

INDIANA FARM BUREAU INSURANCE

INSURER SPEEDS TIME TO MARKET AND IMPROVES CUSTOMER RELATIONS

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Jim Putka, Executive Director,
Indiana Farm Bureau Insurance

COMPANY OVERVIEW

Founded in 1934 by a group of Indiana farmers and initially focused on farm insurance, Indiana Farm Bureau Insurance has evolved into a significant provider across several markets. The company’s business has now expanded to offer insurance products for auto, home, life, business and farm as well as a range of financial products including annuities, estate planning and mutual funds.

In 2010, with \$625 million in annual premiums, Indiana Farm Bureau Insurance was ranked as the largest writer of farm insurance and the second largest writer of personal lines insurance in the region.

THE CHALLENGE

Like many established providers in the insurance market Indiana Farm Bureau Insurance (IFBI) had adopted a range of proprietary and home grown tools for its document creation and production requirements. Whilst those tools coped adequately initially, they were failing to keep pace with the changing nature of the business and with the increasingly complexity of its customer relationships.

The farmers who continue to make up a large portion of IFBI’s customer base have complex insurance needs. The company is now a multiline provider and some of its clients have 100 policies or more. The existing systems for auto, home and life policies were designed primarily for print output and lacked flexibility – IT resources were required to make almost any change to a core document and multichannel customer communications, via online and mobile platforms, were not a viable option.

With its potential customer base expanding to include any resident of the Hoosier state, IFBI realized that change was needed. IFBI’s executive board, comprised of farmers who also are policyholders, pushed the carrier to upgrade its systems across the entire policies and claims offering. The board wanted IFBI to offer communications customized to the needs of individual customers.

Implementing the right document creation and management solution was determined a necessity to maintain a competitive edge and the investment funding was justified on the basis of improved customer retention in the Auto, Home and Life divisions. A planned upgrade to IFBI’s policy administration system for Auto, which necessitated significant document changes, crystallized the need and IFBI began exploring the alternatives. A migration, across the business, to a class leading alternative platform was needed.

In establishing the selection criteria IFBI’s project team wanted to ensure the new system could output structured, interactive and on-demand documents in a multi-channel environment, that it supported XML file formats and key standards and that it could scale to meet growing demands across the business. Additionally it needed to be easy to operate by business line users rather than requiring continuous intervention by the company’s IT department.

THE SOLUTION

After extensive research into the available options for document creation and management in the insurance sector, IFBI settled on solutions from EMC, Oracle and Thunderhead for a detailed evaluation. IFBI wanted to move rapidly from their legacy systems to one that gave prospects and customers the flexibility to receive communications via their document channel of choice, and that provided those customers with highly personalized and relevant marketing messages. The full selection criteria are outlined below:

- Support of structured, interactive and on-demand documents
- Breadth of interactive development
- Strength in formats and conversions
- Commitment to XML and standards
- Outbound fax, email, SMS and eforms
- Multichannel capability
- User empowerment
- Ease of application development
- Template Management
- Usability of authoring environment

Thunderhead's NOW solution easily met all of the required criteria and was selected to support the enablement and execution of IFBI's strategy. Ultimately three important factors heavily influenced the decision. Firstly, Thunderhead's ability to reduce total cost of ownership by significantly reducing the number of templates through shared content and being able to use one template for all 5 invoice documents, as an example, in addition to in-built adherence to XML and other sector specific standards, and its support for service-oriented architectures (SOA), were very important. These elements deliver the industry standard integration points that enable rapid and flexible incorporation within the company's existing infrastructure, including its CSC (NYSE: CSC) Exceed policy administration system.

Secondly, in common with similar organizations around the world, IFBI faces increasing demand from its customers for multi-channel and personalized engagements. Meeting that demand efficiently has significant positive implications for customer retention and margin. Thunderhead NOW's separation of

FAST FACTS

Company

Indiana Farm Bureau Insurance

Industry

Insurance – Auto, Home and Life

Challenges

- Increasingly complex customer relationships.
- Inefficient and inflexible home grown document system.
- Heavy requirement for ongoing IT support.
- Print only customer engagements restricting growth and opportunity.
- Demand for a personalized and multi-platform solution.

Solution

Thunderhead NOW integrated with policy administration systems from CSC.

Results

- Average of 9,000 to 10,000 documents per night with an equal amount of PDFs being generated for archiving. Peaks of 15,000 to 18,000 documents per night.
- Thunderhead Quick Start Approach, moved to QA ahead of schedule and under budget.
- Requirement for document maintenance reduced by at least 50%.

content from style and data rules allows source content to be exploited across any channel – print, email, SMS, web or even social media.

The multi-channel support allows for the creation of a single customer view and the development of richer, more relevant customer communications. IFBI believes that Thunderhead's flexible, standards-based technology will not only address our immediate need to modernize our existing communications system, it also offered robust functionality that will enable us to improve the overall context and relevancy of each individual communication.

Finally, and perhaps most importantly, IFBI wanted to release its IT department from ongoing support requirements and, in parallel, place some control in the hands of business users. Thunderhead provides the tools for IT and graphics

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specialists to specify the core data, transactional and graphics resources that will be used to fuel communications. Business users are then free to operate autonomously, creating and maintaining content for templates quickly, simply and without the need for further support. The enthusiasm shown by Thunderhead's existing users gave IFBI the confidence that the project could be implemented quickly and effectively, and looks forward to the day when end business users would soon be composing new documents for themselves.

THE RESULTS

Thunderhead's implementation fee outline was significantly below competitor proposals and IFBI was concerned that the proposal underestimated the scale of the task. That concern was unjustified – using Thunderhead's Quick Start approach the initial project for the Home line of business moved to quality assurance ahead of time, and was completed under budget.

IFBI is now producing an average of 9,000 to 10,000 documents daily, with peaks of 15,000 to 18,000, using Thunderhead NOW. Those volumes will increase significantly as the implementation project moves to other lines of business. Whilst the full benefits will take time to realize, the company expects to reduce the requirement for document maintenance by at least 50%.

A platform is now in place at IFBI that is capable of handling all customer communications across all channels, from policy summaries, to invoices, letters and declarations and as Jim Putka, Executive Director said, "By embracing Thunderhead's quick start approach we've been able to get to market faster than we could with other solutions. This is the first time in my career where a vendor has under promised and over delivered."

MOVING FORWARD

With a successful implementation within its Home division, helped by buy-in and participation across the business, IFBI is now moving forward with the project. In a phased approach, document requirements for the Auto and Life will be migrated to the Thunderhead platform, as will the company's Client Account Review process.

The clear operational benefits associated with personalized, timely and multi-channel communications of core documents are significantly enhanced by Thunderhead's capabilities in marketing communications. IFBI will look to use the Thunderhead NOW Context Engine to improve future campaign management.

The NOW Context Engine stores a complete history of Thunderhead-generated customer communications in a highly scalable XML repository that can be used to inform future messages. This will enable the company to dynamically produce more sophisticated and relevant communications to boost customer satisfaction and retention.