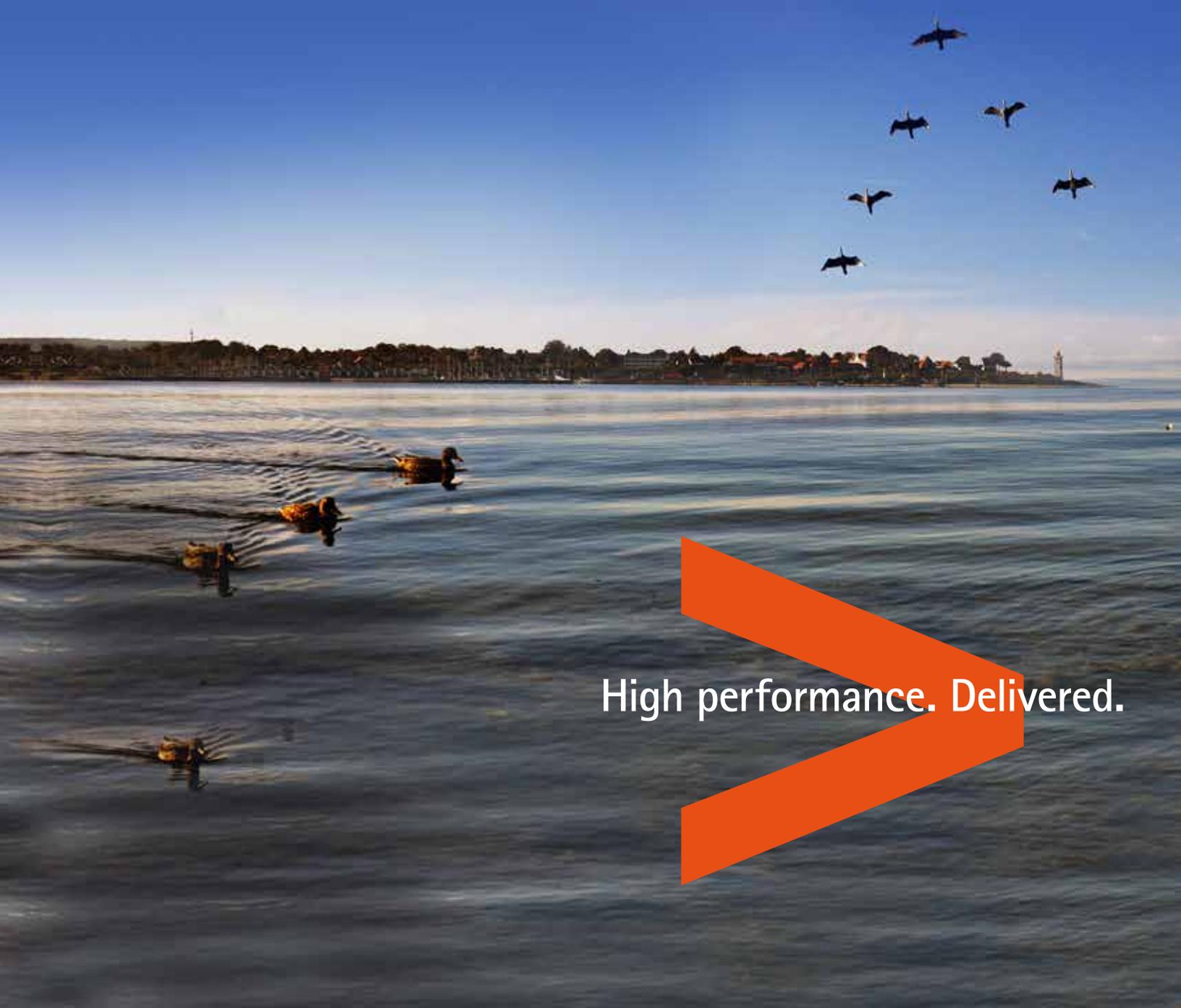


Accenture Duck Creek

Back to Basics: Advanced technology is more than high-tech gadgets and gizmos



High performance. Delivered.

Telematics, mobile apps, and big data are just a few of the many high-tech property and casualty insurance software business drivers that are trending in the headlines. In a dynamic marketplace, the ability to differentiate among insurers is important and being the first to embrace the latest software tools can provide a competitive advantage. But advanced technology can offer so much more. Increased efficiency, faster processing, streamlined management, and automated reporting also add significant value by improving business operations, service, and the bottom line.

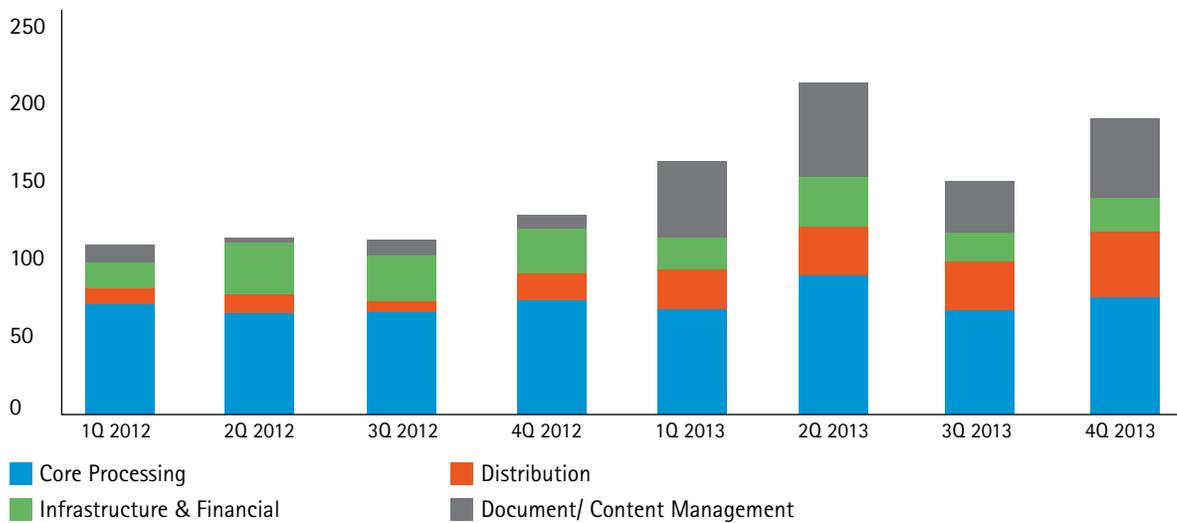
What are the biggest benefit technologies to consider?

Insurers must adapt to address the challenges that current legacy systems were never designed to handle, i.e., ever-changing customer priorities, self-service, mobility, rapidly-evolving regulatory compliance, and granular pricing options. The outdated platforms are expensive to maintain, often requiring manual workarounds to manage processes and information that add cost and reduce efficiencies.

As noted in recent surveys and research, many organizations need to transform their P&C software systems to remain viable in the marketplace and are now investing in solutions that improve automation, deliver portals and mobile apps, and better manage compliance and data.

“Increased investment in core systems was clearly reflected in the deal data,” says [Mike Fitzgerald](#), Senior Analyst with Celent’s Insurance group and coauthor of the report (see chart). “This activity reflects the priority that insurers are placing on improving underwriting, claims, and billing capabilities.”¹

Fig 1. Insurance Software Deals by Year



Source: Celent’s North American Insurance Software Deal Trends, 2014 Property & Casualty Edition¹

What should insurers look for in a modern platform?

Like other companies, P&C insurers face financial challenges, which require them to carefully consider all significant expenditures. For many, focusing on improving operational performance offers the best return on investment. But the fear of failure can cause companies to avoid taking the first step to securing a new system that will help meet the challenges of the modern insurance industry.

So what system enhancements will provide the best value and be the least disruptive to the business? With the varying needs of carriers, no one list of software requirements will meet all business demands, but the critical functionality most often referenced appears to be universal:

- **Integrated core software** provides consistency within components, seamless data flow, common user interface, and one solution for all lines, which simplifies training and the user experience, and makes implementation and maintenance easier.
- **True configurability** enables changes to be completed by business users. Systems with no customer product coding embedded in the software make upgrades easier since there is no programming to rewrite.

- **Capacity to scale** with business demand supports continued growth as modern software is able to handle more transactions and users as well as accommodate changing system and business needs.
- **Single point of change** allows changes to be made once and promoted forward through all integrated software components.
- **Business intelligence and real-time information** help organizations make informed decisions in real-time, generate robust and timely reports, and achieve effective process and solution management.

What more can carriers expect when transforming their systems to a superior insurance platform?

While modern insurance systems offer innovative features, they can also improve core operating performance by providing faster responses to inquiries, running significantly higher volume workflows, and managing processes more efficiently. With higher operational efficiencies realized in a company's core business, resources can be redirected to value-add functions that drive higher customer satisfaction and retention.

Improving operations

Among operational improvements planned over the next 12 months, customer centricity and retention take a back seat (29 percent) to underwriting, pricing, and distribution channels (43 percent) and cost reduction (33 percent).

Q: Over the course of the upcoming 12 months what areas of operational improvements will be your focus?

	2014	2013
Underwriting, pricing, distribution channels	43%	40%
Cost reduction—processes and organization	33%	35%
Customer centricity and retention	29%	26%
Regulatory, compliance, and consumer protection	19%	21%
Human capital realignment/talent management	18%	7%
Back office operations (LEAN, process improvement, shared services)*	17%	N/A
Risk management, ERM, ALM	13%	11%
Investments (front, middle, back office)	11%	2%
Claims settlement and leakage	11%	6%
Technology—middleware	11%	8%
Technology—front-end administration system replacement or upgrade	7%	15%
Finance, accounting, and tax	3%	7%
(Multiple responses allowed)		*not asked in 2013

Source: KPMG's 2014 Insurance Industry Outlook Survey²

Insurers reported the largest impact of policy administration system projects as improvements to internal workflow/efficiency, data accessibility, technology risks and business user satisfaction, according to Novarica.³

Faster customer service, improved rating

With easy access to insurance information through portals, apps, and social media, customers are more likely to routinely assess their current policies and seek out alternatives based on any number of price and coverage options. For most carriers, the first interaction with a prospective customer revolves around a policy quote. While many policy administration systems support quoting from direct and agency channels, how quickly information is processed or the ability to provide very granular pricing can vary, which may influence purchasing decisions. Carriers need to have "what if" modeling to gauge rate changes to attract new business and measure the impact to sales.

To capitalize on these customer inquiries, a superior policy and rating system should be able to ...

- Support 65+ insurance products within 6 - 9 different channels
- Build new and change existing products in as few as 30 days
- Handle extremely large schedules, 20,000+
- Host the thousands of common ISO/NCCI templates and forms that aid regulatory compliance
- Run automated product testing to bring products to market rapidly
- Process 1,000+ product changes within 12 months

Claims systems deliver on demand

Critical times for customers require exceptional service. Today's claims environment changes quickly and requires rapid decisions to meet the growing demands of customers. To administer complex claims that involve multiple parties and regulatory concerns, an industry-leading claims application must be able to ...

- Handle millions of claims per year and thousands of concurrent users
- Communicate and engage customers the way they want to be supported—by phone, email, text or mail
- Provide work management alerts to aid users with shifting priorities
- Automate rules and tasks based on business practices

High volumes at high speed

Often referred to as the backbone of any organization, billing supports revenue growth through invoice and collection processing and management. The best performing billing software is able to ...

- Support any line of business—personal, commercial, specialty— in a single solution, [140+ different insurance products](#) in production
- Handle high volume processing at high speed—[90,000+ production quality invoices per hour](#)—reducing processing time and driving better operational efficiency
- Offer a customer summary view [with fast access](#) into transactional and interaction details to deliver better service to customers
- Provide [enhanced agency bill processing](#) and additional options for [automated collections and payment plans](#)
- Produce [real-time reporting](#)

Using advanced technology that improves basic “day-in and day-out” operations can enhance customer satisfaction and impact business growth.

Transform to succeed

Like many business, P&C insurance carriers must adapt to the ever-changing business environment to remain viable. The same issues and concerns—reducing costs, enhancing service, increasing profits—are still at the forefront of every business plan, but the means to resolution have changed. Today, advanced technology offers more than just the latest wave of high-tech features. Modern software allows insurers to capitalize on enhanced core functionality that will improve efficiency, savings, and service.

Billing Performance Report⁴

Accenture Duck Creek Billing Software

This report details the test methods and results achieved while demonstrating that Accenture Duck Creek Billing functionality is capable of meeting the highly rigorous demands of the largest insurance companies. The results demonstrate that this software can exceed Tier 1 carrier targets by more than tripling anticipated maximum hourly business transactions, producing linearly increasing page response times as load is ramped linearly from 32 to 3,630 work threads without crashing, and showing ultra-sub-second page times on all transactions under normal workloads.

The tests were run on the latest version of Accenture Duck Creek Billing® v6.0.0.4235 using enterprise scale HP hardware, Microsoft Hyper-V® 2012, and Microsoft SQL Server® 2012.

Critical Statistics

- Billing account count in the operational database during test: 24M
- Maximum application servers used: 12

For complete report details, [click here](#).

Summary results

Targets

- 222,800 Interactive business transactions/hr
- 400,000 invoicing notices in 5 hrs
- Maintain 400K+ invoicing notices in 5 hrs while maintaining sub-second average interactive page times
- 70,000 pending cancellation notices in 30 mins
- Maintain 70K pending cancellation notices in 30 mins while maintaining sub-second average interactive page times
- Demonstrate application resilience under extreme load

Achieved results

- 707,824 business transactions/hrs
- 451,864 invoicing notices in 5 hrs
- 413,453 invoicing notices in 5 hrs and up to 13% better interactive page times
- 71,000 pending cancellation notices in ~20 mins
- 71,000 pending cancellation notices in ~19 mins and up to 20% better interactive page times
- 1,200 active threads before exceeding 5s response times

References

1. *Copyright © 2014, Celent, part of Oliver Wyman - used by permission.* North American Insurance Software Deal Trends, Property/Casualty Edition, July 10, 2014
2. KPMG's 2014 Insurance Industry's Outlook Survey
3. Property and Casualty Policy Administration System Projects: Averages and Metrics Report, April 2014, Novarica
4. Accenture Duck Creek Billing Performance Report © 2000 - 2014
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About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 305,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$30.0 billion for the fiscal year ended Aug. 31, 2014. Its home page is www.accenture.com.

Accenture Duck Creek

Accenture Duck Creek is a software suite offering comprehensive, full-featured property and casualty insurance software and SaaS solutions. Its configurable solutions are designed to work as a full end-to-end suite or as individual standalone components that adapt quickly and seamlessly to handle the unique needs of insurers of all sizes. Duck Creek software enables carriers to make better decisions in a real-time environment, streamline operations and improve their level of customer service. For more information, visit www.accenture.com/duckcreek.