CLEARVIEW INSURANCE

A real-world analysis of how insurance company ClearView embraced a new technology from SolveXia to improve operational efficiencies, reduce human-error risk and increase the proportion of time its staff was able to spend on high-value activities.

INTRODUCTION

Professional customers for IT solutions typically don't come much more satisfied than Darren Robinson, a top actuary with insurance company ClearView.

He's implemented an industry-leading solution at no capital cost. It makes his life easier, offers complete operational and data security with optimal usability. Moreover, it places him firmly at the leading edge of both his industry's best practice and in the evolution of the work of his profession.

Sound like a big claim?

We don't think so. As a "pioneer in this space", Darren also proved the point by bringing the tool that delivers these benefits into not just one leading insurance institution but two, the first being BT Financial Group, owned by Westpac Banking Corporation (WBC) and the second being ClearView insurance.

"There were no other solutions out there when we were looking. What we created with SolveXia was exactly what we needed," he says.

Rebuilding a depleted team after a mass departure in its valuation arm, Darren was key in the decision to automate several of BT's actuarial processes in 2009.

"I spent three years at BT, and in the second, we automated a lot of processes, which is when we used the SolveXia platform.

"Now, ClearView has also been able to seize the platform's critical benefits in productivity gains that are both dramatic but continuous and incremental. SolveXia offers robust security of data at a low and predictable monthly cost. But at least as important is its ability to manage with complete reliability the organisation's compliance with increasingly stringent financial reporting obligations."

INTRODUCING SOLVEXIA

SolveXia is a visionary tool in an emerging class set to transform whole industries. It is a hosted enterprise-grade platform for automating mid and back office processes. It is targeted at organisations that need rapid adaptation of routine, time-consuming, data-intensive processes at a disruptively low price.

As software as a service, SolveXia sits in the cloud, is accessible via any modern browser and is provided at a low monthly cost, paid for by "the seat", or individual user, as an operational rather than capital expense.

Users can pay for as much or as little as they use, in line with the fortunes of their business.

It provides 24-7 uptime, and eliminates the need for custom development at the client end, where available resources may be tied up on other undertakings.

Available on demand, perhaps most pertinently to this story, SolveXia can be called on to liberate data from legacy applications and re-stitch it together into new patterns. This transforms the nature of the output as well as the processes that go into its creation, but can also have radical implications for the design of the business itself.

The combination appealed to Darren at ClearView.

"We gave SolveXia a specification of how to take data out of our core system, do particular types of manipulation and put the data back into our actuarial projection. SolveXia delivered pre-built steps until the whole end-to-end process worked without human intervention. When I pressed the button and all the steps started running and completing successfully (indicated by green tick marks on the screen), it was clear this was a good system."

NO MORE TURNING THE HANDLE

Darren says, "Running diagnostics the way an actuarial department normally would [with manual systems], they'd run a process and determine a profit result. If the results were not reasonable, or as expected, then someone would be responsible for working out where in the process something had failed.

"But that approach can be risky. These processes can be quite complex, having at least 15-20 significant steps, and you are under time pressure to resolve the issue. To manage this, we have used SolveXia to build diagnostics on each of the critical steps so if something does go wrong, we can find out exactly where in the process it went wrong – and we know this immediately.

"Because you can develop and refine your processes incrementally, we add checks each month so our risk-management is constantly improving."

"Where in the old world you might choose to do a check in any particular month because of a particular outcome, we now get SolveXia to run all of those checks every month – after all, being automated, it is now possible to do this with no additional cost, time or effort. Furthermore, because you can develop and refine your processes incrementally, we add checks each month, so our risk-management is constantly improving.

"When you do each check every month, then you understand the various moving parts better than you otherwise would, and so it's easier to resolve issues. If you have a problem, you look at a suite of diagnostic outputs, which gives you a view of where the problems could be. Problem identification and resolution is much quicker.

"Now, unlike in other large insurers whose solutions may have cost tens of millions of dollars … for infrastructure which is not particularly agile," ClearView is no longer "locked into something where you can't make incremental changes".

THE WORK OF A DOZEN NOW DONE BY … TWO

As an operation planning to grow its business significantly within two years, ClearView is, "building a platform for growth" on the back of SolveXia. "We are planning to grow quickly and I have myself and one other person doing what 12 people were doing at my previous employer," Darren says.

SolveXia implementation at ClearView was, he says, "trivial." What gives SolveXia its edge is the intuitive nature of its interface and ease of use, which allows for fast learning. It offers a critical advantage.

"We used to spend three or four days of my staff's time running manual processes, turning a handle on a box to get out a result. It was a complex process. You need bright people running it, but bright people don't want to do the same job month in month out for very long.

"I have myself and one other person doing what 12 people were doing back at my previous employer."

"But at ClearView, Zhan, who reports to me, had SolveXia configured literally in an afternoon.

"We have a lot of detail in our models, but because the Solvexia tool glues together existing software rather than replaces it, the deployment was extremely quick. Zhan had not worked with SolveXia before, but she's bright and found configuring it intuitive. It was great to see it come together so quickly."

However, more important than this very short learning curve is SolveXia's recurrent productivity gain.

Darren says, "This month, the COO asked for a particular report, so we'll configure that into SolveXia. The work effort for that request is a once-off effort and then the report is produced as part of the automated process, month after month. Because I can configure it in, I only have to do it once. Next month, I will be able to do something else. In the old world, I would have had the extra workload of producing this additional report every month."

"As the workload and business volumes increase, in the old world you'd have to employ more people. Now, we can scale using automation – and each month we can devote effort to configuring small incremental improvements in our processes so not only are we processing more business, but we are becoming better at how we process it."

COMPLIANCE AND SECURITY GUARANTEED

There are other critical features in SolveXia pertinent to any company in financial services.

A consequence of the global financial crisis is that there is much more pressure for insurers to report to regulators on capital-adequacy provisions for times of stress.

"As the volume increases, in the old world you'd have to put more and more people on, whereas now each month we can build a little bit extra using SolveXia."

Its not just the results, but the process by which they are reported that is under increasing scrutiny.

Darren says, "At BT, we started setting SolveXia up, and 3-6 months later the LAGIC (Life and General Insurance Capital) standards were proposed.

"Risk management saw that in this general tightening of demands for compliance, SolveXia was a solution to a real problem they had.

"When you have these processes, they need to be automated, they need to be documented, they need to be version-controlled, and they need to be bulletproof. The SolveXia platform has these capabilities built in. Because of that, using SolveXia was a fairly easy sell, and my management saw the benefits.

"We run the same process every month, and because it's a process that produces reportable results, that process and its documentation will need to be reviewed by an external party.

"With SolveXia, ClearView can print out a list of steps and an auditor knows those steps were followed. There is no longer any doubt about the accuracy of the documentation, and my staff do not spend days preparing it.

"There is also security in not having a single point of failure. Key-person risk is managed as there is a forced duplication knowledge of how to run the process. If my staff are not available (e.g. sick, on holiday etc…) I would still have a detailed and accurate list of instructions. Knowledge is copied from a person's head into a form that is accessible to others. It removes any black boxes."

"There is also security in not having a single point of failure."

SAFER THAN THE BANK

An unexpected benefit for ClearView is SolveXia's ability to provide access from anywhere anytime. "Because it's web-based, if I was unable to get into the building," Darren says, "I could access our results from a computer at home without installing software or compromising security".

It is extremely secure. "We need to send information at a policy level to our reinsurers. Emailing that would not be good practice, because it is not secure. Instead, we changed our processes and gave our reinsurers controlled and limited access, so we have been able to transfer our information securely to them using SolveXia."

AND THE COST IS…

One aspect of the SolveXia solution should appeal to almost any business at a time of cost-cutting and headcount-capping. It is that such a leading solution cannot just reconfigure potent new operational possibilities for an organisation, but that such transformation can now be undertaken as an operational rather than a capital expense.

Darren says, "We simply wouldn't have done it otherwise.

"We didn't need to make a capital expenditure. It's made my life easier. I can walk up to the CFO or the appointed actuary and say, we have implemented this

"Because we can continue using our existing systems, it just glues them together, it means you can dip your toe in, you don't have to dive in, and you can grow it as you need to."

today, and it's working. They hardly have a decision to make. We pay for the service as we use it, so the value to us is consistent with our payment, which helps with decision-making.

"Because we can continue using our existing systems, it means you can dip your toe in to the SolveXia solution, you don't have to dive in, and you can grow it as you need to.

"That makes the decisioning easier, as each step is an easy decision to make. Because you have a lot of mundane stuff out of the way, and it's incremental and doesn't require much decision-making in terms of expenditure, it is actually taking you forward in the context of the industry in which you are working as a professional."

DO THE HIGH VALUE ACTIVITIES

"I have people who report to me who are very intelligent, very capable and who get bored doing the same thing every month. They want to use their skills. SolveXia gives them an opportunity to step away from their routine day-to-day job and start doing the value-add analysis and communication they want to do.

"They've now got time to build relationships with others in the organisation – the CFO, the appointed actuary, our distribution team – rather than being tied to their computer, turning a handle.

"This is definitely calling on their higher faculties. I think it will change the profession. It will definitely take people away from turning a handle to higher value activities like analysis and communication."

INNOVATION FOR LIFE

"Within ClearView, we want to innovate with the services and products we are offering, and because of that we need an IT infrastructure that is equally flexible," Darren says.

"That is where SolveXia is useful. It is definitely an innovative solution for the life insurance market, and it's implicit in what we are doing that if we have this, it gives us more reporting flexibility. We couldn't have got that flexibility from any other solution on the market.

"What SolveXia does is connect all those bits together so we can continue to use all the tools we have. It is the glue that connects them together. We don't have to rewrite the whole system, and that allows incremental improvements as well.

"This sort of innovation also leads to the advance of the actuarial profession, because it changes the ground rules.

"SolveXia's changing the way we do our work and it's definitely part of my team's professional evolution."

About SolveXia

SolveXia delivers enterprise-grade process automation through the browser. It is a cross-industry solution – helping any business that has mid or back office processes as well as a focus on improving operational efficiency, increasing control and reducing risk. It is currently being used by banks, insurance companies, logistics and travel-buying groups, as well as in heavy industry. You can find more information about SolveXia at www.solvexia.com or by emailing info@solvexia.com