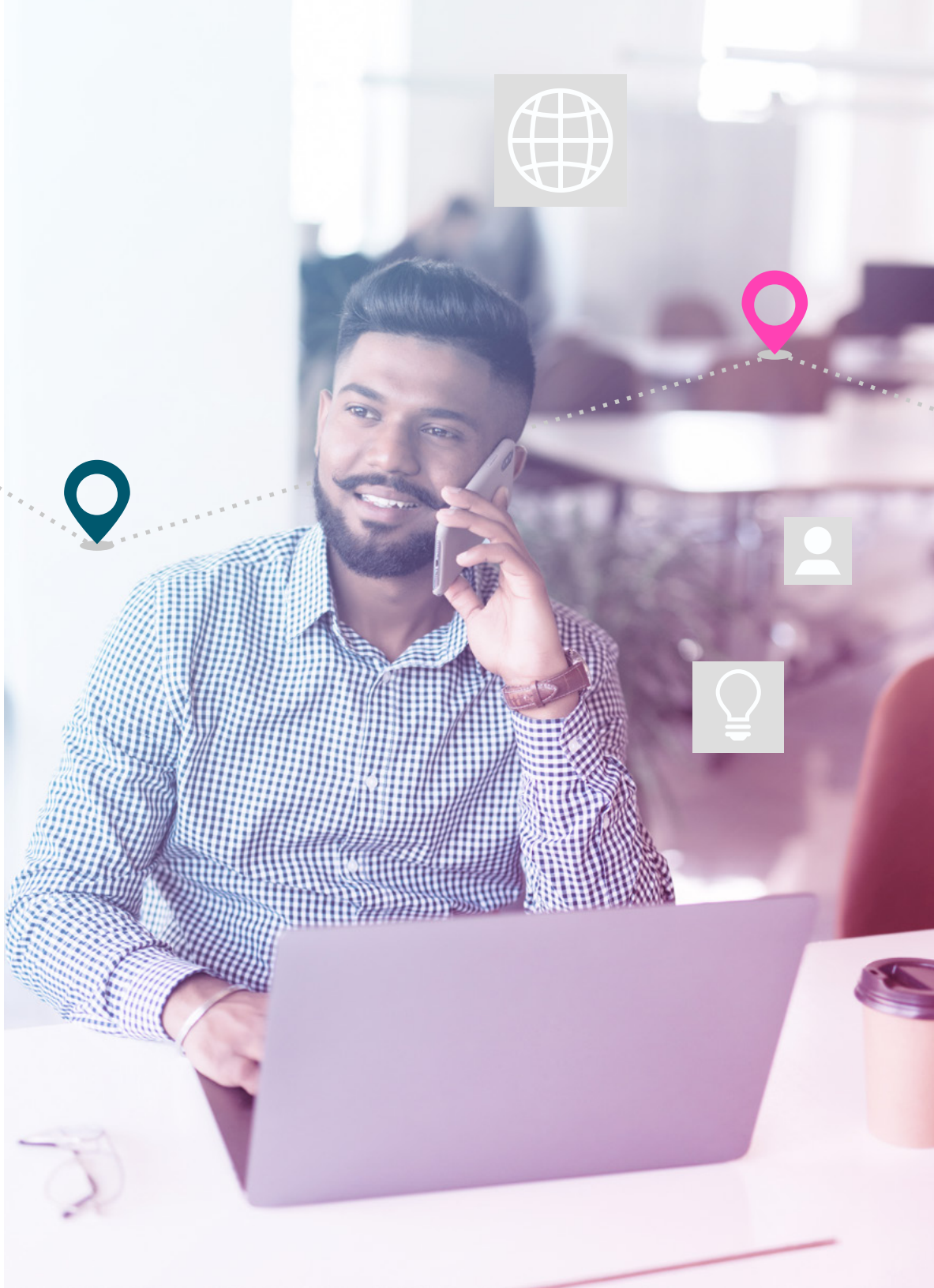


INSURANCE | ARTICLE

A PLATFORM FOR CHANGE:

Duck Creek and OnBase



Winners in tomorrow's property and casualty industry will be companies born of innovation and built for change. In a world that is increasingly open and connected, and where first-mover advantage can be fleeting, success will depend on quick, creative and flexible application of digital technology.

But too many P&C companies are operating with legacy systems that can't exploit emerging opportunities. Siloed from one another and the outside world, they impede the launch of new products, inhibit collaboration among lines of business and hinder delivery of the user experiences that today's customers, agents and employees expect.

To clear a path to the future, insurers need to replace legacy core systems with a platform architected for connectivity across ecosystems of partners, developers, data and processes. It should be open to integration with technologies that deliver a complete view of information to whoever needs it, wherever they are.

And because their business is insurance, not systems, carriers should weigh the benefits of eliminating the responsibilities and limitations of on-premises deployments with the freedom and flexibility of cloud-based software delivered as a service.

SUCCEEDING IN A CONNECTED WORLD

As a technology decision-maker in property & casualty insurance, you've seen your industry's future, and you know it's digital.

1/3 | Percentage of insurance customers that rely on insurtech solutions

Accenture calls the coming change the **platform economy**, writing that "the next wave of disruptive innovation will arise from the technology-enabled, platform-driven ecosystems now taking shape across industries." By allowing insurers to create ecosystems of

customers, developers, partners and other stakeholders, platforms will help them deliver better outcomes while realizing more efficiencies. According to that company's analysts, 83 percent of insurers expect to adopt platform-based business models, while 81 percent said platforms will be the glue that brings organizations together in the digital economy.

The P&C industry is already being transformed by insurtech — the convergence of big data, telematics, machine learning, predictive analytics and the cloud into digitally delivered insurance products. Innovative startups and tech-fluent industry leaders alike are using technology to gain insights into customers' needs and deliver the ease of use, transparency and accessibility customers enjoy in all their other online business relationships. Nearly one-third of customers already rely on insurtech solutions, according to Capgemini.



The year in which 82 percent of insurers believe automation driven by AI will be embedded into every aspect of business

More than one-third say they expect to become users of "smart ecosystems," enabled by networks of connected sensors in their homes, cars, appliances and wearable devices. Meanwhile, 82 percent of insurers in one survey agreed that automation driven by artificial intelligence will be seamlessly embedded into every aspect of business by 2021.

Auto insurance by the mile or hour; electronic device insurance for mobile workers; and household contents insurance based on a sensor-assisted inventory of what a customer actually owns are just a few examples of how carriers are tapping rich sources of data to look at customers holistically, identify pockets of need and offer the right policy at the right time. With billions of new sensors and devices joining the Internet of Things in the next few years, insurers will have even more means of customer interaction and more information than ever on which to develop anticipatory products and contextual offers. Some insurers will apply these massive amounts of data to transition from merely paying claims to proactively helping customers reduce risk and prevent loss.

In these ways and more, the carrier of the future will differentiate itself by seeing and acting on opportunities that others don't.

A PLATFORM ECONOMY: THE FOUR TYPES

A lot of industry talk focuses on digital transformation, and how business process digitalization creates both new efficiencies and a greater customer experience. But in many ways, that's only scratching the surface.

A digital platform economy is emerging, writes Martin Kenney and John Zysman in *Issues in Science and Technology*. Companies that adopt the platform concept as part of their overall digital strategy will keep pace — or leap ahead — of their competitors.

According to The Wall Street Journal, there are four major platform types at play in this new economy:



Investment platforms: Companies that invest in or manage a portfolio of platform companies.



Innovation platforms: These platforms attract external innovators and develop an innovation ecosystem. Apple and Google encourage the app developers in their ecosystems to continuously innovate.



Transaction platforms: Platforms that allow people and companies to connect and provide a way to transact business. Think Uber or Airbnb.



Integration platforms: These companies provide both transaction and innovation abilities. Amazon is a good example of an integration platform, transacting directly with customers and giving its vendors ways in which to innovate within the platform.

Platform companies drive innovation, and there is opportunity for insurance companies to become platform economy leaders. Those that do are leading the industry's digital transformation efforts. Those that don't risk being left behind.

LEGACY SYSTEMS STIFLE INNOVATION

Why are so many of the innovative technology-enabled P&C products and business strategies being brought to market by insurtech startups rather than established industry leaders? There's no reason to believe these companies' people are more talented or experienced. The startups certainly aren't as industry savvy, financially strong or rich in resources.

What sets the insurtech innovators apart is their intrinsic freedom from old ways of doing things. Built for change and digital from the start, they've benefited from easy access to the barrier-lowering availability of source frameworks, scaled cloud computing and development on-demand. Competing in a world where success requires devising new ways to build and distribute products and services, they have only ever operated with IT systems that enable innovation.

Industry incumbents, on the other hand, are still dealing with decades-old legacy systems — up to 70 percent of corporate applications by some estimates. Instead of being open and connected enablers of the platforms, communities and ecosystems of tomorrow, these systems are siloed from each other and the outside world. Instead of presenting users a complete view of customers, their data-driven architectures prohibit access to business content and inhibit collaboration. Unable to provide omni-channel interfaces, legacy systems don't support easy sharing of information on the varied devices that workers use. Instead of being easily expandable to new and increased capabilities, they constrain innovation, new development and growth. And, in a market where speed and flexibility make a powerful a competitive advantage, legacy systems are slow and resistant to change.

Even minor updates can require rewriting every line of a product's code. One insurer told modern core system provider Duck Creek that updating screens, forms and their legacy policy administration system in order to eliminate just one underwriting question from one of their products would take three months and cost \$1 million. Developing a new product can take 12 months or more. In the faster paced digital economy, a product built on that schedule may well be obsolete by the time it reaches the market.

TOO MUCH DATA, TOO MUCH PAPER, TOO MUCH INEFFICIENCY

Aside from their poor support for changes or new offerings, legacy systems are barely capable of managing the large volume of information — inside or outside the core — related to current products.

By function and design, core claims, policy administration and billing systems contain information on policyholders, products and agents, including personal data, intake and loss reports, adjudication results, endorsements, rates, renewals, agent commissions and more. Outside the core, often managed by outdated niche applications, is externally generated content such as certificates of insurance, endorsements, claims photos, medical records, proof of identification, emails, spreadsheets and videos. These arrive as physical mail, email on workers' desktops or mobile devices, faxes, input through customer or agent portals or entire batches of electronic documents.

Insurers need to get ready for the tidal wave of new digital information coming their way. Soon they'll be receiving damage photos, status reports, failure alerts and other real-time information from the drones, watches and sensors that will be among the 55 billion new connected devices firing up in the next eight years.

All of these are just the inputs. Outputs generated internally by an insurer's daily business processes include policy documents, policyholder correspondence, rejection letters, premium notices, claim settlement packages, and dozens more.

And because this content exists in disconnected silos, the result is duplication of information, discrepancies in data, risks of security vulnerabilities and challenges in audits and discoverability.

Non-digital, manual, paper processes still in wide use introduce additional opportunities for human error and compliance breaches: documents printed at shared devices picked up by the wrong person; sensitive information transferred to an unauthorized user; customer information faxed to the wrong number; pages produced with no audit trail recording who handled the information, when, and what they did with it.

4 SECURITY ISSUES YOU FORGOT ABOUT



Sensitive documents printed and picked up by the wrong person



Sensitive information transferred to an unauthorized user



Customer information faxed to the wrong number



Printed pages that lack a sufficient audit trail

Employees routinely waste time searching for documents they need to complete critical tasks. They often have to leave their core application to retrieve related information and documents, ask policyholders repeatedly for information the company already has and even write notes on paper so they can manually re-enter information from one siloed system into another. These inefficient, error-prone and unsecure processes and workarounds delay service delivery, reduce customer satisfaction, increase costs and create opportunities for competitors.

MODERN SYSTEMS OPEN THE WAY

Insurers know it's past time for their technologies to be brought into the 21st century. Multiple surveys show that companies have made digitalization, integration and automation their IT priorities, as they seek to improve agents' ease of doing business, provide customer self-service, deploy new electronic applications and increase productivity.

A significant share of P&C companies are starting down that road through core system modernization or replacement, with half of respondents in a recent Novarica survey calling core projects their top priority, and the rest placing the core second or third.

But to gain a complete view of their customers, insurers also need a way to manage the content, cases and processes that core systems can't. This requires enhancing core systems with comprehensive enterprise content management capabilities such as intelligent capture, document management, secure file sharing, workflow and customer communication management.

The solution they need achieves five primary objectives:

- **Extends the core** – empowering workers to manage scanned paper documents, faxes, print streams, application files, electronic forms, web content, multi-media files and emails, all in the context of their familiar core system screens and business processes.
- **Simplifies information access and control** – so that employees, agents and brokers spend less time looking for information and more time working with it.
- **Keeps information secure** – applying multiple levels of protection, including advanced authentication and encryption, to safeguard data at rest, in use and in motion.
- **Speeds development of new products and processes** – preferably with true codeless configuration so that non-technical line-of-business personnel can design or change products to meet evolving needs, create workflows that improve process efficiencies and generate reports that provide new insight.
- **Reduces IT costs and complexity** – by enabling cloud-based delivery of SaaS that eliminates burdens of systems maintenance, security and upgrades, freeing up staff and resources for activities of more strategic value.



Companies that get it right stand to do more than just keep up with changing markets, but get ahead. In its 2016 Digital Quotient, McKinsey reported that insurers with strong digital cultures are increasing revenue 50 percent faster than others. Accenture says 35 percent of insurers that automated systems and processes reported cost reductions of more than 15 percent.



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ONBASE INTEGRATED WITH DUCK CREEK: WELCOME TO THE FUTURE

OnBase, Hyland's enterprise information platform, integrated with the Duck Creek Platform provides insurers with a property and casualty engine built for the new open world.

With Duck Creek, P&C insurers get a modern core system offering a full suite of solutions on which to run their business: quoting, rating, policy administration, claims and billing — deployable on-premises or deliverable through the cloud as SaaS. OnBase gives insurers a comprehensive and rapid application development platform for intelligent capture, case and document management, secure file sharing and workflow. More than that, OnBase opens a path to the future by managing and enhancing the documents, data and decisions that complete the Duck Creek Platform.

Integrating Duck Creek with OnBase, carriers streamline their most crucial insurance processes and unleash the full potential of their technology investments.

A COMPLETE VIEW IN ACTION

OnBase can begin to optimize processes and extend the powerful data management functionality of Duck Creek almost immediately. It automates previously manual tasks, manages business-critical documents and allows users to access critical underwriting, policy and claims documents within the Duck Creek system they already know.

For example, all content surrounding a specific policy or policyholder is organized in a tabbed folder interface with supporting documents just a click away. With no more searching between systems, workers process applications and claims faster and make more informed decisions. This includes field workers, who gain the ability to retrieve, create and update documents, complete forms and upload photos using mobile devices, even while offline.



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OnBase also pulls information from Duck Creek to minimize staff involvement in creating policy correspondence and other related documents. In turn, activities automatically trigger workflow processes, initiating requests for information and assigning tasks to non-Duck Creek users. Insurers optimize document and data management, increasing productivity of workers and agents and improving their essential day-to-day processes.

To ensure information security and version control, OnBase provides one central system for companies to track revision histories, manage retention periods and control access to all critical documents. Automated audit trails detail who did what, when and why, allowing proactive attention to compliance issues and eliminating stress from audits.

SIMPLE AND FAST DEVELOPMENT: CODERS NEED NOT APPLY

Part of what makes the OnBase-Duck Creek integration a future-ready solution for insurers that want to launch new products faster is that both platforms are built with open architectures designed for change. Both enable insurers to quickly develop innovative, flexible applications using point-and-click configuration that eliminates the need for custom coding.

The Duck Creek Anywhere integration strategy provides fast, easy access to a growing pool of APIs and industry connectors, enabling insurers to open their enterprises to the data and services they need. Instead of endless Java, COBOL, and C++ coding projects, business users can automatically test product changes, maintain traceability of requirements and quickly drive new products to market.

OnBase, likewise, eliminates coding, speeds development and reduces risk with Solution Accelerators that allow insurers to begin their OnBase-Duck Creek customizations halfway there. Insurers can easily configure and integrate low code, content-enabled applications and processes, with no limit to the number of solutions they can deploy in new business, policy administration, underwriting, claims, billing or compliance.

And it doesn't take a developer, DBA or programmer to configure an OnBase solution. A business analyst could easily be the system administrator, freeing development staff to work on other projects.

CLOUD-READY AND CAPABLE

It's not only insurers' core and ECM technologies that must enable speed and flexibility in the face of change, but also the underlying infrastructure on which their systems and solutions run. To free themselves of the cost, constraints and responsibilities of owning, maintaining, securing and upgrading on-premises data centers, many insurers are turning to provider hosted solutions with SaaS delivery from the cloud.

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Hyland and Duck Creek respond to that need with a joint cloud offering that allows insurers to harness the power of the OnBase-Duck Creek combination in a fully-integrated service solution that spans infrastructure, software, updates, upgrades and support.

Burstable bandwidth assures performance quality with maximum upload and download speed. Stringent compliance with security standards, and physical and network security, with multiple network layers separated by multiple firewalls, keeps insurers' data secure. Host-side updates ensure that customers' software is always current.

More important, customers of both OnBase and Duck Creek cloud delivery receive the exact same software as deployed in on-premises installations. This means users enjoy full functionality of their Duck Creek applications and OnBase solution in an experience so seamless that many never realize they are working on systems and data stored in the cloud.



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ONBASE + DUCK CREEK: A POWERFUL COMBINATION PROVEN IN PRACTICE

With over 600 integrations with insurance line-of-business systems, over 125 conversions from legacy document management and imaging solutions to OnBase and more than 700 customers accessing OnBase in the Hyland Cloud, Hyland offers a strategic focus and depth of experience unrivaled among solution providers serving the insurance industry.

Integrations with the Duck Creek Suite are among the latest entries in our more than 25-year record of success.

Coverys, a leading Medical Professional Liability insurer, was facing three main business challenges:

- Simultaneous replacement of all core systems while maintaining and growing business
- Creating a change management process to handle implementation of a large-scale project
- Consolidating and converting data from multiple legacy systems while new data continued to flow in through active channels



OnBase and Duck Creek systems were running a live production environment within 17 months. As a result, Coverys improved business operations cycle times and system usability providing them a complete view of information by eliminating siloed, legacy systems.

"We had found the right team and the right software that was truly configurable, scalable and able to meet our needs as we grow," says Eric Crockett, vice president of IT at Coverys.

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After integrating OnBase with Duck Creek Policy Administration, "We're more efficient, writing better business and reducing the expense associated with investigating every application," said a senior analyst with New York-based Utica National Insurance. Automating a manual application review process that was taking too much time, OnBase now automatically declines applications that aren't good fits, and immediately forwards supervisors only those that meet preset criteria.

Integrated with the intake process in Duck Creek Policy Administration, OnBase automatically captures and indexes documents from email, faxes and more, eliminating bottlenecks and saving time. Since users can find the information they need without leaving Duck Creek, there was minimal training required. Agents can now apply and check status online, reducing the cost and delay of printing and mailing paper documentation. OnBase also provides Utica with metrics to further optimize processes.

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Senior Analyst
Utica National Insurance

CONCLUSION

The insurance industry’s rapidly approaching digital future will reward those companies that can apply technology to find insight in expanding sources of data and quickly develop and deliver innovative products that creatively meet customers’ evolving needs. This will require replacing slow, inefficient and siloed legacy systems with modern platforms designed for an open world and built for change.

Integration of the Duck Creek Suite of core insurance applications with OnBase gives P&C insurers the platform they need to succeed. Complementing and extending the capabilities of Duck Creek, OnBase simplifies information capture, access and control, providing workers a complete view of the information they need, when and where they need it. With codeless configuration and cloud-based delivery, the OnBase-Duck Creek integration speeds development of new products, applications and processes, while freeing insurers from the costs and complexities of IT operation and maintenance.

Learn more at Hyland.com/DuckCreek

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