



CASE STUDY

## Largest Filipino-Owned Life Insurer Revving up to Dominate the Philippine Market

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**Insular  
Life**

**“Every large company here contends with a highly dispersed network of offices. We constantly assess and work on ways to beat our competitors. They are automating, too, but we have the superior tools, dedication, and a head start.”**

Diana Abuel-Tagra  
VP New Business Division  
The Insular Life Assurance  
Company

Having begun to modernise their early automation in 2009, Insular Life took a quantum leap forward in 2015 by deploying Munich Re ALLFINANZ Automated Underwriting System (AUS). Insular’s careful software selection and preplanning helped Insular boost case throughput 65 percent the first month and 283 percent the second month. Agents’ use of AUS jumped 25 percent. Insular is the first Philippines insurer to automate underwriting.

Established in 1910, Insular Life has grown to 58 field offices across the Philippines and has become one of the country’s leading life insurance firms. Total assets reached PhP 133 billion (Philippine pesos). Insular offers 17 products in life, health, savings, investments, and education.

As the life insurance industry grew in the Philippines, so did competition. To maintain market position, Insular foresaw the challenges. It must attract the growing market of younger and more technologically astute customers. To do so, the insurer had to recruit agents from that exact demographic. These strategies would solidify its reputation as a dynamic company leading in technology-based processes. Foremost amongst the processes to be digitised was the New Business sales, underwriting and policy issuance process since this was the first touchpoint a new customer and new agent would experience in Insular Life.

In addition, because an influx of new customers would increase back-office tasks and administration, new automation must enable more efficient processes by reducing steps and costs behind the scenes.

### A Demanding Marketplace

Competition is fierce for every Philippine peso spent on life insurance, so automation is the

obvious answer for every life company. Before AUS, as early as 2012, Insular progressively underwrote policies by scanning and submitting application forms at every office. This cut a ten-day turnaround time to three, still the fastest turnaround time in the country.

Diana Abuel-Tagra, Vice President of Insular’s New Business Division, laid out the firm’s first steps:

- 2009: Web-based customer and agent portals
- 2012: New-business paperless processing
- 2014: On-line policy service
- 2015: Automated underwriting system and migration a new policy administration system

Abuel-Tagra says, “Every large company here contends with a highly dispersed network of offices. We constantly assess and work on ways to beat our competitors. They are automating, too, but we have the superior tools, dedication, and a head start.”

“Because Insular Life is almost 107 years old, there’s a perception we’re very traditional and conservative. Without losing that foundation of trust, we had to build new perceptions to show our dynamism. We saw that aggressive automation would overcome marketing, business, operations and image challenges all with one stroke.”

She explains, “Our actual customer interface had to inform public and sales teams how fast we are becoming the high-tech solution in Philippine life insurance. We wanted our modern thinking and attitudes to shine through our very screens and drilldown questions. We knew that a crisp and customer-conscious underwriting decision tree could drive popular acceptance and entice the hungry agencies we need.”

“Our number one reason to automate was to hand our agents a decision at the point-of-sale as quickly as possible. Previous application forms were six to ten pages. At that time, agencies and customers waited days to know their application’s status.”

**Product Selection**

“Without exception,” says Abuel-Tagra, “every input we received told us ALLFINANZ would be the most trouble-free system to mould to our initial needs, maintain, and adapt to changing times.”

“We polled our employees who had worked elsewhere with competitive systems. Their common observations were that those systems were glacially non-responsive and needed ongoing tweaks and maintenance. Then an IT professional had to implement every change—whenever your turn finally came.”

“Customisability by our underwriters was really the key attraction. Even in the first product demonstration, what struck us was that ALLFINANZ is very user friendly and our underwriters themselves could maintain the system and change its rules. They’re closest to the problem, so nothing is lost in translation to an IT person. Underwriters wanted this new power, and IT didn’t want the constant calls they received with our old software.”

“As a result,” she says, “our business users were the main champions in adopting ALLFINANZ. Throughout the selection cycle and into the present, Munich Re Automation Solutions staff were quick and on-target with answers and solutions.”

Abuel-Tagra summarises, “We knew the Munich Re Automation Solutions Ltd. solution had greater flexibility in more hands. It would be the easiest and cheapest to work with and it tied in with our Munich Re rules and relationships. All these factors combined to make us first in our market with automated underwriting.”

**Installation**

Abuel-Tagra says launch went according to plan because Insular planned rollout in phases designed for quick deployment and implementation:

- Phase 1: Proposal and underwriting decision to generating e-applications
- Phase 2: E-signature and online submission
- Phase 3: AUS interface to customer and policy database
- Phase 4: Other enhancements (e.g. document attachment, auto-enrolment to Customer portal, etc.)

The above led to a seamless end-to-end process from proposal to underwriting to contract release.

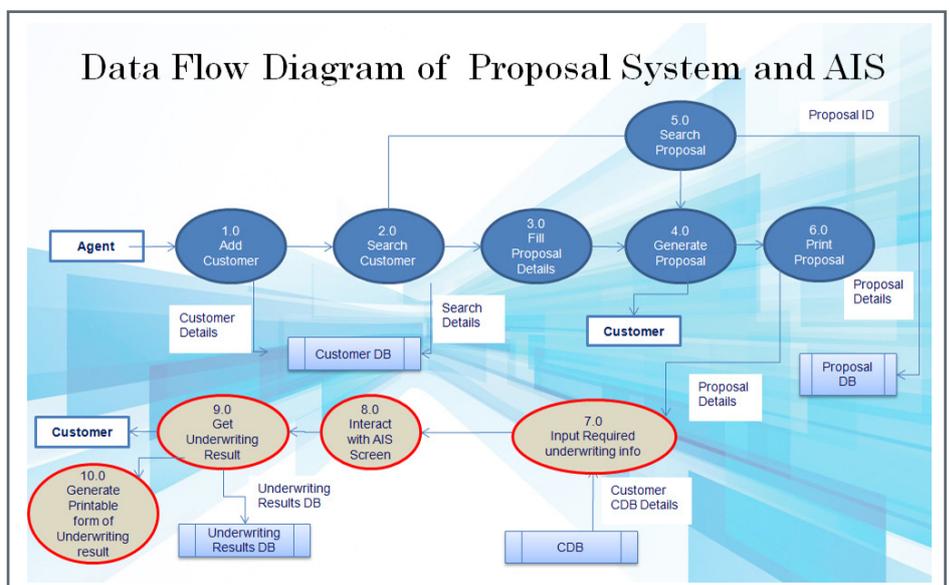
**Marketing and Operational Benefits in hand**

Abuel-Tagra discloses, “Pre-launch, we averaged 300 cases a month through the rules engine. After launch, November had 495, then December shot up to 1420.”

“Agents using the system rose from 800 to over 1000, thanks to new people-friendly portals. Early on, we rated ALLFINANZ’ software quality at 9/10 and still do. We also rate their service and support at 9/10.”

Insular’s clever use of ALLFINANZ software has earned them wide formal recognition. The firm was voted Most Innovative Company in 2016 by Asian CEO Awards. In 2017, it was awarded Most Trusted Brand by *Reader’s Digest Philippines* for high scores in innovation and other fields. It won Digital Insurance Initiative of the Year from Insurance Asia Awards.

Up to a few months ago, using AUS took about 45 to 75 minutes and required very strong internet signals. Recent optimisations have dropped this to 30 minutes and reduced dependence on a robust signal. Agents noticed the improvements and spread the word. More agents are coming aboard AUS.



This data flow diagram resulted from several iterations that defined which steps and sequences best served customer, agents and internal efficiency.

## Agents' Uptake and Wins

"I think every major automated underwriting project has to overcome doubts and reservations from some of that company's independent producers," says Abuel-Tagra. "Agents' first loyalty is to their businesses and families, so they continually assess each insurer's value to their customers, prospects, and livelihood."

AUS enables Insular Life to now attract younger agents who are more digitally astute. In addition, company image and public recall have improved following AUS. Producers are eager to demonstrate AUS' state-of-the-art sales tools to facilitate a sale. These capabilities have improved agent retention and loyalty.



"We proactively encourage and incentivise more-thorough agency utilisation and tighter integration with Insular. We install wi-fi in their offices. We just installed our first self-service kiosk at one office with positive results."

In a novel teaching move, Insular agreed to train certain senior agents' children on AUS. This enabled the more tech-savvy offspring to relay their new AUS knowledge to parents in non-classroom settings. Today, these agent-parents are the company's most prolific producers.

"Agents no longer have to memorise our underwriting guidelines," she said, "because all rule sets are well defined. There is no chance an agent will offer a product or make representations that are out of bounds or inaccurately priced."

During sales drives and contests, AUS empowers qualifying last-minute contracts to be included in results, even though not yet fully and formally accepted. This reduced complaints that valid sales weren't counted as contracts in the contests.

According to Amy Tamayo, Senior VP & Chief Marketing Executive, "Every year, we get 20-25 submissions that agents want counted for contest incentives. Last February-March, those requests dropped to 12 or 15. I attribute that to AUS."

## Speed and Accuracy Binds Customers

Tamayo says, "If your client will likely qualify under a standard underwriting situation, you can issue the policy on the spot. The logic in our reflexive questions and decision tree has shrunk customers' days of waiting down to minutes when connectivity supports it. Before ALLFINANZ, during those days of waiting for contract closure, customers might check other quotes."

"We have reduced running back and forth to bother the client for additional underwriting requirements. We cut up to six face-to-face

**"With benefits so immediate, so clear and widespread it only makes sense to implement other functionalities available in ALLFINANZ"**

meetings down to three, including policy delivery. With Metro Manila's traffic situation, it once took months for agent and customer to set and complete these appointments."

"Besides AUS greatly reducing a sale's completion time, we don't spend much time monitoring for additional underwriting requirements because we can anticipate them better."

## Underwriting Now Faster, more Accurate, more Flexible

Abuel-Tagra continues, "Our underwriting and business operations run more efficiently and consistently because nearly all new policies are fully automated."

"Underwriting rules are the analytical mind underpinning any underwriting system. You create them based on your demographics' histories and profiles. Then you learn things you never knew. At that point, you need a user-friendly rules engine which astute underwriters—not just IT technologists—can themselves modify to ensure that the company evolves with the changes in the market."

"Underwriting is faster and safer with AUS as clients answer on-screen questions more accurately. Paper applications present a high possibility of misreading or skipping a question and incomplete applications delay underwriting. For straight-through cases, clients can expect contract release in minutes or under an hour from submission and payment."

Tamayo says, "We thoroughly review an application and render a decision on first presentation, even when applications need manual underwriting. AUS also ensured consistency in underwriting decisions."

**“ALLFINANZ’ ability to interface with policy administration solutions was key to selection and then implementation. Ingenium is a trusted repository of clients’ personal data and policy history. AUS’ ability to seamlessly trade data in and out of Ingenium was pivotal.”**

### Factors in a Successful Implementation

Abuel-Tagra credits Insular Life’s clear implementation plan and “easy to use, flexible ALLFINANZ software” for their smooth implementation and deployment. Internally, ALLFINANZ provided the platform and Insular did its homework.

- Top management sponsorship and project oversight
- Cross-trained and cross-functional teams
- Design of ALLFINANZ Interview Server as service-oriented architecture
- Underwriter-friendly ALLFINANZ Rules Designer
- ALLFINANZ’ readily available documents and references for managing rules, formulas, forms and technical requirements to complete business needs and the technical space
- In-house applications’ (online proposal generation and agent’s portal) readiness to integrate with third-party underwriting engine
- Early simulation of integration without waiting for completion of rule book and system modifications
- MRAS support teams’ immediate and accurate responses
- Adaptability of both technical teams to embrace different operating environments, i.e., open source JBoss, coming from WAS & IIS
- Buy-in from the agency force

### Confluence between Ingenium and AUS

According to Cora Cruz, Sr. Assistant Vice President of Systems Development, “ALLFINANZ’ ability to interface with policy administration solutions was key to selection and then implementation. Ingenium is a trusted repository of clients’ personal data and policy history. AUS’ ability to seamlessly trade data in and out of Ingenium was pivotal.”

- AUS interfaces to Ingenium to automate policy issuance
- Smooth end-to-end process from proposal through contract
- Delivering paperless policy contracts since April 2016
- With addition of a Bancassurance line, digital contracts now available in Client’s Customer Portal and via email auto-notification

### Plans and Aspirations

Not complacent with current market gains and streamlining, Insular plans ongoing internal improvements and greater engagement with Munich Re Automation Solutions. “With benefits so immediate, so clear and widespread,” says Abuel-Tagra, “it only makes sense to implement other functionalities available in ALLFINANZ”

Insular will evaluate these AUS features:

- ALLFINANZ AIS Offline Version, to deal with web latency and poor connectivity among islands
- ALLFINANZ Insight, Munich Re’s latest data analytics solution, to facilitate full-circle process improvement

Tamayo foresees an upcoming solution to a sales conundrum. “Often agents don’t want to complicate a sale; they just want to close it. So maybe they don’t suggest extra-cost riders. I can imagine AUS providing profiles that

prompt relevant buy-now riders, probably with three or four easy questions. This upsell feature will wow agents, increase premiums and give customers wider service choices.”

Alby van Wyk, Executive Vice President Asia Pacific at Munich Re Automation Solutions Ltd, says, “It has been a privilege partnering with Insular Life to revolutionise the consumer experience and set the standard for other insurers. Not yet content with this success, we look forward to partnering with Insular on further innovations in the coming months and years.”



### About Insular Life

Established in 1910, Insular Life is among the top five life insurers in the Philippines with a net worth of PhP 43.8 billion in 2016 and total assets of PhP 132.9 billion. Revenues reached PhP 23.3 billion, with 12.5 billion coming from premiums. It is the Philippines' only remaining mutual life insurance company.

Following the utter devastation of the Visayas in 2013 from Super Typhoon Yolanda, Insular Life was the first insurer to reopen there when dedicated employees and agents processed and delivered the first claims in Tacloban, the hardest hit area.

#### Facing similar challenges?

To learn more, please contact:

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