

State Auto Drives Growth and Expansion into Web Channels with a Single Rating Engine



State Auto
Columbus, OH
www.stateauto.com

Industry:
Insurance

Annual Revenue:
US\$1.11 billion

Employees:
2,000

Oracle Products & Services:
Oracle Insurance Inbridge Rating
and Underwriting

Key Benefits:

- Increased new business quotes by 70% in one year
- Integrated Web-based rating engine with Web portal to enable online quoting and fuel corporate growth
- Allowed business to grow without the cost of adding more staff due to the easy to use application
- Added new lines of business easily, accelerating time to market

“One of our critical business goals was to increase the number of quotes and, ultimately, the number of new business policies. To accomplish this, we needed to provide quick and accurate rates to our agents via the Web site. Oracle Insurance Inbridge Rating and Underwriting allows us to do that.” – Robin Clements, Systems Supervisor, State Auto

In 2003, State Auto set out with a goal of becoming a leading internet-based insurer, offering the ease and flexibility of Web-based quoting to agents. To help accomplish this, State Auto needed to quickly replace its desktop rating application used by its agents. Choosing the right rating engine would turn out to be one of the most significant business decisions the company has made in recent years.

State Auto’s Web portal, known as AgentSite, provides one-stop shopping for agents and customer service representatives. Through AgentSite, agents can obtain online quotes, as well as real-time billing and claims information, historical policy information, and agency reports. State Auto chose Oracle Insurance Inbridge Rating and Underwriting—part of Oracle Insurance’s comprehensive suite of offerings—to provide the rating component of the AgentSite Web portal.

Web-based Rating Engine Fuels New Business Growth

“One of our critical business goals was to increase the number of quotes and, ultimately, the number of new business policies,” said Robin Clements, systems supervisor, State Auto. “To accomplish that goal, we needed the ability to provide quick and accurate rates to our agents via the Web site. Oracle Insurance Inbridge Rating and Underwriting allows us to do that.”

Clements noted that State Auto started with one state and one line of business, personal auto insurance. The company quickly added more states as well as a homeowners’ line and, over the years, has added an umbrella rating.

“As we continue to grow, either by adding new states or new lines of business, the ease of making updates in Oracle Insurance Insbridge Rating and Underwriting makes it much easier to bring new business analysts on board. The product is easy to learn and use, so we can get them up to speed very quickly.”

Robin Clements
Systems Supervisor
State Auto

“We use Oracle Insurance Insbridge Rating and Underwriting to rate standard personal auto, non-standard personal auto, homeowners, package, and umbrella products, and we’re working on adding dwelling fire insurance. We currently have 29 states in production,” Clements said.

Today, Oracle Insurance Insbridge Rating and Underwriting processes more than 31,000 rating requests per day via State Auto’s Web portal. In April 2008, the insurer processed 75,000 new business quotes and 45,000 policy endorsements. This represents a 70% increase in new business quotes since April 2007.

Ease of Use Enables Agility

While growing rapidly, State Auto has been able to manage and maintain its business with relatively few staff.

“We have five business analysts updating rates for personal auto and three for homeowners, including umbrella. These analysts are ultimately supporting in excess of 176 product versions for auto and 58 for home,” Clements explained.

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Standards Reduce Cost of Ownership

Clements noted that Oracle Insurance Insbridge Rating and Underwriting is a modern, flexible system that fits easily into the insurer’s existing IT environment. This reduces the amount of time spent on maintenance and fits well with State Auto’s efforts to standardize data across the enterprise.

“We have long been a proponent of ACORD (Association for Cooperative Operations Research and Development) standards, and, from day one, we built our agent portal using that standard. Thanks to the mapping feature built into Oracle Insurance Insbridge Rating and Underwriting, we are able to take our standard XML (extensible markup language) and map it to the appropriate rating structures.”

Business Rules Enable Flexibility

State Auto has also taken advantage of the business rules built into Oracle Insurance Insbridge Rating and Underwriting, using them to customize the front-end interface of its agent Web portal.

“We have developed a process that enables us to create ‘edits’ on elements within our user interface,” Clements explained. “This allows us to dynamically apply edits on the screen and to change the editing, simply by updating the information within Oracle Insurance Insbridge Rating and Underwriting. This feature eliminates the need to involve a programmer in the process. We make the changes using software with which our business analysts are already familiar—so there is no extra learning curve.”

Clements added, “A part of this process also involves pulling specific tables, such as limit factors, that let us edit entered values, while at the same time allowing us to populate things like drop-down lists, making it easier for the Web site users to enter information.”

Oracle Insurance Insbridge Rating and Underwriting plays a key role in State Auto’s ability to provide quick and accurate rates through the Web-based portal to agents.

“We have implemented real-time bridging and rating with third-party vendors for our personal lines business. We were able to work with many comparative rates and management systems to implement the real time technology, so that our agents are able to get accurate rates directly from State Auto’s Web-based quoting system, NetXpress. We have found that our quotes and new business count have increased every year. The use of real-time bridging and rating by our agents has helped increase State Auto sales in 2008.”

“In addition to rating for the Web site, our actuarial department uses Oracle Insurance Insbridge Rating and Underwriting to help with their work,” she added. “The software is so tightly integrated into our business, it would be difficult for us to turn it off.”

Why Oracle?

State Auto chose Oracle Insurance Insbridge Rating and Underwriting over competing products because it is a stand-alone rating engine that can run in both a Web-based and mainframe environment, integrating with both the Web portal and the company’s policy administration system.

“Our policy issuance system is currently a mainframe-based system,” Clements said. “When we were looking for a rating engine for our Web portal, we determined that using the mainframe as the engine was not feasible, so we elected to implement a solution that ran on a server instead. Since the Web portal would run on a server, it made sense to run rating on the same platform.”

Clements added that the service State Auto has received from Oracle has been exceptional.

“Every time we have needed customer support, the folks at Oracle have been very responsive and helpful. They truly care about our business and want the software to be a success for us—which it has been,” she said.

State Auto markets its personal and business insurance products exclusively through independent insurance agencies in 33 states and is proud to be an Independent Insurance Agents & Brokers of America Trusted Choice® company partner. The State Auto Insurance Companies are rated A+ (Superior) by the A.M. Best Company.