

LifeSuite™ Gives ALFA Financial Control and Speed

If you combine a 60-year commitment to excellence, more than 1 million policies in force and a vision that embraces technology, you get an insurance company that looks

“We can react to questions about individual policies, observe underwriting processes and react to global situations in real time, without delays.”

-- Allen Foster,
Vice President of
Underwriting, ALFA

exactly like ALFA Insurance. It's part of the formula that ALFA has employed since 1946 to become one of the nation's most stable, reliable and affordable insurance providers and a valued friend to more than one million customers in 12 states.

ALFA's vision for the role of technology in delivering improved service and performance has led to a number of changes in recent years. They transferred the power to illustrate and submit

applications to the field with the deployment of StoneRiver's Life Portraits® ES in 2005. Setting the stage for streamlined end-to-end processing, the carrier added administrative control of back office functions with software that would support future connectivity in tune with ACORD Standards.

Early in 2007, discussion turned to the possibility of upgrading underwriting automation at ALFA. There was some reluctance because the company had one automated underwriting solution in place and had not, to that point, been impressed. “The system we had in place was strongest in terms of automating actual issuance,” recalls Jody Carroll, IT Director. “It definitely fell short in terms of connectivity and automating actual underwriting tasks.”

At a meeting during an industry conference, the subject became a front burner issue. Carroll shared his disappointment in his existing application with a couple

of StoneRiver employees who suggested considering LifeSuite™, a fully ACORD compliant automated underwriting solution that addressed every step in the process and offered seamless integration with systems already in place. Since LifeSuite was available from StoneRiver, the same provider who had offered Life Portraits ES products and service, ALFA quickly decided it was time for an upgrade.

“When we were ready to make the move to automated underwriting, StoneRiver had already demonstrated fully functional connectivity between the applications function in Life Portraits and automated underwriting of LifeSuite,” says Carroll. “We knew there would be some customization required to fit our processes, but the underlying and robust Web functionality was already there.”

Engineering an easy transition

ALFA began LifeSuite deployment in the middle of 2007. Despite the challenge of a brisk rollout and the impact of ongoing business changes on configuration requirements, Carroll reports that the project went smoothly and the objectives were met. After a series of careful tests, rules adjustments and training, LifeSuite went live in December, 2008. Since then, the system has been quickly winning over new fans.

The easy, trouble-free deployment has ALFA looking forward to rolling out additional capabilities in phases over the next few years. Allen Foster, ALFA's Vice President of Underwriting, is quick to point out that “We've only begun to tap into the capabilities available on the LifeSuite 'grid.' As we phase in functionality, I'm confident we'll continue to realize positive results.”

Assessing the value of change

In spite of the fact that LifeSuite has been in place a very short time, ALFA reports that the change for the better is quite profound. When asked to compare LifeSuite with their prior underwriting system, there's humor in his

voice as Carroll repeats the question. “What’s changed? We’ve seen the focus shift from being almost exclusively auto-issue to a full set of tools that make our underwriters more efficient. It makes it easy for them to focus on the tasks that will get the job done.”

VP Allen Foster is enthusiastic when he talks about the way that LifeSuite seamlessly integrates the day-to-day financial management with an automated underwriting system that makes the process visible in real time while seriously reducing time-to-issue. “Our greatest expectation – and the most anticipated value for ALFA – was the promise that our underwriters would be able to enjoy improved focus on the tasks that make underwriting happen, rather than the administrative requirements and distractions that inevitably accompany manual paper processes,” he states.

With the old system, all of the documents relating to new policies would be physically collected in folders that would be forwarded to underwriters. The stack of folders would define the workload and processing required that they physically engage a lot of content that wasn’t relevant to their task. LifeSuite makes it easy for underwriters to address relevant tasks as information becomes available without encountering extraneous information or unrelated processes. Tasks appear in virtual “work baskets” and automated reminders keep the process moving.

When asked to quantify LifeSuite’s value to ALFA, Foster doesn’t hesitate. “It will take time to quantify all of the benefits. So far, we’ve seen the time to issue drop more than 20%, but it’s not just about statistics and improved efficiency. Now, we can actually analyze much of the underwriting process in a way that just wasn’t possible before. We can examine details about the ‘pending’ process in terms of timing, scheduling tasks and defining requirements in a way that affects both quality and speed.” He pauses a moment before continuing, “Being able to track the status of pending policies in real time is a wonderful tool, both in terms of being able to provide solid answers on individual issues and managing on a macro level. Together, these kinds of advantages make the vision of an entirely paperless process seem invaluable and well within reach.”

Acceptance enhances performance

When the advantages of changes are this clear and the process is this easy, acceptance of a new process or

Challenges

- automate underwriting from application to issue
- provide full administrative interoperability
- provide a development path for future upgrades

Solution

- deploy StoneRiver LifeSuite™
- develop customized rules to fit client processes
- work to integrate LifeSuite with existing systems

Results

- improved access to important management data
- a reduction of more than 20% in time to issue
- dramatically improved underwriting efficiency

system presents less of a problem. As far as ALFA’s agents are concerned, LifeSuite automated underwriting is already a hit. Foster says that all an agent needs to see is a smoother process and a shorter time to issue. “Once they experience the benefits, they push us to employ automation in every case.” While it’s likely that there will always be higher face value policies and more difficult cases that require manual processing, Foster feels confident that using LifeSuite for the bulk of the work will improve underwriting efficiency by freeing time and focus to deal with special cases.

Where LifeSuite tools can be directly applied, the stream of work follows a sequence determined by the tasks that can be completed at any given moment. This allows the underwriting tasks to break from the traditional process-orientation common to paper managed systems. Rather than repeatedly engaging a folder each time the underwriter begins a given task, tasks are presented when they can be completed, eliminating unnecessary review and repetitive engagement while moving the emphasis to schedule and timing as opposed to task sequencing. “LifeSuite frees us from serialized tasks by allowing us to clearly define workflow and manage the process with rules that make us faster and more consistent,” states Foster.