PROJECT REPORTS

NATIONAL PROJECT REPORT

LOWER COSTS, GREATER EFFICIENCY FOR INSURERS

AT ÖFFENTLICHE LEBENSVERSICHERUNG BRAUNSCHWEIG, FJH ACHIEVES UNIQUE SYSTEM INTEGRATION OF SAP PRODUCTS INTO THE CORE INSURANCE PROCESSES OF FJA LIFE FACTORY ®

The insurance industry is under pressure: fierce competition for new business requires cost-cutting measures and new sales support concepts. Efficient processes and effective structures are more important than ever. This raises the need for efficient, integrated software solutions. With this in mind, Öffentliche Lebensversicherung Braunschweig (ÖVBS) and FJH AG have implemented a pioneering project to increase efficiency within administration and sales: end-to-end system integration of SAP products in the core insurance processes of FJA Life Factory ®.

Many insurers have now realised that customised software solutions mean high programming and maintenance costs – not least because SAP modules used cannot be properly integrated. In the same way as 40 other insurance companies in German-speaking countries before, this was an instrumental factor behind Öffentliche Lebensversicherung Braunschweig's decision to choose the versatile solution offered by FJA Life Factory ®. In addition to policy administration and document management, this tried and tested standard software also enables the development, sale and administration of products for individual life insurance as well as company pension provision.

A key factor in ÖVBS's decision was the fact that in contrast to rival solutions, FJA Life Factory ® fulfilled all criteria and could integrate existing peripheral systems and future planned SAP products. ÖVBS was determined to rely on standard products from market leaders – in this case FJH products (FJA Life Factory ®, FJA Zulagenverwaltung ® and the pension settlement and documentation system FJA RAN ®) and SAP. As well as simple, cost-effective linking to these modules, the decision to opt for FJH's policy administration system also offers security of investment because cost-intensive future modifications during the extended lifecycle of applications can largely be avoided.

UP-TO-DATE CUSTOMER DATA GUARANTEES OPTIMUM SERVICE

At operational level, the pilot project aimed to control all processes for administering life insurance policies using central transaction management. To work at optimum efficiency, office-based employees need to access to up-to-date customer data at all times, in every module. From incoming mail and incoming/outgoing payments to changes to policy data. The same applies to field-service staff. After all, smooth-running customer-relationship management is vital for efficient sales support.

At Öffentliche Lebensversicherung Braunschweig, transaction processing is performed centrally and on an integrated basis via SAP RM transaction management. As a central post-box application, this module interacts with the core processes of FJA Life Factory ®. In parallel to this, SAP RM is used to provide office-based employees with all documents of relevance for transaction processing from the electronic customer file. Because they are fully integrated, all technical processes can therefore be controlled using FJA Life Factory ®. An employee can start working directly on any specific transaction. The processing status (e.g. successful policy issue, interruption because of enquiries made with a GP, etc.) is then reported back to SAP RM for full documentation.

CURRENT STATUS OF PAYMENT FLOWS ALWAYS AVAILABLE

An insurance company's incoming and outgoing payment transactions represent another highly sensitive area where optimum, error-free processes must be guaranteed. Integrating the SAP product FS-CD into the business processes of FJA Life Factory ® ensures employees at Öffentliche Lebensversicherung Braunschweig can always access the most up-to-date status of the relevant contribution and benefit accounts. Contributions due and forthcoming benefits for an insurance policy are determined via FJA Life Factory ®. The corresponding amounts are then collected and the calculated benefits are paid through SAP FS-CD. Incoming monies that have not yet been requested for actual premium products (Riester) and same-day investments (unit-linked products) are then sent to FJA Life Factory ®.

EASY LINKING OF POLICY DATA AND CRM

Information on partners and partner roles (e.g. policyholders) for a policy are required for various core insurance processes. Case workers must therefore be able to change such information where necessary during transaction processing. Here, it is important for any changes to be updated contemporaneously for all services. The management of data and its linking to an insurance policy in FJA Life Factory ® is done using the SAP module BP. Here, too, the services for providing the partner data are activated and used in the display in FJA Life Factory ®. Where changes are made, partner data are automatically updated in SAP BP.

As part of continued development work, Öffentliche Lebensversicherung Braunschweig has already planned the concept of connecting FJA Life Factory ® to the SAP products CRM and BI. Öffentliche Lebensversicherung Braunschweig uses SAP CRM as a central sales controlling and customer information system, while SAP BI is used as a central data warehouse for customer, policy and product-based analyses. The main basis for this is provided by the information from FJA Life Factory ®.

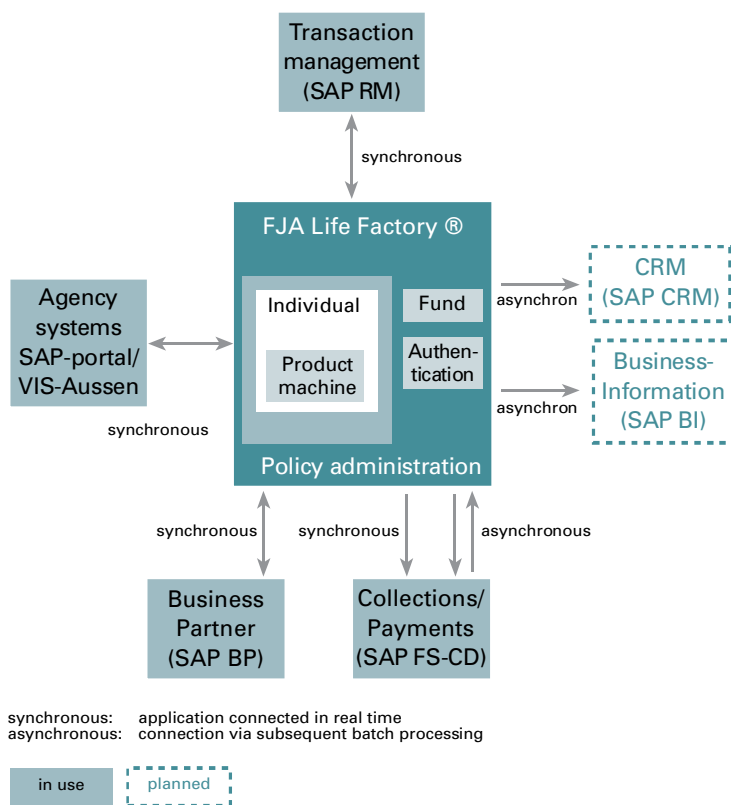**FIELD STAFF, TOO, BENEFIT FROM CONSTANT ACCESS TO UP-TO-DATE INFORMATION**

At Öffentliche Lebensversicherung Braunschweig, access for field staff is provided centrally via the SAP Netweaver portal. In future, ÖVBS also plans to make processing within FJA Life Factory ® accessible for insurance agencies, too. Öffentliche Lebensversicherung Braunschweig is thus the first insurer who is able to benefit from the future-driven and service-oriented architecture of FJA Life Factory ® to outsource business processes in order to achieve lasting cost reductions and operate new business models.

In a first step, technical integration between the SAP Netweaver portal and FJA Life Factory ® was established so that a technical server authentication process verifies whether the field service employee accessing the system has the necessary authority. This allows other technical servers (e.g. individual policy administration) to be activated in Internet applications through interaction with the SAP Netweaver portal.

SAP COMPATIBILITY OFFERS COMPETITIVE EDGE

"For our office employees, integrating the SAP modules into FJA Life Factory ® has simplified work processes considerably. They can access up-to-date customer data at all times in every SAP module. We can save time and money while increasing customer satisfaction", explained Peter-Wolfgang Fassel, project manager for Öffentliche Lebensversicherung Braunschweig. For FJH, meanwhile, integrating SAP add-on and peripheral systems in the core insurance processes of FJA Life Factory ® gives it a major competitive edge and opens up additional sales opportunities. Successful completion of the pilot project with ÖVBS has been noted with interest by many insurers and marks the starting point for further development of the system architecture, which will undoubtedly gain in momentum.

Integrating SAP add-on systems into an insurer's core processes as represented by FJA Life Factory ® creates a future-driven system architecture:

Transaction management (SAP RM)

synchronous

FJA Life Factory ®

Individual

Product machine

Fund

Authentication

Policy administration

asynchron → CRM (SAP CRM)

asynchron → Business-Information (SAP BI)

Agency systems SAP-portal/ VIS-Aussen

synchronous

synchronous

Business Partner (SAP BP)

synchronous   asynchronous

Collections/ Payments (SAP FS-CD)

synchronous: application connected in real time
asynchronous: connection via subsequent batch processing

in use   planned

ÖFFENTLICHE LEBENSVERSICHERUNG BRAUNSCHWEIG

Founded in 1754, Öffentliche Lebensversicherung Braunschweig today employs over 800 people. The company is a public insurance organisation. Öffentliche Lebensversicherung Braunschweig cooperates with savings banks, guaranteeing a direct presence wherever customers need a reliable insurance partner. This regionalism represents both a brand mark and strength for ÖVBS and ensures good access to people and wire-pullers at local level. Over generations, people have developed deep trust and a high level of identification with "their" insurance company, Öffentliche Lebensversicherung Braunschweig. Almost 140,000 insurance policies represent ample testimony.