



SOUTH AFRICAN INSURER DELIVERS GLOBAL FIRST FOR IBM

It is not everyday that a local insurance company develops an IT system that becomes a global case study for IBM. But, that is exactly what happened when PPS created a new system to enable it to deliver new products at a faster rate, improve premium collection rates and minimise application development costs and system codes.

“IBM told us that they have never seen this type of system before and that they will now be using it as a global selling point,” says PPS GM: Business Applications, Stephan Clark.

The new IT solution was created using IBM’s Insurance Application Architecture (IAA) - a comprehensive suite of data, process and service-based models that helps insurers accelerate the planning and requirements analysis of business process transformation, core system renewal and consolidated reporting solutions.

Clark explains that the company needed a complete solution that could not only take them into the future but also overhaul its legacy application architecture. “We needed something that could work end-to-end, right across our business and also allow full two-way communication with our members and financial advisors.”

Working with Cape Town-based IBM partner, Silvermoon Group, one of their main goals was to decrease the length of time taken to introduce new products to the market. “The way the architecture of legacy systems works means that there are many dependencies and a great deal of duplication of data. When changing even a single rule as part of a new product introduction you need to change not just one part of the system, but many. It is often fraught with risk.”

“Our client base consists exclusively of graduate professionals, whose needs are constantly changing, and we had to ensure we could keep up.”

Clark confirms that the new system has enabled PPS to deliver new products at an unprecedented rate, but notes other critical benefits: “South Africa’s insurance market is very tightly regulated and we have now been able to reduce our audit findings by 80%. We are also seeing an improvement to the top line as premium collection rates are up by as much as 10%.” Additional benefits have included application development costs being minimised by 50% and eliminating more than 90% of system code.

The company’s 2009 technology costs are already projected lower than 2008; and 2008 figures were lower than 2007.

Clark says the system’s technical foundation is now very strong, and members and their brokers are reaping some of the benefits of the system. “Already, they experience greater convenience with direct processing of memberships and faster turnarounds of services. Soon they will also be able to submit claims via the Internet.”

Besides allowing the member to have direct control over his or her profile, PPS will also make it easier for members to do business and manage their finances. The system is however not a substitute for a broker.

“Members need expert financial advice and thanks to the system, brokers can be more efficient. The PPS system will be able to accept claims immediately from a broker’s laptop; and the company is currently enhancing its underwriting processes and protocols to minimise delays. The CRM capabilities are huge. Almost every angle and detail about a member can be tracked and analysed quickly and accurately.”

Clark acknowledges that there have been some challenges, from the members’ perspective, during the implementation, but promises that the long-term gains will be worth it. “Communication will be fully integrated. If one change is made to a policy or member’s details, it will automatically update all the relevant details of all of the member’s policies.”

Speed, efficiency and a high degree of automation are all things that Clark believes will ultimately benefit the member’s share of the profits of PPS. “The system is strong, powerful, and its integrity is beyond doubt. It’s now time for members to enjoy this locally-developed system which is making waves globally,” concludes Clark.

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