

COMPANION PROPERTY & CASUALTY MOVES INTO 10 STATES, ADDS BUSINESS LINES WITH CSC'S SOFTWARE AND SERVICES

Automated Underwriting, Internet Portal Attracts Independent Agents to Growing Regional Carrier

BlueCross BlueShield of South Carolina created Companion Property & Casualty Insurance Group in 1984 to offer workers' compensation insurance and capitalize on BlueCross' extensive distribution channels and health-based relationships with South Carolina employers.

Two decades later, the BlueCross subsidiary is doing business in 15 states throughout the Southeast, plus the Mid-Atlantic and Midwestern regions. In addition to workers' compensation, Companion added four new lines of business, and between 2000 and 2004, the company grew from \$74 million to \$140 million in net written premium, building a surplus of \$86 million by 2004.

To support its growth plan, Companion needed a technology provider with systems and services tailored to the P&C commercial market. For years, Companion has used CSC's systems and services for policy processing and Internet portal and bureau reporting. Companion in 1991 was among the first P&C companies to license CSC's POINT software, the world's leading fully integrated policy administration system for carriers

Simplifying Bureau Reporting through Outsourcing

CSC's POINT system and Bureau Reporting Services have been an integral part of the company's operations, according to Lyn-Ellen Maass, Companion IS director. "We rely on POINT to capture all of the data elements for monthly loss and premium creation, but we have always used CSC's Bureau Reporting Services to submit the reports to ISO," Maass said. "Every month, CSC scrubs the data, runs the ISO edit

The scope of those services has grown as Companion has moved from minimum to intermediate to full plan status with the Insurance Services Organizations (ISO). CSC, which each year submits more than \$1.4 billion in premium reports for 32 U.S. carriers, also handles ISO's special calls for data elements and annual statements to ISO.

"ISO has had so many changes and released so many new edit packages that if we had to handle the edits and monthly data validation ourselves, it would tie up two full-time programmers and one fulltime member of our actuarial staff," Maass said. "CSC fixes all coding mistakes

CASE STUDY

- Doubled Written Premium in Five Years
- Added Four Lines of Business in 10 States
- Lowered Loss Ratio with Web-Based Automated Underwriting
- Shortened Time to Market from Days to Minutes
- Achieved Full Bureau Reporting Compliance

COMPANION PROPERTY & CASUALTY

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-Lyn-Ellen Maass, IS Director, Companion Property & Casualty



for us. Another thing I like about the service is that it's the same amount every month, so I can budget appropriately for it."

Mass added, "The reporting process is highly regulated, and if you don't report, the consequences can be fairly serious. We want to focus on our core competencies, moving into new states and adding more lines of business. If we can off-load bureau reporting to CSC, which does it every day, why wouldn't we?"

Once-and-Done Internet Processing for Agents

In 2000, Companion became the first Southeastern carrier to offer Internet-based workers' comp processing to its independent agents in the Carolinas, Tennessee, Virginia and Georgia using CSC's iSolutions software, now called POINT IN Agency Link.

POINT IN Agency Link enables 1,000 agents to log on to a secure area of Companion's Web site to submit an application, obtain an automated underwriting decision, check the status of a policy, submit a first notice of loss or request an endorsement. Over five years, about 80 percent of Companion's new business has been submitted electronically, which has helped control the growth of its in-house staff while it expanded into Alabama, Arkansas, Illinois, Indiana, Florida, Kentucky, Maryland, Mississippi and Wisconsin.

"Once-and-done processing is giving us exactly what we would hope from an underwriting standpoint," said Helmut Tissler, Companion's director of e-commerce. "About one-third of the applications sail through the system, while one-third are declined. The remaining applications are referred to an underwriter. Of those, about half are approved, and half are declined."

CSC'S SOLUTIONS

CSC's POINT IN suite automates the entire insurance back office, helping property and casualty insurers and MGAs lower costs, increase productivity and improve service. POINT IN's software components and outsourcing services help organization's manage agency interaction, underwriting, claims, billing, litigation, reporting and reinsurance for all personal and commercial lines of business. No other system integrates as many functions on the same platform.



Simplifying Processes for Changing Rates and Rules

Using the automated system, Companion's loss ratio is 58 percent, compared to 62 percent for policies that are manually underwritten. Achieving that level of automated screening requires constant fine-tuning of the system's underwriting rules. Initially, that process was time-consuming and costly. All rates and rules were imbedded in the system, which required a programmer to perform all revisions.

"It seemed that any sort of change would take at least 10 hours of programming," Tissler said. "When you consider the fact that all new rules must be thoroughly tested before they move into production, you're looking at three to five days before the changes are completed."

Companion adopted CSC's POINT IN Underwriting tool to simplify the process for moving into new states and rolling out commercial auto, business owners and condominium (HO-6) coverage. POINT IN Underwriting, an easy-to-use graphical user interface that creates the underlying code for new rules, enables insurers to externalize their underwriting rules and rates and shortens time to market.

"POINT IN Underwriting turned out to be a perfect fit," Tissler said. "We found someone who is technically capable but had previously worked in claims, and we trained him on the

tool so that we now maintain all of the underwriting rules ourselves — without the use of a programmer. Recently, for example, we were changing rates in Wisconsin and needed to make sure that all new business with a certain effective date was referred to an underwriter — and then remove that rule after the new rates were effective. Forty-five minutes after I requested the change, it was done."

Eliminating Common Mistakes

Similarly, Companion used POINT IN Underwriting to address a problem common to most workers' comp carriers — getting the agents to fill out and submit forms for voluntary exclusions of company officers and executives.

"We built rules that identify the state and the proper form for voluntary exclusions, and the system now prompts the agent to print and sign the form," Tissler said. "A diary feature on the back end tells the underwriter to follow up with the agent if the form is never received. This capability normally would require writing a large amount of code, but we were able to build it, test it and move it to production in just a couple of days."

For more information about CSC's POINT IN solution suite, call 800.345.7672 or send an e-mail to inforequests@csc.com.

