

INSURANCE TECHNOLOGY

Annual Summit 2009

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BEFIKAR REHNA
EK POLICY BAN JAYE

Oriental
insurance

Prithvi, Agni, Jal, Aakash. Sab ki suraksha hamare pass.

*Insurance is the subject matter of solicitation. www.orientalinsurance.nic.in

The Oriental Insurance Co Ltd

- Date of Incorporation 12th September 1947**
- First Year Premium Rs. 99,946/-**
- Premium at the time of Nationalization: Rs 58 crores**
- Premium 08-09 : Rs. 4078 crores**
- No of Offices in India: 1018**
- Foreign Operation: Nepal, Kuwait, Dubai**
- Employee strength : 16000**
- Share Capital: Rs. 100 crores**

The Oriental Insurance Co Ltd

- Free Reserve : Rs. 1900+ crores**
- Solvency Margin : 1.66**
- Product Range: 150+ covering all kind of Risks**
- Market Share: 12% as on March, 09**
- Highest Credit Rating by ICRA & CRISIL**
- B++ rating by AM Best- International Rating Agency**
- Total Assets : Rs.13500 crores**
- Shri M Ramadoss – CMD**



Challenges faced by OICL before implementation of core Insurance Solution

- ❑ **Changing Business Dynamics**
- ❑ **Legacy Systems with primitive technologies**
- ❑ **Coding oriented rigid incomprehensive system**
- ❑ **Disconnected offices and disjointed IT systems**
- ❑ **No centralized data to facilitate analysis and decision-making.**
- ❑ **Weak Data Security**



Challenges before Implementation

(Continued)

- Different versions of software in different offices**
- Weak Patch Management**
- Data loss due to lack of effective backup/restore facilities across 1000+ offices**
- Data loss due to anti-virus, user errors etc.**
- No facility for inter-office processing**
- Delayed Business Figures at HO/RO for timely intervention**
- Statutory Compliance Issue**



Selection criteria used for Vendors and technology

- Business Requirement Specifications was made**
- Open Tender was floated with Techno Commercial evaluation criterion**
- Integrated Software for Core Insurance (U/W, Claims, Accounts, RI, MIS)**
- Should be highly parameterized**
- Established players with proven track record**
- System should be currently running live in India/Abroad**

Obstacles faced during implementation and how did it overcome the obstacles

- ❑ **Management Decision to go for New Software**
 - Risk is there in moving but Riskier is not moving
- ❑ **No ready-to-use software available in market**
- ❑ **Formation of Core Groups comprising of Domain Experts**
- ❑ **Retention of Core Group Members as mass exodus was prevalent**
- ❑ **User's Acceptance Testing – Final Call by IT to commence Pilot**
- ❑ **Legacy Data Migration - Quality of available legacy data was studied and migration plan was made**



Obstacles faced during implementation

(...continued)

- ❑ **Training Requirement – Multiple Locations Model to align with Roll out Plan**
- ❑ **On Roll Out of 200 offices – Response became an issue**
 - **Central Hardware Infrastructure required upgrade**
- ❑ **On Roll out of 600 Offices – Scalability became an issue**
 - **Had to go through the code, server parameters, OS parameters, Indexing Strategy, Partitioning, Materialized Views, TM Contentions, Blind Queries etc**
- ❑ **User resistance in terms of speed and flexibility vis-à-vis earlier LAN based legacy systems**



Best practices in implementation that Oriental would recommend to other insurance companies

- Commitment of Top Management for a long journey**
- Chaos to Reactive to Proactive to Service**
- User departments should be made owner of respective module from day one**
- The core group involved in customization process should be retained till UAT completes**
- Communication to all offices on periodical basis should be there on the progress of the project**



Best practices in implementation that Oriental would recommend to other insurance companies

- IT to drive the entire Project**
- Partner Management than Vendor Management**
- Third Party Software Testing Agency should be used from day one**
- Be open for need based BPR to adopt Best Practices**
- Acceptance Criteria Document for each module should be made in advance & should be mutually agreeable for sign off**



Best practices in implementation that Oriental would recommend to other insurance companies

- Benchmarking with simulated load to take place to avoid mid term upgrade of servers**
- User's Response Expectation should be practical and must be ensured**
- Training to all**



Business returns that Oriental has derived or hopes to derive from core insurance implementation

- Hourly Office wise production figure available for each office to monitor the working**
- Any time any report can be generated for any office as per the organization structure**
- Based on approved Financial Power, transactions are escalated automatically to higher authority for approval**
- Uniform underwriting because of one code running at any point of time**
- No backlogs are allowed in system and so timely generation of Policy**



Business returns that Oriental has derived or hopes to derive from core insurance implementation

- New TP Hubs have been opened to deal only with Motor Third Party Claims and exercise better control to reduce the liability significantly.**
- Centralized Policy Printing on behalf of multiple offices has been set up to deliver policy on time**
- New delivery channel in terms of Portal has been launched duly integrated with the Core System on real time basis using SOA**
- No. of Dealers premises and Brokers are hooked up on Core System to empower them generate policies with all required checks etc**



Business returns that Oriental has derived or hopes to derive from core insurance implementation

- Statutory requirement of data by regulators and other central agencies being fulfilled from HO on behalf of the company
- Internal Audit Module is in place to carry out required drilling of data of any office before visiting the office for physical verification
- Common Service Centers have been opened to settle claims on behalf of multiple operating offices and TAT has been brought down significantly
- Monetary estimate of ROI is yet to be measured



How policyholders benefited from the core insurance implementation

Customer are able to register themselves on our PORTAL which is seamlessly integrated with Core Solution to carry out followings:

- Portfolio Management**
- To take New Policies on line through Credit/debit card**
- Renewal of existing policy possible**
- Intimation of Claims**
- Tracking of Claims**
- Lodging Grievance and tracking the status**
- Facility to pay premium in any office**



How intermediaries benefited from the core insurance implementation?

- ❑ Agents can
 - Perform Portfolio Management
 - Issue New Policies
 - Check for Commission Outstanding/payment

- ❑ Brokers/TPAs/Surveyors can register themselves on our PORTAL which is seamlessly integrated with Core Solution to carry out various functions



Thank You

Pls. visit us

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