Woodmen Life Benefits from Automated Underwriting

Background

Woodmen Life was founded in 1890 as a fraternal benefits organization. Today, the Omaha, Neb., non-profit organization offers insurance and other financial services products to members through its subsidiaries.

More than 730,000 Woodmen Life members across the United States share a commitment to family, community and country, and the organization has a commitment to its members: provide the best possible service and support.

To that end, Woodmen Life has implemented an automated underwriting software solution from Sapiens that greatly enhances and accelerates the underwriting process, delivering improved services to members and significantly faster turnaround on insurance transactions.

At the same time, the software is delivering benefits to the organization such as increased efficiency and greater productivity.

Challenge: Overcoming Inefficiencies

In 2011, Woodmen Life began looking for ways to improve the process of underwriting its insurance products and provide more efficient service to its member customers.

The organization wanted to free up its underwriters from time-consuming administrative tasks, enabling them to focus their efforts on more value-add activities such as advancing high face value and complex cases.

"The underwriting staff was reviewing every single application that came in, and we did not have any automated processes to help us manage that work," says Lee Janecek, chief underwriter at the organization. Some of these applications required a lot of initial reviews, greatly slowing down the process, he says. There were also inefficiencies in how the underwriting staff was being used. For example, throughout the year there are peaks and valleys that underwriters have to deal with. When volume picks up, underwriters have to be able to restructure their time in order to get work done.

In some cases, it took longer for Woodmen Life to process customer applications because the volume was just too great. Managers at the organization realized that they needed to address these issues or risk losing business to competing insurance businesses.

Woodmen Life wanted to put in place a solution that would create a more productive and efficient environment that enabled the organization to meet its business needs while maintaining superior customer service.

Solution: Automated Underwriting

After evaluating a number of solutions in the marketplace, Woodmen Life implemented an automated underwriting solution from Sapiens, a company that provides a range of technology solutions and services to insurance carriers, agents and broker-dealers.

Sapiens offered an impressive product, but also client references and a staff committed to helping Woodmen Life meet its goals, Janecek says. "The company has experience connecting up with the third-party vendors we use to collect evidence for reviews," he says. "And when we put it all together and looked at return on investment metrics and the business case, Sapiens became the top choice for us from a cost and partnership perspective."

The Sapiens product, UnderwritingPro automated underwriting solution, is a web-based, automated underwriting system designed to streamline the entire new business and underwriting process—from application receipt through coverage approval—providing efficient and consistent automated underwriting.

UnderwritingPro's key features and capabilities include automated underwriting with straight-through- processing support for eligible cases; equal success for both simplified issue and fully underwritten products; support for life, health and annuities; complete automation of many business processes; a case management dashboard with real-time updates; and enhanced user experience with an intuitive, faster workflow platform.

The UnderwritingPro customizable rules engine ensures that decisions are made consistently and accurately in each case. The system automatically evaluates application data and requirements evidence, freeing up staff to focus on complex cases.

The rules-based capability of the software is one of the most important features of the product, Janecek says. "Other vendors offer this but we felt that the UnderwritingPro engine was one we could implement quite easily."

Woodmen Life initially rolled out the software for its cancer indemnity product and the application is now delivering straight-through processing for that product. The organization will implement the system for its life insurance offerings during the fourth quarter of 2012.

Sapiens has provided ongoing help with the implementation, through a consulting agreement Woodmen Life signed with the company, as well as training staffers on use of the software and how to write rules. Janecek says the organization has tried to minimize the number of modifications to the base system in order to avoid added complexities.

Benefits: Greater Efficiency and Productivity

With the software in place, sales personnel in the field enter electronic applications for insurance, and the information goes to back office systems operated by Woodmen Life. Those systems generate a file with relevant information that is evaluated by the underwriting software to determine what requirements are needed, such as automated requests to third-party vendors for additional information.

If a case does not need additional requirements, it can be straight-through processed without ever being seen by an underwriter. If a case needs to be reviewed, it can be further evaluated by the automated system and in some situations be approved automatically after the evaluation. In other situations a case needs to be sent to an underwriter for review.

The dashboard included with the software provides real-time updates on cases to managers and allows them to track the progress of applications in the pipeline.

The new system supports Woodmen Life's business needs and at the same time improves efficiency and boosts productivity at the organization. It gives the organization the flexibility it needs through the easy-to-use rules engine and overall depth of functionality.

Three weeks into using the software Woodmen Life was seeing about 75% of its cancer indemnity applications going straight through without the need for underwriter review. "That is quite remarkable, in that we had to look at every one of them before," Janecek says. He expects that 35% to 50% of simplified life products will be able to go through without underwriter review.

Underwriters can now spend more time on more complex cases, enabling them to provide the best service possible on those cases. They no longer have to worry about simple cases, which are handled by the automated system, Janecek says.

Ultimately the software will help Woodmen Life gain new business without having to expand the staff, and it makes the organization more competitive in its insurance markets by delivering a faster and more efficient underwriting process.

The rules-based capability of UnderwritingPro allows Woodmen Life to write rules at the business level rather than having to go through the IT department, Janecek says. "It gives us a lot more flexibility to make changes without going to IT," he says.

The software deployment is part of a long-term strategy to use technology to improve process efficiencies, and upgrade or replace existing systems. Woodmen Life in its business case for implementing the software estimated a full return on investment within five years, and Janecek says the organization expects to realize that goal.

"We felt an automated system would be a perfect fit for our organization—and it was," Janecek says.

More Information

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