



Aviva aims to double business volume and improve customer service with FICO™ Blaze Advisor® system

success story: business rules



Client	Aviva is the world's 5th largest insurance group, and the biggest in the UK, serving 50 million customers worldwide.
Challenge	Double business volume, acquire 50% more customers, keep costs flat, and improve the quality of complex customer interactions
Solution	FICO™ Blaze Advisor® business rules management system
Results	Policy enrollment time was reduced from 22 days to less than 6 minutes; approximately 70% of applications do not require manual intervention; rule maintenance by Aviva employees reduces IT costs by 20%



"Blaze Advisor system has transformed our business and we're delighted with it. It has delivered double-digit improvements and it is now a key component in SOA."

— Leslie Ross,
IT director, Aviva UK Health

"In 2005 our business wasn't making a lot of money," says Leslie Ross, IT director for Aviva in the United Kingdom. "We had focused on cost-cutting for the past two years, but our efforts actually lowered our revenue. Obviously, this wasn't the intended outcome. But it led us to our challenge: Double the volume of business without increasing operational costs."

To meet their goals, however, Ross and other executives realized that they would have to think about their business differently. Scaling up the operation meant breaking the dependence between additional headcount and new business growth, and it meant delivering a new platform of decision services to generate higher levels of automation, consistency and speed in running the business. "We began to have discussions around how we might use decisioning support to reduce the workload on our very scarce resources and realized that straight-through processing and a service-oriented architecture was the way to go," says Ross.

According to Ross, there were three key challenges:

- **Empowering the business.** Aviva knew that Decision Management is a business opportunity, not an IT project, so the team wanted an engagement model where the business took ownership, not IT.

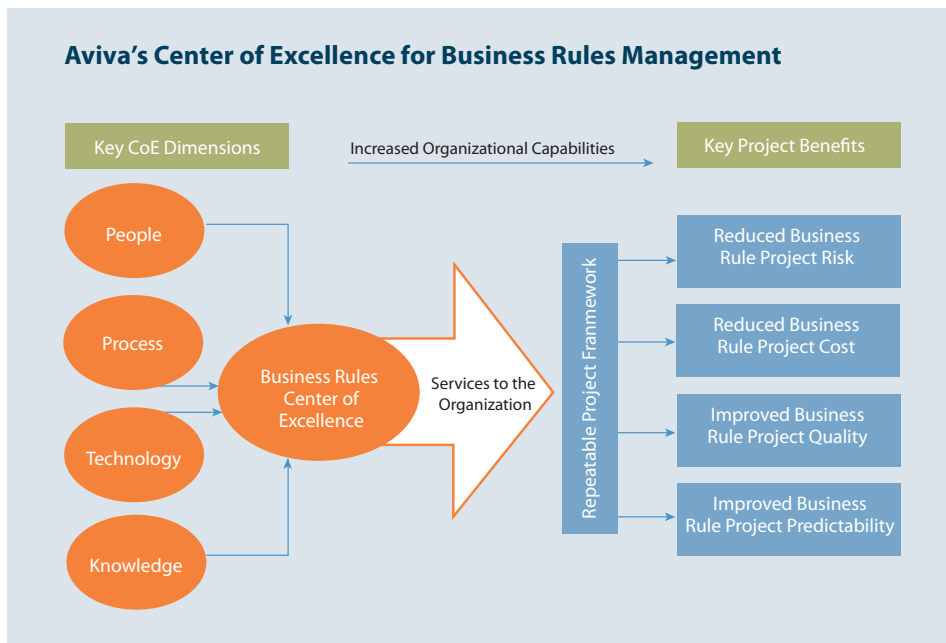
- **Improving customer service.** The average customer claim took eight phone calls over several days. Customers wanted to be able to make policy changes and claims in real-time.
- **Eliminating bottlenecks in underwriting.** Medical insurance underwriting was ripe for a streamlined solution. "With our existing growth plan, we simply couldn't train enough people in the timeframe to maintain the process—it just wasn't possible," says Ross.

Aviva knew it needed answers fast, so it began researching solutions.

» Speed, agility, compliance lead to Blaze Advisor system

After a six-month selection process, Aviva turned to FICO™ Blaze Advisor® business rules management system. The solution was chosen for several reasons: Blaze Advisor system scored the highest in an extensive evaluation across diverse 114 criteria, including precision, consistency across channels, agility, speed and cost; it offered a holistic management of business rules; and it was compliant with the company's service-oriented architecture (SOA) standards. And just as important, Aviva felt that FICO offered the right cultural fit.

Aviva's Center of Excellence for Business Rules Management



The guiding principle of Aviva's Center of Excellence is getting the right people together where the ownership is clearly with the business and facilitated through IT and rules designers. Growing these relationships allows the transfer of knowledge to go both ways. The subject matter expert who understands the Business Rule is empowered to learn how the decision processes work, how the rules management system works, and how they can manage their own rules.

Now FICO™ Blaze Advisor® business rules management system drives decisioning through Aviva's Private Medical Insurance, Claims, and Income Protection Insurance. "It has worked extraordinarily well from day one," says Ross.

» Business rules to save time and money for claims and underwriting processes

Aviva has successfully launched its claim service, which supports the claims assessors, to great results. "Our new claim service has had an amazingly positive effect on the assessors. It guides them through the rules in a much simpler way, which enables them to get through the process quickly. This also makes the experience much more pleasant for the customer because the assessor has total confidence that they've applied the right degree of analysis backed by the system supporting the decisions we're making."

Before implementing Blaze Advisor system, Aviva was averaging eight calls over a number of days to get the right data from customers to enable assessors to confirm that they would actually pay a claim. Now the average is one call, with a decision in seven minutes. Fifty percent of the claims are now managed through a triage system with no referral needed to a claims assessor.

"Our confidence is increasing, and when we launch our customer-facing system, we will reuse those exact rules and customers will be able to 'drive' themselves through the system. It's been a great win for our customers and our team."

Insurance underwriting historically had bottlenecks. The average time to enroll a policy was 22 days in the private medical insurance business; now it's less than 6 minutes with Blaze Advisor system decision services. Approximately 70% of applications are now completed with straight-through processing (no manual intervention). The average time for a policy change shrank from 15 minutes less than 2 minutes.

Additionally, underwriting Income Protection (IP) applications through the new Decision Management platform has reduced medical assessment costs by 30%+, with straight-through processing on one-third of the applications without referral. The decision service allows quick triage of IP applicants and those with no previous medical problems to be taken 'on risk' without full medical assessment.

"Our SOA architecture for our private medical insurance deals with three channels, but the Web and online assessment with electronic onboarding from intermediaries are the two main focus areas now. We built an initial decision management process and SOA for our income-protection business. All the rules that we built were completely reusable in this application, so our IT costs on this development and the time to market were quicker."

Electronic onboarding is a paperless way Aviva underwrites new and existing insurance applicants that saves time and lowers administrative costs. It involves two main decision services: 1) Rate key derivation—where rules maintained by business experts apply the correct insurance premium rate tables and 2) Mid-term change routing—where rules classify mid-term changes to an insurance policy as automated or manual and order the correct legacy system documentation.

» Empowering the Aviva team

According to Ross, Blaze Advisor system has also had a game-changing cultural impact for the company. "Up to now, we've pretty much held the hand of the business with the experts from the rules team and IT. Just this week, our claims people have made the first changes to their service themselves, with no IT involvement or participation, and they are now changing the rules services directly on their own. They are confident about it, they're applying the monitoring tools and so it's absolutely working. We are over the moon about that."

Aviva also now has created a Center of Excellence for business rules management. A set of co-located teams of IT, rules and subject matter experts get together in a mutually supportive environment to develop new decision services. "That center of excellence is providing tremendous benefits. We are seeing reduced costs in new projects. The error rates in terms of building these are low; testing is going through very fast—it's nothing like the cycles we were expecting to have. And the quality, therefore, is great."

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Going forward, Aviva is looking at leadership as a quality driver. "We're trying to develop our leadership capability in the organization," says Ross. "Now we're empowering people to make decisions in the organization. This is an example of where the technology is absolutely supporting people way down in the organization to make those decisions and manage it themselves, which is very positive."

"FICO Blaze Advisor business rules management system has transformed our business and we're delighted with it. It has delivered double-digit improvements and it is now a key component in SOA. We fully expect to achieve our 2012 goal, which is to deliver twice the value for Aviva once again."



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