

IMPROVING SPEED AND ACCURACY OF UNDERWRITING FOR A FORTUNE 100 INSURANCE COMPANY

WITH A LACK OF SKILLED AVAILABLE UNDERWRITERS in the market and a previous unsuccessful attempt at modernizing their systems, a Fortune 100 life insurance corporation turned to Vizuri for help and assistance. They had a backlog of business no one had time to get to and the desire to digitize processes without pausing for renovations.

MOTIVATED FOR MODERNIZATION

Our customer sought to establish a consolidated source of underwriting knowledge that would empower and ease the burden on their existing underwriters, so they could onboard insureds faster. They recognized that without a centralized knowledge base, they were sacrificing accuracy, consistency, and agility for policy rating and pricing. However, as long as the knowledge was living only in the minds of their experienced underwriters, it remained inaccessible and inconsistent.

CLEARING THE BUSINESS BACKLOG

Using our unique underwriting solution, we created an automated underwriting application that institutionalized the deep knowledge their senior underwriters had and applied it consistently to decisions. We used business process management (BPM) paired with a business rules management system to accomplish this.

OUR UNDERWRITING SOLUTION

- 1** **Regulated risk** to limit adverse selection
- 2** **Helped enforce consistency** of internal processes and decisions while enabling compliance with highly variable regulations
- 3** **Exposed rules** as business-centric services

25% AUTOMATION 25% of applications are automatically approved with the solution, no longer requiring underwriter attention.

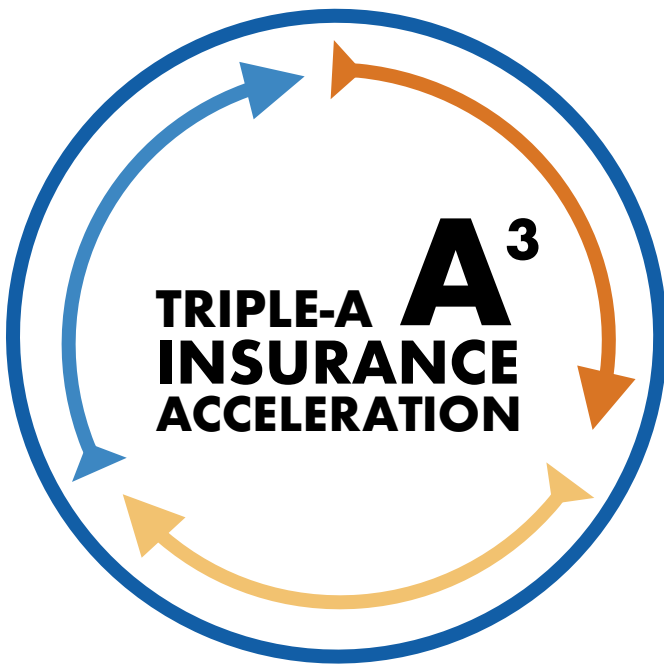
2-DAY APPLICATION TURNAROUND Automated application approval has reduced turnaround of these applications from forty days to just two.

2,000 RULES We institutionalized more than 2,000 total rules, based on the knowledge and experience of their most seasoned underwriters.

MILLIONS IN SAVINGS We eliminated the pressure of hiring and training more resources to address their backlog, leading to millions of dollars in cost savings.

WE TAILOR OUR ENGAGEMENTS BASED ON CUSTOMER NEEDS, recognizing that no two engagements will look the same. Therefore, our Triple-A approach is fully adaptable, whether our customer spends more time with us to assess their goals or requires a lighter hand when it comes to end support.

OUR TRIPLE-A APPROACH PAVES THE WAY FOR MODERNIZATION



ASSESS the customer's individual pain points to set tangible goals.



ARCHITECT the optimum solution that addresses each.



AUGMENT the solution with mentorship and guidance that steers improvements long after implementation.

See more on our Triple-A approach at vizuri.com/how-we-work

ASSESS



We identified and drafted the BPM workflows that would provide the most function and flexibility for our customer. Then we determined the customer's specific goals and designed the applications best suited to executing gathered knowledge for their business objectives:

- 1** Define all BPM workflows within the underwriting process.
- 2** Develop application integrations for internal and third-party data sourcing.
- 3** Digitize all incoming new business data.
- 4** Avoid disruption of normal day-to-day operations.
- 5** Create a holistic application to transform the customer's business process through automated underwriting.

WHAT IS BPM AND BRMS?

Business process management (BPM) provides a systematic approach to making an organization's workflow more effective, efficient, and capable of adapting to ever-changing business conditions. A business process is an activity or set of activities that will accomplish a specific organizational goal.

A **business rules management system (BRMS)** enables organizational policies, and the operational decisions associated with those policies, to be defined, deployed, monitored and maintained separately from core application code. We have more than 9 years of progressive experience developing and implementing rules-based systems for customers across multiple disciplines that require organizational, industry, or regulatory compliance. As established thought leaders in the rules space, we regularly speak at events such as Building Business Capability and Red Hat Summit. We also sit on the steering committee for the Business Rules Excellence Awards.

ARCHITECT



We designed and built a rules engine framework that enabled the rollup of seven independent risk rating evaluations. To accomplish this, we first created a concept model that provided consensus on the main objectives of the functionalities. We then designed domain models that incorporated smaller knowledge models of various common truths from around the business, avoiding tightly coupling models to increase flexibility and enable business agility. Finally, we integrated them and implemented rule decisions within BRMS to enable automated underwriting capabilities.

To test the viability and outcomes of rules, we also built an A/B testing dashboard. This tool provides a basis for how much business can be processed at existing risk thresholds and can test results to changes in risk tolerance and rules before implementation. It also shows which rules were used to make a decision, providing transparency into the underwriting process.

The rules solution we built works off of reusable frameworks to make data collection dynamic. This also reduces maintenance costs and extra work as the frameworks can be applied to pull in more information more consistently. For underwriting processes, the frameworks take the form of a dynamic questionnaire, incorporating a general questionnaire and a medical questionnaire that gathers information from multiple sources such as:



Lab results (BCP/HOS)



Motor Vehicle Reports (MVR)

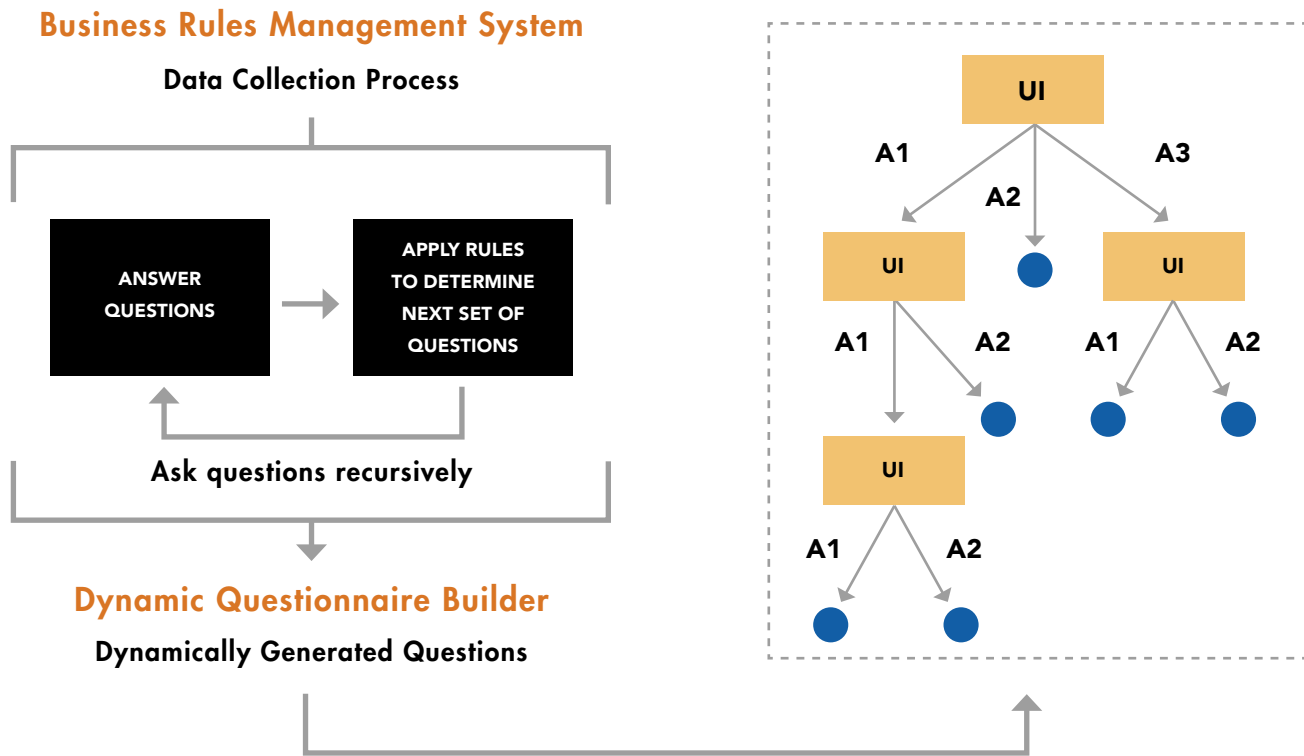


**Medical Information
Bureau records (MIB)**



Prescription records (Rx)

RULES ENGINE FRAMEWORK



Our dynamic questionnaire draws on rules to intelligently collect customer data.

To better visualize the results of this dynamic questionnaire process for decision makers, we also developed a function that produced a comprehensive stoplight-style (i.e. Red, Yellow, Green) risk rating system that displayed the rollup evaluation results, visually aiding in underwriting decisions.




The visual risk rating display we implemented drew on the customer’s preferred risk thresholds established by their actuarial formulas:

- **Combined everything into risk by client category**
- **Showed where more detailed manual intervention was necessary**
- **Exposed rules as business-centric services**

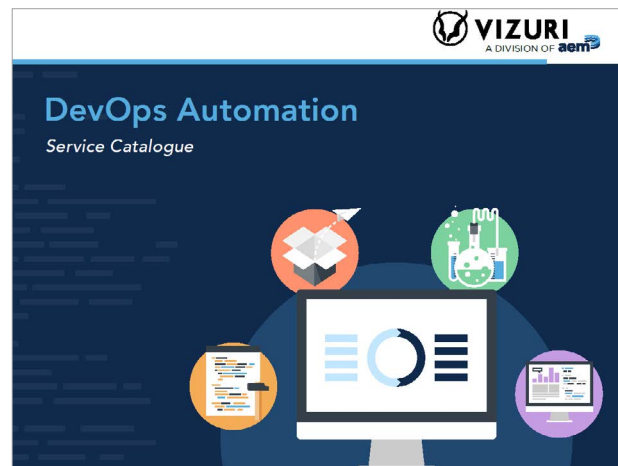
AUGMENT

While we successfully helped to reduce our customer’s underwriting turnaround time from 45 days to less than 15, we stayed alongside our customer for another year following implementation to continue providing guidance, mentorship, and support. We helped them establish best practices for knowledge management and implementing rules in a quick, flexible, DevOps-like manner.

Three years after Vizuri’s engagement, the customer has accumulated the requisite data to effectively evaluate underwriting questions and how well they predict risk. As a result, they have:

-  **Eliminated unnecessary questions**
-  **Improved the customer experience**
-  **Reduced operational overhead**

As detailed in Vizuri’s DevOps Automation Service Catalogue, our underwriting solution employs a rules deployment process that automates the deployment of applications for faster decision turnaround, improved collaboration, and consistent business outcomes.






For more information on our DevOps capabilities, visit vizuri.com/devops

ABOUT VIZURI

Vizuri is the commercial business unit of AEM Corporation, one of America’s fastest-growing private companies. Our industry experts help our insurance customers to solve challenging business problems with the creative use of technology. We design solutions that pay for themselves by focusing on four core areas: business rules and process management, cloud enablement, enterprise integration, and microservices and containers.

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