snap. With multiple interface points and a common .NET foundation, OnBase and SharePoint provide insurers with a true ECM strategy from end-to-end. This means you pay less for the solution because no custom coding is required. Just as importantly, both products are proven solutions for the insurance industry with a history of success. And in this era of stiff competition and cost cutting, saving money with the least risk is just the advantage you need.

To read about an OnBase – SharePoint success story in insurance visit: www.Hyland.com/insurance/casestudies and read the Mennonite Mutual Insurance Company case study. Or, request contact from an OnBase representative here: <insert link to form>

Conclusion

There are many distractions fighting for attention in today's insurance market and the volume is only getting louder. To succeed, executives must hone in on four key business initiatives: distribution, efficiency, customer service and compliance. To best manage these diverse focal points, executives need a best of breed approach that focuses on Collaborative and Transactional content. Pairing OnBase and SharePoint together is the fastest and most affordable way to accomplish this.

About Hyland Software

One of the largest independent software vendors in the world of enterprise content management (ECM), Hyland Software is the developer of OnBase. An award-winning suite of document and process management solutions, OnBase has a proven record of solving problems resulting from time consuming, costly and error plagued manual tasks. Today, people at more than 9,000 organizations both large and small in 60 countries have the time to do the things that really add value thanks to OnBase. Available on-premises or as software as a service (SaaS), OnBase installs quickly, cost effectively and is designed to grow with organizations.

Established in 1991 and headquartered in Cleveland, Hyland Software Inc. strives to provide insurance organizations with the tools and vertical expertise to become a paperless operation that is more efficient and effective. Hyland is a customer-driven organization committed to service and support that goes beyond customer satisfaction to customer "delight."

For More Information
A Hyland Software account manager or an Authorized OnBase Solution Provider can provide additional information on the benefits of OnBase to the insurance industry. Additional information is also available at www.Hyland.com/insurance.

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