

AMERICAN NATIONAL INCREASES AUTOMATION TO SPEED UNDERWRITING AND NEW BUSINESS

CSC

Midsize Life Insurer Consolidates Systems to Support Agility and Growth

Once known as a home service company, American National has transitioned into a mid-sized multi-line carrier with an ever-growing, complex line of life insurance and annuity products, including a range of variable and indexed products.

To help increase new business sales, American National began focusing on sales of simplified risk products. However, the Galveston, Texas-based company needed to introduce a new underwriting system that would support automated underwriting and streamlined processes.

The company had relied on the Lincoln Underwriting System for many years, but the software was out of date and no longer supported. After reviewing several new business systems on the market, American National chose CSC's nbAccelerator software to create an end-to-end new business process.

"nbAccelerator was by far the best thing software that we found," said Meredith Mitchell, vice president, Application Development and Support at American National. "There were other systems out there that would do the automatic ordering of requirements and receiving of

requirements. But there were no other engines that we found that would allow you to put your rules in and would apply logic to the cases and get the auto issue rates that we wanted out of our business."

The system allowed American National to automatically order requirements such as laboratory tests and then automatically evaluate the results using company-defined new business rules.

"One of the benefits we're reaping is the ability to tweak the rules ourselves," Mitchell said. "It's been very easy to go in there and make the changes that need to be made. We've been gradually raising the face amount for computer-issue cases, and our auto-approval rates are on the rise."

In addition to streamlining the new business process, American National is extending self-service capabilities to policyholders. Under the first phase, policyholders were given access to policy information including policy values.

"Phase two is going to allow updates to their policies for certain things," Mitchell said.

"It's also going to put us in the business of electronic delivery of our

CASE STUDY

- Streamlined New Business Process
- Increased Automated Underwriting Volume
- Accelerated Product Introduction
- Reduced Demands on IT Staff
- Consolidated Five Policy Administration Systems

American National

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Meredith Mitchell, Vice President,
Application Development and Support



documents, and we're also looking at electronic bill pay. The third phase is going to expand that and allow them to update more and more of their policy information."

Simplifying Through Consolidation

About a decade ago, such modernizations projects would have been difficult if not impossible for the IT staff at American National. Before undertaking a major systems consolidation, the company managed five different policy administration systems, most of which were more than 30 years old and still using Assembler code. These systems required lengthy batch cycles every night, and the process of creating specifications and coding new products was time-consuming and prone to mistakes.

The company evaluated several products on the market, including CyberLife®, CSC's Web-enabled software that supports the full enterprise including product definition, underwriting, administration, billing and collection and claims. Ultimately, the company chose to consolidate its life and annuity systems and more than 3 million policies onto CyberLife.

"CSC provides rich product support and a well-respected staff," Mitchell said. "CSC's industrial-strength systems support some of the nation's largest carriers. We trusted that we were moving into a long-term relationship with a stable vendor that knows the industry."

Integrating Illustration and New Business

One of the key benefits of using CyberLife was its integration with CSC's Visual Product Modeling System® (VP/MS), a platform-independent rules and calculations tool. The first U.S. insurer to license VP/MS, American National uses it for a variety of tasks from supporting its homegrown illustration system to product development.

ABOUT AMERICAN NATIONAL

Headquartered in Galveston, Texas, American National Insurance Company offers a broad line of products and services, which include life insurance, annuities, health insurance, credit insurance, pension plan services, and property and casualty insurance for personal lines, agribusiness and targeted commercial exposures. For more information, visit www.anico.com.



"Developing and maintaining homegrown illustrations systems is much easier and faster than it once was," Mitchell said. "The programming staff can put all the calculations in VP/MS and then build the screens and the shell of the model."

Accelerating Product Introduction

Consolidating on CyberLife has generated significant benefits to American National.

The old systems were mostly batch-oriented, so shifting to a real-time system has made a major difference in the efficiency of transaction processing.

Most importantly, American National's product introduction timeframe has greatly improved. By integrating VP/MS with CyberLife, American National has been able to reduce the testing and verification effort required for new products, as well as boost the product knowledge base in the IT organization.

Another key strategy following the consolidation was for the company to keep its systems current — or at least within two versions of the current release of CyberLife.

"The main benefit we derive from staying current is product development," Mitchell said. "Many of the enhancements CSC makes to the system apply to products that we want to put up right now, but if we're behind we have to cherry pick those enhancements from multiple releases, which can be time-consuming and expensive. We find that when we're current, we stay out of the critical path."

IT: 'An Enabler of Business'

Fundamentally, the company's IT organization and business units underwent a major cultural shift. Previously, with so many systems to maintain, the IT department's major focus tended to be around gaining efficiencies and cutting costs.

According to Mitchell, "Today, our IT staff is more of an enabler of business, and we focus most of our time on customer-facing systems. Almost everything is completely configurable by the business users. That means our business units are much more self sufficient, and we've really taken IT out of the critical path."

American National participates in several key aspects of CSC's client community including CSC's Client Advisory Board, Executive Roundtable and software users' meetings.

"We've really gotten a lot of value out of all of these different forums over the years," Mitchell said. "It gives me a business perspective on what's going on out there, what companies are up to and what CSC is going to do in order to respond to some of those needs. So it's been very helpful."

To learn more about CSC's life insurance and annuity software and services, call 800.345.7672 or send an e-mail to inforequests@csc.com.



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