



CASE STUDY

Norway's Largest Risk Insurer Sells in 301 Branches, Binds Instantly on any Device, and Boosts STP

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SpareBank 1

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Bente Alise Alnes
Technical Manager
Sparebank 1 Forsikring

SpareBank 1 Forsikring wrestled with increasing paperwork as its growth across Norway expanded. After an exhaustive selection process, the insurer chose the ALLFINANZ automated underwriting software by Munich Re Automation Solutions Ltd. Today, many customers bind immediately on remote devices, STP is nearing 40 percent, and sales and underwriting data meld smoothly into company business processes.

SB1 Forsikring and its traditions meet a changing market

SpareBank 1 Forsikring is the insurance company owned by, and operating within, SpareBank 1 Alliance, a group of 17 regional savings banks. It is Norway's second largest provider of financial products and offers the nation's broadest geographical coverage.

SB1 Forsikring has grown to Norway's largest provider of individual risk insurance and the nation's fourth largest insurer overall. Insurance is usually sold in combination with loan products and all sales staff are employees in the bank's 301 branches. They close 90 percent of new business and the remainder comes through an online self-service channel for personal risk insurance. The insurer's market share is approximately 30 percent of new business and 25 percent of premium.

SpareBank 1 Forsikring won the Innovation Strategy of the Year award for banking and insurance at the Banking & Insurance 2015 Industry Forum held by Management Events in Norway.

As SB1 Forsikring's good values and careful customer service spurred growth, expansion came with the price tags of growing staff and

constant attention to speeding up manual processes as customer count increased. Because more than 40 percent of Norwegians use tablets or another mobile device, SB1 Forsikring executives foresaw that omnichannel sales and "anywhere accessibility" would be required to continue market superiority and leadership.

Carl Anton Stenling, Head of Application Management at SB1 Forsikring, reports, "Implementation of the ALLFINANZ automated underwriting solution is not just about being more efficient. It's about growing our business in a volatile marketplace. This is a strategic investment, and it was vital we find this reliable and proven partner."

Paul Donnelly, Executive Vice President EMEA at Munich Re Automation Solutions Ltd, observes, "SB1 Forsikring sets a modern example for very large insurers whose growth and customer service have been restricted by trusted—yet inefficient—manual processes. SB1 Forsikring have expedited new sales, streamlined underwriting, and unimpeachably safeguarded information while allowing customers and management easy access to data. During this evolution, their vital business systems never missed a heartbeat."

"From an implementation viewpoint, it was a great experience. The project and implementation were delivered and running on time. Munich Re have demonstrated they're committed to high standards and have always responded positively during installing and implementation."

Gunn Øverjordet
System Owner
Sparebank 1 Forsikring



Rough Spots, Challenges, Opportunities and Goals

According to Gøril Seljevoll, Underwriting Lead, "We said we would enhance the customer experience and meet the market's expectations of being available wherever, whenever, through any channel and device. We also had to streamline the process for insurance brokers. Inside, our underwriting had to become faster while we reduced the rising euros we spent on it. All this while giving customers immediate updates on underwriting results and any policy changes."

Bente Alise Alnes, Technical System Manager, says, "Paper forms were the norm. An underwriter reviewed each application, then manual data entry put the information into our workflow and core back-end systems. Static paper forms created analog nightmares. When information provided was incomplete or ambiguous, paper multiplied underwriter's tasks and headaches. We received customer complaints about their signup and access difficulties, and paper's extra steps made underwriters' jobs more prone to error. We know we lost business on both counts."

Goals set for automation to improve processes were ambitious:

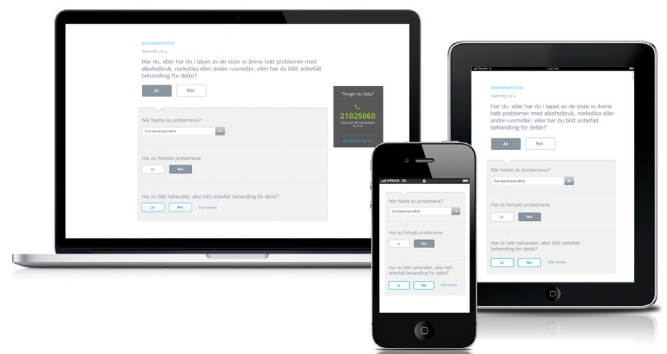
- Boost long-term profitability and growth,
- Automate the underwriting process end-to-end for all products including life, disability, critical illness, unemployment and accident assurance,
- Integrate all new systems' outputs into our proven workflows and core systems."

SB1 Forsikring System Owner, Gunn Øverjordet, clarifies, "To prevent the tennis match of forms bouncing back and forth, customers must fully complete their electronic health disclosure form in order to submit it. This requirement meant we must design the form like a dialogue and make every question easy to answer. We had to ensure a logical structure and interactivity based on earlier answers—and of course capture all necessary information. Then data had to present clearly to underwriters to reduce unnecessary effort and enable them to focus on their expertise."

Selecting the Solution that Fit our Customers Best

Alnes reports, "Our customer experience analysis painstakingly assessed our needs and demands from branch employees' requirements, through our customers' changing way of life, through underwriting, and then final data integration. We carefully checked out several automated underwriting solutions. As we did, it wasn't enough to be good. We had to foresee what competitors would do and be clearly better. Our new tools must enable our underwriters to easily improve our sequence and questions when a potential improvement presented itself.

"Our extensive software evaluation included site visits, demonstrations and workshops. Involving our in-house end users from all parts of the company was central to our decision."



"I recommend all companies bring departmental representatives into their automation decision because doing so helped our system more rapidly win acceptance and understanding."

With so many criteria under dynamic evaluation, SB1 Forsikring selected the ALLFINANZ product suite consisting of:

- ALLFINANZ Interview Server, proven the most flexible and easy-to-use underwriting rules engine on the market
- ALLFINANZ Rules Designer, heart of the ALLFINANZ Interview Server, used to create, configure and update underwriting rules
- ALLFINANZ Business Analytics, a reporting and underwriting data analysis module that delivers greater management visibility into the effectiveness of automated rules and processes and provide strategic insight for continuous business improvement
- ALLFINANZ Interview Server API which gives SB1 Forsikring complete autonomy to design their own customer-facing screens, enabling greater flexibility and speed-to-market

Installing and Implementing the Big-Picture Solution

Øverjordet reports, "From an implementation viewpoint, it was a great experience. The project and implementation were delivered and running on time. Munich Re have demonstrated they're committed to high standards and have always responded positively during installing and implementation.

"Our analysis started October 2011 and ended in June 2012. Systemwide implementation began in September 2012 and a year later we started pilots in two regional banks. Just four months later, January 2014, all regional banks and branches were using ALLFINANZ.

"This highly complex integration took only 16 months, even though we had to develop an SB1 Forsikring-specific customer interface featuring safe login for authentication and signing the health disclosure form online. In Norway, customers fill in health declarations by themselves. They receive only relevant questions based on gender and insurance product, then get an immediate answer. ALLFINANZ Interview Server API makes all this possible."

Today the company uses ALLFINANZ in all product lines except group business sales, although that expansion is being evaluated.

Counting Benefits in Hand

Alnes reports, "The business pains we catalogued, prioritised and assessed are all in the past. They are cured. Straight through processing (STP) continues to improve and is now almost 40 percent. Previously, 25 percent of customers correctly and completely filled in the electronic form. Now it's 80 percent.

"We close more new business in fewer steps. It's much faster and easier for customers to start and stop at their own convenience on any PC or device, so now many more people who start will actually finish. It's a shorter sales process for us and we do less follow-up. Increased use of electronic health disclosure forms prevents new policies from terminating due to missing information. Additionally, customers get status updates at every step.

"Our STP measurement is made up of only electronics processing time. When the customer signs the health declaration form, the consumer gets an immediate result. Most cases run through the systems within minutes."

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Ongoing Process Improvement

SB1 Forsikring uses ALLFINANZ Business Analytics to continuously improve rules, health disclosure questions, and procedures. "Competing in the insurance industry is an ongoing evolutionary process," says Seljevoll. "Paying attention and refining questions can improve straight-through processing and our own risk safety."

SB1 Forsikring's long-term objectives are to get all products fully automated, to remove paper completely and generate highly exact and strategic sales information from the system. Expected gains include raising the number of customers applying electronically, further increasing STP, and proving that underwriting is now more uniform and profitable.

According to Alnes, "We are looking forward to implementing a higher version of ALLFINANZ Business Analytics with improved analysis capabilities."

About SpareBank 1 Forsikring

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Facing similar challenges?

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