

Streamlining Risk Entry With Business Process Outsourcing

Customer

Atrium Underwriters Ltd (Atrium) manage and underwrite insurance and reinsurance exclusively at Lloyd's of London. Atrium was formed in 1998 by the merger of two leading businesses in Lloyd's and is today one of the highest quality managing agencies at Lloyd's. Atrium manages and commits capital to two leading Lloyd's syndicates, 570 and 609 and its underwriting capacity for 2008 is £340-million. Atrium currently use ROOM's policy administration system, *Subscribe*, risk exposure management solution, *Exact*, and ROOM's Financial Solution, *RFS*. Atrium Syndicate 609 is using ROOM's Risk Entry Business Process Outsourcing Service.

About ROOM's Business Process Outsourcing Service

ROOM offers the following BPO services:

- **Risk Entry:**
Entry of all risk details into a policy administration system. This includes: quotes, promises, declinatures, slips, covers, binders, declarations, front sheets and endorsements.
- **Schedule Entry:**
Data cleansing, validation and enhancement.
- **Messaging:**
USM and SCM message processing.

About ROOM

ROOM Solutions Limited is a leading supplier of solutions and services to the non-life insurance markets. The breadth and depth of our product and service offerings, combined with our vision and commitment, enables risk carriers to optimise the management and control of their operational efficiency, business line profitability, and respond to major upcoming market-level changes. ROOM is part of NIIT Technologies, a global IT solutions organisation with revenue of \$208.5-million for the financial year ending March 2007. NIIT has been offering BPO services since 2002.

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Business Challenge

The global commercial insurance industry continues to evolve at a rapid pace with the emergence of new markets, escalating competition and an increasingly complex trading environment. Amidst this development there is a growing need for insurance organisations to address the task of improving underwriting ratios whilst also keeping operational costs and combined ratios to a minimum. Atrium wanted to make its risk entry process as streamlined and efficient as possible, and ensure that its underwriting team had enough time to assess the quality of the risk presented, especially during key renewal times.

Having considered a number of different options for managing its risk entry, including hiring a pool of new administration staff and employing additional home workers, Atrium decided the best option would be to pilot an outsourcing project. 'It was never a case of "it's broken, lets fix it" with our previous method of risk entry, we simply wanted to find a way to do it better, faster and more cost-effectively,' says Jason Townshend, Head of Syndicate Management and Reporting at Atrium. 'We saw outsourcing as a potential way to relieve the pressure on our underwriting team and allow it to get on with higher-value work.'

Atrium chose ROOM's Business Process Outsourcing (BPO) service based on its existing relationship with the company. Already familiar with ROOM's insurance knowledge and expertise, Atrium felt the BPO service would provide quick, competent and efficient handling of its risk entry and query resolution. Cost was also a compelling factor in selecting ROOM against competitive offerings.

ROOM's Solution

The risk entry process is directed by ROOM's London-based BPO team comprising experienced insurance staff, and is supported by a team of professionals in Delhi. Making use of ROOM's insurance knowledge, the team is able to answer a considerable percentage of queries without interrupting Atrium staff. Every risk entered undergoes three separate quality control (QC) checks before being submitted to Atrium. The entire risk entry process is complete within one working day.





The Business Process Migration Management Methodology (BPM3), a unique implementation practice developed by NIIT and ROOM to reduce the perceived risk involved with outsourcing a process, was implemented for Atrium's Syndicate 609 and took place in three phases.

– **Phase One:**

ROOM's BPO team worked together with Atrium's underwriting team to record the company's entry process for its aviation book of business. Knowledge transferral to the BPO team was a fundamental part of this phase.

– **Phase Two:**

The BPO team conducted three QC checks at different stages of the workflow. By the end of the first three months accuracy levels had reached 95%.

– **Phase Three:**

After the second phase of implementation, Atrium had a further opportunity to become fully confident in the new process. At this stage Atrium was initially conducting 100% QC checks on the completed entries, this was gradually reduced as the underwriting team became more comfortable with the process as accuracy levels began exceeding 98%. By the end of six months Atrium felt confident only sampling 15% of finished entries for QC.

After laying the ground work and completing the implementation for the first book of business, Atrium's second class of business, marine property, took only one-and-a-half months to implement. 'We were happy with the implementation process, everything went largely according to plan,' comments Jason. 'Our underwriting team has been impressed by the levels of accuracy and turnaround time delivered by ROOM's BPO team.'

As a result of the swift and successful incorporation of ROOM's BPO service into Atrium's business process, Atrium's underwriting team is now free to focus on higher-value work while the risk entry process is completed in a fast, accurate and streamlined manner. 'The great collaboration taking place between our underwriting team and ROOM's BPO team allows for the synchronisation that makes this process such a success,' adds Jason.

Results

- Accuracy service levels for Atrium's aviation book of business reached an average of 98.5% in the last reported quarter, Q1 2008.
- The average turnaround time has never exceeded one working day. Atrium's aviation book of business had a typical turnaround time of 6.4 hours for the last reported quarter, Q1 2008.
- Once the implementation process had been embedded, Atrium's underwriting team was able to begin spending less time dealing with risk entry issues, and instead focus on higher-value work. Staff are now able to spend more time assessing the quality of risks before binding, carrying out contract certainty checks and assessing the pricing of risks presented.

Benefits

- Local point of contact: all client correspondence takes place with the BPO management team based in London.
- Industry knowledge: all ROOM BPO staff are trained and tested in London market insurance and reinsurance processes. All offshore BPO staff are educated to degree level.
- Internationally recognised accreditation: ROOM's Delhi BPO centre holds COPC (Customer Operations Performance Certified), CMMi (Capability Maturity Model Integration) and PCCM (People Capability Maturity Model) certification.
- Guaranteed data security: ROOM's Delhi BPO centre operates in a maximum security environment, so client data is secure at all times. The BPO centre holds a BS 7799 certificate for information security.

*'We have been reassured by our first steps into risk entry outsourcing. Whilst considerable responsibilities do remain with our staff, especially in the first few months, there has been a clear net benefit in the reallocation of workload. In some cases we have also taken the opportunity to capture more information than we did before,' says **Simon Cooper, Chief Operating Officer at Atrium.***

'A good measure of progress is that classes of business that are not currently outsourced are more eager to be outsourced.'