

Hollard's Real Insurance Introduces World's First "Trust-based" Pay Only As You Drive (PAYD) Product with Exigen Insurance Solutions' Policy, Billing and Claims Solutions



Challenge

Hollard Australia was seeking to expand the offerings of its new retail insurance brand, Real Insurance™. While it already offered home, life and motor vehicle cover, it recognized a market opportunity to offer a unique pay as you drive (PAYD) product.

Hollard sought to avoid the customer privacy concerns and the operational expense associated with existing PAYD products -- all of which use a monitoring device in the customer's vehicle -- by developing the world's first "trust-based" PAYD product that does not require installation of a monitoring device.

The offering was a perfect fit with Hollard Australia's commitment to bring innovative products at a fair price to its customers. It recognized that motorists' travel patterns were changing in response to increased traffic congestion and economic and environmental concerns.

Requirements

The Real Insurance RFP called for the installation of a policy administration, billing and claims system that would support the unique requirements of a "trust-based" pay as you drive auto insurance product. Requirements included:

- Support auto coverages where the term of insurance is based on calendar date as well as beginning and end odometer readings
- Support a transaction-intensive billing operation that required multiple billing and payment options, and rollover miles and no claim discount functionality
- Support high-volume customer communications across all channels: web, phone, mobile device, SMS

Solution Evaluation

Real Insurance recognized the technology challenges associated with implementing an entirely new auto insurance product. An earlier attempt to install a policy administration system that would support a PAYD product had been unsuccessful. It decided to undertake a worldwide search for a solution.

IMPLEMENTATION OUTLINE

About the Client:

- Real Insurance is backed by Hollard Insurance Australia and is part of the Hollard Group of companies providing a wide range of insurance products and services to more than 6 million policyholders worldwide.
- Real Insurance has been in operation for three and a half years in Australia.
- Real Insurance PAYD won the 2008 *Australian Banking and Finance Magazine's* Best General Insurance Product award.
- Real Insurance received a Celent 2009 Model Carrier Award for innovative product and quick speed to market.

Solution:

- Exigen Suite:
 - PolicyCore
 - BillingCore
 - ClaimCore
 - DistributionCore
- Operating on Exigen Platform
- Technology: Service-oriented architecture (SOA) design implemented with Java 5 technology on Wintel
- Usage: direct distribution via web self-service as well as contact-center, mid- and back-office users

Implementation:

- Agile project methodology
- Contract signed and project started in 4th Qtr 2007 and went live on July 2008 for PAYD
- Additional products (Home & Contents, Landlords, Personal Accident, etc.) scheduled to follow in subsequent phases

Integrations:

- Data warehouse and other existing systems
- External interface:
 - Financial and payment services
 - Estimating and Redbook services
 - Address resolution and verification services

Exigen Insurance Solutions was among thirty-two solution providers who responded to the Hollard RFP. Hollard experts immediately preferred the Exigen solution based on functionality as well as technology: open standards design, service-oriented architecture, and web services implementation. The solution included the rules-based underwriting and management, business

process management, CRM, and document management functions deemed necessary. The Exigen solution was chosen from the final list of four contenders after a thorough evaluation process.

Implementation

The implementation project started in November 2007. The system went live in July 2008 with Phase 1: full call center functionality, plus online quoting and acquisition (see www.payasyoudrive.com.au). These services are handled by Exigen Insurance Solutions' PolicyCore, BillingCore and DistributionCore insurance lifecycle management products.

In Phase 2 of the project, scheduled for completion in the 1st quarter 2009, ClaimCore for claims management, will be added. In subsequent phases, all of Real Insurance's non-PAYD business (Motor and Home) will be migrated to the Exigen solution suite install.

Driving the implementation to achieve rapid time-to-market is a business and technical partnership between Real Insurance and Exigen that offers mutual incentives to both parties.

The worldwide insurance knowledge of the Exigen team, and the Exigen platform flexibility, proved invaluable to the Real Insurance team as it worked to design business rules for a completely new product in a manner that would bring flexibility and optimization to implementations, and accelerate product rollout.

Benefits

With Exigen Insurance Solutions systems in operation, Real Insurance has successfully executed its vision to bring to market a revolutionary, world-first product that positions it as: 1) the first Australian company to capitalize on a fast-growing market opportunity that mirrors motorists changing travel patterns; and 2) an innovative, agile and customer-centric market leader.

Since the July 2008 introduction, sales results have exceeded expectations and continue to increase month-over-month. Real Insurance won the Best General Insurance Product at the 2008 *Australian Banking and Finance Magazine* Telstra Insurance Awards. It also received a Celent 2009 Model Carrier award for innovative product and quick time to market.

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"On account of an unsuccessful policy administration system installation that did not meet our business needs and would not support a PAYD implementation, we were forced to look for an alternative solution. We decided to search across the world and evaluate all options available. We received about 32 responses to our RFP.

We are convinced that the Exigen solution was the best choice in terms of it being the most flexible technology and the team was absolutely world class – a best of breed solution. The insurance knowledge displayed by this entire team raised the bar in terms of design. It is not often you can find technology partners with that degree of knowledge of insurance processes and practices. The approach was very creative, and the Exigen team was able to challenge us and help us to rethink the design of the product.

Also, the creative way Exigen approached the operation as a business partnership to achieve the business goals and results created a win-win solution. Any challenges encountered in the partnership were dealt with very professionally and effectively."

Roger Grobler, Chief Executive Officer, Real Insurance

This success has led to the scoping of a third and fourth phase that will include the migration of Real's full Motor and Home business and migration to a new version of the Exigen platform.

Real Insurance's retail portal www.payasyoudrive.com.au

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