CASE STUDY.

Groupama.
From process platform revolution to streamlined claims handling

fadata

Groupama

Can the world's insurers meet new customer service demands and speed up innovation while cutting costs? Over the last few years, Groupama Asigurari has met these goals and more.

Groupama Group, one of France's leading mutual insurers, has businesses in 11 countries around the world including Romania, where Groupama Asigurari is one of the top five non-life insurers. Formed by the merger of three local insurance companies in the years up to 2009, Groupama Asigurari had 1.1 million individual clients and 67,000 commercial clients by end 2016. From 2012 to 2016, however, success brought a number of challenges.

Business challenges

As business volumes increased, Groupama Asigurari realized it needed to update and consolidate core processes such as policy administration, accounting and claims handling to make the company more streamlined, cost-efficient and responsive to customers. In addition, the company needed to increase its agility in the fast-developing Romanian market, for example, by making it easier to modify products without involving external IT experts.

Finding the answer

The turning point came in 2012, when Groupama Asigurari decided to tackle its core process challenge by upgrading to themost up-to-date version of Fadata's INSIS on an entirely new technology infrastructure.

> *The Fadata team showed 100% dedication to making the project a success.*
>
> *VERONICA CHIRUTA, BPM DIRECTOR, GROUPAMA ASIGURARI*

Upgrading INSIS was part of a larger program which fromSeptember 2012 integrated Groupama Asigurari's core processes – policy administration, claims administration, accounting, and business process management – onto the INSIS platform. "Everybody understood the stakes were high with this major project", says Veronica Chiruta, BPM Director at Groupama Asigurari and one of the project's managers.

Core process revolution

Chiruta, who has worked for most of Romania's top non-life insurers, says that INSIS proved exceptionally easy to configure across a range of insurance products. "Another key strength is that core insurance processes are very accurately and comprehensively represented," she says, "from creating an offer, creating a policy, and performing a collection, to managing a claim."

The new platform went live in May 2013 after a nine-month transition designed to leave day-to-day business undisturbed, and "the Fadata team showed 100% dedication to making the project a success," says Chiruta. INSIS' ease of configuration continues to help the company modify and launch products faster and reduce the days IT spends maintaining the company's systems.

Streamlined claims handling

With the newest version of INSIS live, Groupama Asigurari could begin improving business processes, turning first to high-volume claims handling for motor and property insurance. Before the improvements, a significant number of internal resources from Groupama Asigurari worked constantly to transfer claims data from a separate claims system into the core system so that claims could be paid. Across the insurance industry, manual workarounds like this have proved to be resource hungry and prone to error, particularly when transaction volumes rise.

The claims handling improvement project began in late 2014 with a week-long onsite workshop to design a streamlined process that fit company culture and could be incorporated within INSIS. As well as avoiding re-inputting information and improving data accuracy, the new claims system would improve fraud detection and speed up payments by sending claims directly to the inspectors with authority to approve each payment.

When the new system went live in early 2015, users could see the latest claims information alongside all the other policy details, without opening multiple applications. The new system improved handling capacity, reduced the duplication of data entry, and delivered significant labour savings.

Key Facts

- Established 2009 as part of Groupama Group
- 1.1 million individual clients and 67,000 commercial clients
- 1,550 employees: largest employer in Romanian insurance market
- Key business lines: general insurance, property, motor, third-party liability, agricultural, life and health, accident
- Multiple distribution channels: retail (direct sales and agents), non-retail (brokers, bancassurance) and corporate
- Market leadership
  - #1 in home insurance and agricultural insurance (1 million hectares of agricultural crops insured 2015-16)
  - #2 in motor casco insurance and property insurance
  - #4 composite insurance company in Romania (9.9% market share)

Information as of 2016

Another key [INSIS] strength is that core insurance processes are very accurately and comprehensively represented.

VERONICA CHIRUTA,
BPM DIRECTOR,
GROUPAMA ASIGURARI

The results: Meeting strategic goals

The advanced platform and improved claims workflow are helping the company meet strategic goals on both cost efficiency and customer service:

- Groupama Asigurari has reduced its cost ratio by 8 percentage points compared to 2012
- In 2016, the company recorded the lowest number of customer complaints to the Romanian regulator for the fourth year in a row out of the country's top five insurers
- Market research shows that 92%of its customers describe themselves as highly satisfied
- Groupama Asigurari now has the highest net promoter score – the net number of customers that would recommend the company to a friend – in the Romanian insurance market

Critically, the new platform is helping the company remain agile in a competitive industry. For example, says Chiruta, "it is easy for our internal experts to modify existing products in various ways, such as adding or removing coverage", without involving Fadata or external IT consultants.

As the millennial generation become important purchasers of insurance, Groupama Asigurari is positioned to improve core process efficiency further, launch new products more rapidly, and exceed customer expectations in increasingly fast-paced digital insurance markets.

Results

- Advanced, integrated core process platform helping the business since 2013
- 9-month implementation without disturbing business
- Improved market agility: easy new product configuration and modification
- Claims handling process and resources optimization since 2015
- Support for company-wide cost ratio goals: cost ratio reduced by 8 percentage points compared to 2012
- Support for customer service goals: 92% of customers highly satisfied plus high NPS of 66 in 2016, as compared to 55 in 2015 (IRSOP study, September 2016)

> *It is [now] easy for our internal experts to modify existing products.*
>
> *VERONICA CHIRUTA, BPM DIRECTOR, GROUPAMA ASIGURARI*

About Fadata

Fadata is a leading provider of software solutions for insurance companies globally. We are on a mission to empower the insurance industry to drive customer engagement, innovation and business value. Together with our customers, we are on a journey to build the future of insurance and impact millions of people's lives every day.

Fadata has clients in over 30 countries across the globe. Headquartered in Munich, with international offices in more than 5 European cities, Fadata is backed by Private Equity Riverside and Lowell Minnick.

For more information

To discuss your business' needs and how we can help, please contact us at:

Fadata Germany GmbH,
Garmischer Straße 7,
80339 Munich, Germany
T: +49 (0) 89 50222460

info@fadata.eu
www.fadata.eu

fadata