




Case Study

# Delta Lloyd NV





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**Jan Jonker**, Director, General Insurance Division, Delta Lloyd NV

# Getting a handle on claims damages

## Delta Lloyd NV uses FINEOS Claims Manager to reduce annual reserves

Delta Lloyd NV is one of the leading financial services providers in the Benelux and Germany. A member of the international insurance group Aviva, its revenue is generated by life assurances, asset management, banking activities, health and general insurance. Numbering over 6,000 staff, it consistently posts annual revenues in excess of €5 billion. Having recently merged with Ohra, a direct writer, Delta Lloyd NV works with independent intermediaries. Anxious to speed up its claims handling process, improve reliability and, ultimately, to reduce its annual reserves, it has implemented a FINEOS Claims Manager solution across its general insurance division.

### CLARITY OF OBJECTIVES

In order to streamline its claims handling, Delta Lloyd NV realised it had to address two key issues. First, it wanted to reduce the number of systems its claims handlers had to use. Berend-Jan de Leeuw, Manager, Bodily Injury Claims Department, Delta Lloyd NV, explains what the company had in mind: "Delta Lloyd has a lot of different products; we handle claims on behalf of motor, personal liability, business liability, and so on. Every product has its own system so my claims department is working with 20 different systems. One of the main goals with this project is to reduce the number of systems to one."

Having so many systems to deal with impeded turnaround times for cases as the amount of time claims handlers spent on reporting, registering, reserving and paying cases was being slowed down by staff having to navigate between so many different systems. Also, it meant that claims experts were spending valuable time doing administration instead of adjudicating, which led to dissatisfaction and increased staff turnover. In addition, staff training costs were higher than necessary due to new staff having to learn so many systems.

Second, Delta Lloyd NV needed to improve its management information. As Jan Jonker, Director, General Insurance Division, Delta Lloyd NV, says, "it is very important to monitor personal injury claims information and to have all the information possible to see patterns, to see trends and to learn about the claims that you're handling. That requires a lot of analysis of information. That was one of the main reasons why we chose a new platform because our old platform couldn't keep all the data that we wanted to keep."

### REDUCED DAMAGES

To resolve these issues, Delta Lloyd NV went to tender for a claims management system. From the solutions it assessed, "FINEOS came the closest to our needs," explains de Leeuw. "It's a package system, which is vital. Also the FINEOS system has integrated workflow management, which is very important for us as it enables us to gain more control of our claims handling process. And it is user friendly – the reaction I get from the people in my department is very good."

Implemented over nine months, from evaluation study to full implementation, the FINEOS system helps Delta Lloyd NV to automate all contact, workflow, and case management. It also provides intelligent tracking of tasks to ensure that service levels are maintained. And with the integrated, up-to-date claimant information it provides, Delta Lloyd NV now has significantly better quality data. This has a huge effect – on claims paid out and on reserves.

"Our business case is not so much about saving administration time – although we are saving some administration time – it's based on being able to pay quicker, which means you pay less," explains Diane Blake, Project Manager, Delta Lloyd NV. "By reducing the actual total claims, and by improving the reliability of your claims prediction, you pay less and it also means that while you're waiting to pay you can be more reliable so you can make your money work better for you."

This is the most profound effect that the FINEOS system has: "We think we will be able to reduce the total damages annually by 1%," claims de Leeuw. "We're talking about €2-2.5 million every year. To achieve that, it's very important to settle the claim as soon as possible. That's really a priority."

### BETTER PRACTICES

The powerful workflow automation and management reporting information that FINEOS generates leads to faster settlements, which helps to reduce the payment amount in several ways. First, compound interest is less because claimants settle earlier. Second, legal fees – and payouts – are reduced, as claimants are less likely to hire a lawyer if their claim is settled quickly and more reliably.

Third, claims are settled quicker and cheaper through application of standardised best practices. Claims handlers no longer have to make all their own judgements for a case because previously settled matching cases are easy to find on the FINEOS system. Fourth, fraudulent claims paid out are significantly reduced through greater transparency.

FINEOS also helps Delta Lloyd NV to improve its risk assessment. "By having better management information, we can look at what sort of things are costing us too much money," says Blake. "This information enables us to improve our risk setting. For example, we can give feedback to the Policy Department that certain risks are too heavy and should either be charged higher premium or should be dropped from the premium rates."

Effectively, "the FINEOS system gives us best practice," maintains de Leeuw. "With better information, we are able to handle cases earlier, cheaper – and with better standards. That's the most important benefit with FINEOS."

Overall, the project ran very smoothly. "I think the cooperation from both sides was excellent," says Jonker, "and I think that has been one of the most critical elements in the success of this whole project because it was a fairly major project. Both teams cooperated fully, integrated well, communicated well, and ended up with a project that was on time and on budget. It really is a success story."

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**FEATURES**

- Single, complete view of case information
- Multi-channel contact management
- Workflow management for automatic creation, allocation and monitoring of tasks
- Service level agreements, based on business rules set for each process
- Detailed management information

**BENEFITS**

- 1% reduction in total damages per year
- Improved risk assumption and pricing
- Reduced FTEs due to faster case handling times
- Less staff turnover, which results in increased productivity and reduced hiring and training costs
- Significant reduction in maintenance costs

Channels:	Personal Injury Claims department, and the internet for remotely located expert users
Legacy integration:	IBM’s OS390
Application platform:	Windows 2000 Application Servers, IBM Websphere Web Server, ORACLE on IBM AIX
Third-party software:	MS Word 2000, MQ Series, IBM Websphere, ORACLE Discoverer for online reporting