

IBM and BIPT help Citizens Property Insurance Corp. increase customer service and decrease cost



Overview

The Challenge

Replace aging insurance policy and claims administration system with a Web-based system that provides remote access and increased scalability while reducing manual processing costs

The Solution

Customized TiVA software from BIPT backed by IBM e-business Hosting™ Services as part of IBM Software as Services™

The Result

Reduced errors, increased underwriting efficiency, improved customer service and significant cost savings

It's bad enough going through the trauma of repairing a home damaged by a hurricane. It's all the worse if the homeowner can't buy insurance that could mitigate the cost.

That's why the Florida Legislature created a quasi-governmental company to provide all-perils insurance to any Florida resident unable to find coverage in the private market. The company, originally known as Florida Residential Property and Casualty Joint Underwriting Association, is now called Citizens Property Insurance Corp.

Even with the company selling homeowners' insurance, it didn't solve problems entirely for its customers, because the insurer initially used a COBOL-based information technology system that was slow, inefficient and error-prone.

As Curt Overpeck, chief information officer at Citizens Property, explained, "It was internal only, which meant that no one outside the building — agents, adjustors or any other staff — could access the system remotely. Applications and claims had to be mailed or faxed in and then entered manually before they could be processed."

In addition, the company required rapid system scalability because, Overpeck said, "we needed an environment in place that could quickly scale up to handle the massive amount of policies, transactions or claims that we were likely to receive in the aftermath of a hurricane or insurance company collapse."

He cited one other problem. The old system couldn't interface with insurance service bureaus that provide valuable information, surveys and audits of particular

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Rick Caudill,
vice president,
sales and marketing,
BIPT

locations. This inhibited Citizens Property underwriting capability.

Remote processing vital

After examining a number of proposals, the insurer chose an IBM Software as Services solution consisting of customized software from BIPT, an IBM Business Partner, delivered remotely by IBM e-business Hosting Services. "Remotely" is key because the host server system is far removed from where most hurricanes strike.

IBM Software as Services offers clients lower costs that are aligned with usage, minimal upfront expense, rapid implementation and reduced risk. Citizens Property only pays for extra computing capacity when it's used in peak periods such as right after a hurricane strikes.

Overpeck praised the solution's "exceptional Web-based functionality at significantly lower costs" than those offered by competitive bids. It's shortened the policy issuance cycle down from weeks to days because applications are submitted online.

"As the insurer of last resort for Florida's homeowners, Citizens is subject to an unpredictable pattern of growth that's influenced by storm activity and the availability of coverage in the private market," said Rick Caudill, vice president, sales and marketing, at BIPT. "Without the on demand capacity features of the IBM environment, managing this unpredictable pattern would be very costly for Citizens and, ultimately, its policy holders."

BIPT: an IBM Business Partner since day one

BIPT, headquartered in Sarasota, Florida, has been working with IBM since the software company was founded in 1998. Its clients are

insurance companies mainly in Florida and South Carolina. Caudill called his company's relationship with IBM "mutually beneficial."

He added, "Being an IBM Business Partner helps us unlock doors and reach potential customers we simply couldn't get in to see on our own.

"By participating in IBM PartnerWorld® Industry Networks, we have access to IBM's sales people and industry experts who call on major insurance industry thought leaders, so we learn from them how we can better serve our customer base of small and medium size carriers."

BIPT provides Web-based insurance processing solutions for property and casualty insurance carriers. Its flagship offering is TiVA, which integrates rating and quotation, underwriting, claims and accounting management functions. TiVA is based on IBM WebSphere®, DB2® and Lotus® Domino®. BIPT customized TiVA for the Citizens Property Insurance application. Caudill added, "WebSphere and DB2 are two of the most widely used middleware in the insurance industry. Making them the foundation of TiVA was a natural choice."

Learn more

To learn more about BIPT, visit BIPT.com

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Somers, NY 10589
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