

CASE STUDY

NORWICH UNION INSURANCE REAFFIRMS COMMITMENT TO CSC'S COLOSSUS

CSC

50 YEARS STRONG



Norwich Union Insurance, the UK's largest insurer, has signed a licence agreement for CSC's Colossus personal injury claims handling solution, extending the product relationship.

INGENIOUS

Following the formation of CGNU in 2000, Norwich Union became the general insurance arm of CGNU in the UK. Three of the four constituent companies had previously used Colossus to assist in handling personal injury claims so the company needed to rationalise its IT applications and other processes.

PURPOSEFUL

CSC worked with Norwich Union to facilitate the adoption of a common version of Colossus, based on the consolidation of the three companies' systems and historic data.

PASSIONATE

The business case for the new Colossus licence was mainly built around anticipated savings of more than £6 million a year - the benefit accruing from a consistent valuing of personal injuries and the elimination of excessive payments. Efficiency savings also result from faster claims handling.

EARLY EXPERIENCE

In 1995, General Accident, while pioneering improvements in claims cost management, became the first UK insurance company to adopt Colossus as a tool for consistent injury assessment. Claims volumes were rising and the company was looking for a tool to help keep costs down and reduce inconsistencies in claims handling. It also wanted to ease the load on its claims handlers as experienced staff were in short supply.

CSC ran a pilot project at General Accident to fine-tune Colossus for the customer and for UK use. This, according to John Morgan, CSC's Colossus Team Leader, involved some adaptations to the original product.

He says: "It was extremely important to tune the system for local use. We modified the way a number of injuries, loosely described as whip-lash, are assessed to better fit the way they were viewed in Britain. These injuries account for a high percentage of UK claims."

The CSC solution enabled General Accident to achieve fairer and faster settlements, introduced significant cost controls into personal injury claims handling and streamlined procedures.

MERGERS LEAD TO CONSOLIDATION

In 1998, General Accident and Commercial Union merged to form CGU which, in 2000, merged with Norwich Union to form CGNU. Norwich Union Insurance is the general insurance arm of CGNU in the UK. Three of the four constituent companies, including General Accident, had previously used Colossus to assist in handling personal injury claims, and they were achieving the results that they wanted.

Once the CGU/NU merger was under way, the group began a programme to rationalise its IT applications and other processes. Norwich Union consolidated its procurement, putting all 350-plus Colossus users onto a more cost-effective

group-wide licence - and Norwich Union and CSC reaffirmed their commitment to the long-standing partnership between them.

Jason Chinn, Colossus Manager at Norwich Union Insurance, explains: "CSC and Colossus have served us well. We're a reasonably mature Colossus organisation and we have benefited from Colossus' experience in injury assessment for several years. As there is no real acceptable alternative on the market at the moment, it made sense for us to continue the relationship and sign a new licence."

CONSOLIDATED VERSION OF COLOSSUS

In parallel with other preparations to implement the merger, CSC worked with Norwich Union Insurance to facilitate the adoption of a common version of Colossus, based on the consolidation of the three companies' systems and historic data.

Although each of the companies had implemented regular upgrades to their Colossus systems to incorporate additional detail on injuries and treatments, there were differences. For example, London and Edinburgh, the smallest of the three companies, had used a generic version of the solution, while both General Accident and Norwich Union had exploited in greater depth the flexibility and functionality of Colossus, and had stamped their individual marks on the versions they were using.

Jason Chinn says: "It's been a big task. Although we now have a consolidated version of Colossus, we have slightly different working practices across our different business areas. We're now integrating these practices and CSC's team has been a great help to us in doing this."

MAJOR EFFICIENCY AND COST BENEFITS

The business case for the new Colossus licence was mainly built around anticipated savings of more than £6 million a year – the benefit accruing from a consistent valuing of personal injuries and the elimination of excessive payments. Efficiency savings also result from faster claims handling – the knowledge banks built into Colossus provide comparisons far more quickly than traditional manual search techniques.

There is also the ability to source comprehensive statistics, providing a close watch on the personal injury book of business. For example: What is the average cost of a broken hand? What is the frequency of a broken leg? What are the lifecycles of certain injury types?

“You can actually start to identify any trends in injuries and concentrate your resources on solving those issues,” says Jason Chinn. “We’re now able

to get some good advice out of the data we’ve always had, but never really used.” Staff training is another significant benefit – and crucial against the industry-wide backdrop of increasing claims volumes and a shortage of skilled staff to process them. Jason Chinn explains: “In 2.5 days I can get people from having no knowledge to an acceptable level of personal injury valuation. You can’t do that without Colossus.”

Having served as chairman of the Colossus User Group, Jason Chinn is also enthusiastic about the potential for developing Colossus further – both for Norwich Union Insurance and the industry as a whole. “Our aim is to improve the general quality of claims handling as well as looking at more automation, while also improving efficiency. We know so much more can be developed from an artificial intelligence system like Colossus, and that will be a springboard to greater benefits.”

SOLUTION BENEFITS

- Elimination of costly-to-maintain legacy applications
- A more flexible and transparent system that has enhanced productivity and collaboration
- A scalable infrastructure that is easier and cheaper to maintain
- Extra levels of protection and reporting, improving compliance with regulations
- CSC’s World Sourcing framework enabled a 24/7 approach that overcame major challenges to deliver on time and on budget
- CSC’s expertise in change management helped staff to prepare for change, maximising ROI



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