Appian

CASE STUDY:
Territory Insurance Office

Territory Insurance Office (TIO) is Australia's only government-owned commercial insurance and financial services provider. With $1 billion in assets and an extensive branch network, TIO exists to look after the needs of Australia's Northern Territory community in the provision of comprehensive personal and business insurance that exceeds industry standards. While TIO is "guaranteed" by the government, the organization operates on a commercial basis, and is committed to complying with industry prudential standards and achieving key industry benchmarks.

CHALLENGE

TIO's market is limited by statute to citizens of Australia's Northern Territory, and TIO competes in this market with global insurance companies many times its size. Maintaining leadership against these larger providers requires TIO to simultaneously execute across the three key disciplines of Operational Excellence (including cost reduction), Product Leadership, and Customer Intimacy. Constrained economic conditions have only intensified these pressures.

TIO determined that process improvement could fundamentally change its insurance business to increase capacity across all three disciplines, while simultaneously boxing its large competitors into a weaker position. Claims Management quickly surfaced as the area of immediate focus due to the highly human-centric nature of its underlying processes, and its claimant-facing impact.

Transforming from the industry-standard "Claims Processing" approach (characterized by excessive data entry, laborious procedures, and inefficient hand-offs/approvals) to a client-centric "Case Management" focus (via automated processing, and increased capacity to follow up with claimants) would result in faster claim finalization and better "return to health and work" outcomes for claimants, and would deliver lower outstanding claims provisions over time.

APPROACH

TIO knew it needed a comprehensive BPM Suite to enable its process improvement vision. The technology would need to support both the systems- and human-based elements of

complex case management scenarios, including transparent integration to TIO's Insure/90 policy administration system, hosted on IBM i (AS/400). Ease of use would be crucial, as a cumbersome technology would inhibit adoption and minimize the potential benefits.

TIO has a total IT team of only 14 people to run the entire business. This, combined with a lack of prior organizational IT project experience, required that the company partner with an experienced BPM vendor who could guide TIO to success through best practices and deep industry expertise.

SOLUTION

After a thorough evaluation of various BPM vendors, including a three-day Proof-of-Concept phase, TIO selected Appian as its BPM partner to deliver its new Claims Management solution. The decision was based on the strength, flexibility and ease of use of Appian's technology, as well as the experience, skill and dedication of the Appian staff.

Appian delivered "Pearl," an automated, rules-based, configurable business process solution enabling the efficient and cost effective management of claimant health outcomes. Pearl automates and manages the three primary aspects of a claim — lodgement of a new claim (getting the data from forms into the system through optical character recognition integration), registering the claim (validating all the entry data, and registering the claim both in Appian and in the backend mainframe financial system), and maintaining the claim throughout its lifecycle.

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Appian's 100 percent web-based, thin-client architecture drives efficient and effective claims administration, and enables claimants to be treated as involved stakeholders. Claims and all associated documentation are stored, with audit trail availability, in Appian's native content management system. The system allows easy modification of rules and constants by end users through an intuitive web interface. To achieve seamless, real-time integration with TIO's high volume back-end Insure/90 system, hosted on IBM i (AS/400), Appian worked with LANSA, a leading integration service provider. LANSA acts as the middleware component converting data supplied to and returned from the host-based green screens to a more elegant web services format that easily integrates with Appian's web services-based architecture. Claim escalations and exception handling are delivered through task list alerts, and Appian delivers all the business activity monitoring reports required by TIO management.

RESULTS

The Appian solution, based on a combination of powerful technology, innovative strategy, and leveraging skilled and committed people, has been heralded as the most successful technology rollout in TIO's history – transforming the business and delivering $10 million (AUD) in benefit in 12 months.

The system has increased process automation across the lifecycle of managing claimant health outcomes by 70 percent and generated significant increases in staff productivity. In addition to automation benefits, the conversion of paper-based case work to electronic files has improved information access, increased TIO's confidence in the accuracy of its data and increased the auditability of claimant case procedures. With deployment completed for TIO's Motor Accident Claims division, the company is now expanding Appian to its Worker's Compensation division and beyond.

Appian's comprehensive technology and services expertise helped us create a highvalue BPM program that has transformed our business. Our Appian-based Claims Management solution, leveraging strong technology, strategy and people, delivered $10 million (AUD) in benefit in 12 months.

- Michael Sheehan, *Chief Information Officer,* Territory Insurance Office

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As the market leader in modern Business Process Management (BPM) software, Appian delivers an enterprise application platform that unites users with all their data, processes, and collaborations — in one environment, on any mobile device, through a simple social interface. On-premise and in the cloud, Appian is the fastest way to deliver innovative business applications.

For more information, visit www.appian.com