

## Delta Lloyd consolidates 20 systems with FINEOS and IBM to improve claims handling process

*Insurance company speeds paperwork and reduces costs*

### Overview

#### ■ Challenge

To maintain its competitive edge, Delta Lloyd managers wanted to reduce the costs of processing the insurance claims they paid out. They sought a faster process with better access to information vital to decision making.

#### ■ Solution

Delta Lloyd executives chose Claims Manager from IBM Business Partner FINEOS. IBM components of the solution are IBM OS/390®, IBM WebSphere® Application Server, IBM WebSphere MQSeries®, and IBM AIX®.

#### ■ Key Benefits

- One percent annual reduction in total damages paid out, 2 to 2.5 million euros a year
- Improved risk assumption and pricing
- Less staff turnover, leading to increased productivity and reduced hiring and training costs
- Reduction in maintenance costs.



#### Making a change to stay on top of their game

Delta Lloyd NV is a leading financial services provider in Europe, and its revenues are generated by life assurances, asset management, banking and health and general insurance. With more than 6,000 employees, the company consistently generates annual revenues in excess of 5 billion euros.

Delta Lloyd officials realized the company needed to streamline its claims handling process. Two key issues were involved. First, Delta Lloyd had to reduce the number of different systems its claims handlers used. At one time, there were 20 distinct systems, each supporting different insurance products and areas such as motor vehicle, personal liability and business liability.

The problem of so many systems resulted in slow turnaround times because employees had to navigate

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Jan Jonker, Director,  
General Insurance  
Divison,  
Delta Lloyd

## IBM and FINEOS solution helps insurer reduce costs and turnover while increasing productivity

### Benefits

#### Benefits provided by IBM and FINEOS

- Solutions designed specifically for the insurance industry
- Integrated solutions based on open standards
- System availability around the clock

#### Benefits realized by Delta Lloyd NV

- A responsive claims handling system that helps utilize professional staff productively
- A claims management process that provides key information managers require to make informed business decisions
- Cost savings in the 2 to 2.5 million euros per year range.

“Together, IBM and FINEOS are focused on providing business solutions that deliver...benefits”

Joe Flynn,  
Global Sales and  
Marketing Director,  
FINEOS

through multiple applications. Also, claims experts were spending valuable time doing administrative tasks instead of making decisions on which claims were valid, which was their primary responsibility. This resulted in staff dissatisfaction and a high turnover rate of employees. Staff training costs were high because new staff had to learn about so many systems.

“A major goal of streamlining the claims handling process was to shrink the number of systems our employees had to use from 20 to one,” said Berend-Jan de Leeuw, a claims manager at Delta Lloyd.

#### The need for better information, better decisions

The second issue was equally important: for critical decisions, Delta Lloyd needed to improve the depth of information it had.

Jan Jonker, director of the general insurance division at Delta Lloyd, said, “It is very important for the company to monitor personal injury information so we can see patterns and trends, which tell us a great deal about the claims we handle. It requires a great deal of information analysis, and it’s a main reason we chose a new solution. Our old platform simply couldn’t keep up.”

To resolve the issues, Delta Lloyd officials chose the FINEOS Corp., an independent software vendor and an IBM business Partner. It implemented a FINEOS Claims Manager solution across its general insurance division.

Headquartered in Ireland, FINEOS is a leading innovator of insurance and banking software. It provides an integrated set of product components for the front and back offices, covering the business areas of customer relationship management, business process automation and policy and contract management.

IBM components of the solution at Delta Lloyd are OS/390 for legacy systems integration; IBM WebSphere Application Server, IBM WebSphere MQSeries and IBM AIX for running the online reporting system.

Delta Lloyd now has a solution that helps the staff automate all contact, workflow and case management work.

The system also provides intelligent tracking of tasks to ensure that service and customer satisfaction levels are maintained. Delta Lloyd managers now have significantly better data at their disposal with the integrated, real-time information provided by IBM and FINEOS.

“We now have more control of our claims handling process,” said de Leeuw. “The system is user friendly. The reaction I get from the people in my department is very good. We think we will be able to reduce total damages annually by one percent, or about 2 to 2.5 million euros per year.”

Jonker said, “Both FINEOS and Delta Lloyd NV 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.”

Diane Blake, a Delta Lloyd project manager, noted, “Our business case is not so much about saving administration time, even though we save some. It’s more about being able to pay more quickly, which means it costs us less because our staff professionals are engaged productively.”

### **Better and best practices**

The workflow automation and management reporting information the IBM and FINEOS solution generates leads to faster settlements, which helps reduce the payment amount in five ways:

- Compound interest for Delta Lloyd is less because claims are settled earlier
- Legal fees and payouts are reduced because claimants are less likely to hire a lawyer if their claim is handled quickly and correctly
- Claims are settled quicker and cheaper through application of standard best practices. Claims handlers no longer have to make judgment calls because previously settled, matching cases are easy to find with Claims Manager
- Fraudulent claims are determined earlier, reducing time spent on such matters
- Risk assessment is improved, thanks to better management information.

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

### **FINEOS specializes in serving small-and-medium businesses**

FINEOS offers various solutions for small-and-medium businesses, including FINEOS Claims Manager, which orchestrates the bulk of the tedious, error-prone processes associated with insurance claims. These processes, which include photocopying, mailing and filing, help make the claims function the single largest overhead item in any insurance company, accounting for between 75 percent to 90 percent of total overhead costs.

In reducing these tasks, Claims Manager helps increase employee productivity and business efficiency. The solution also reduces the time it takes to obtain supervisor or legal opinions, automatically obtains claimant information, and helps move status calls from customer service to a responsive self-service Web site.

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## **Key Components of the IBM and FINEOS solution at Delta Lloyd**

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### **IBM**

#### Software

- IBM WebSphere Application Server
- IBM WebSphere MQ Series
- IBM AIX
- IBM OS/390 Operating System

### **FINEOS**

- Claims Manager
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Specific features of the FINEOS Claims Manager solution include:

- Case management that includes a complete view of case information for tracking and controlling the progress of each claim, ensuring each is on schedule
- Real-time claims status reports for claims centers, agents and policyholders
- Customized Web access for authorized parties involved in a claim
- Customer information management
- A single, centralized view of claims in progress
- A scalable architecture that accommodates growth in the number of users and sites
- Open standards-based Web and client/server implementations
- Enterprise-wide integration with back office administration systems.

“Effective claims management is a major issue in the insurance industry because it has a positive impact on cost savings and allows insurance companies to become more competitive and responsive to customer needs,” said Joe Flynn, global sales and marketing director at FINEOS. “Together, IBM and FINEOS are focused on providing business solutions that deliver these benefits.”

### **Committed to mid-market, open standards**

FINEOS participates in the new IBM PartnerWorld for Industry Networks, Web-based communities that integrate and organize the PartnerWorld experience for ISVs by industry. This initiative offers Independent Software Vendors industry expertise, technical assistance, networking opportunities, and marketing and

sales support.

FINEOS chose the insurance and banking Industry Networks. Other networks now available include insurance, retail, health care/life sciences, automotive and telecommunications, with more to come.

FINEOS also is a member of the IBM ISV Advantage Partner Program, which recognizes ISVs who serve the midmarket and are committed to achieving a majority of their success on open standards-based IBM platforms. As part of their involvement, FINEOS receives funding from IBM for important joint marketing activities.

### **For more information**

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For more information about FINEOS, visit [www.fineos.com](http://www.fineos.com)



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