

Claims Correspondence Made Easy!

The Benefits of Dynamic Document Automation in the
Insurance Product Lifecycle

WHITE PAPER

Cincom In-depth Analysis and Review



SIMPLIFICATION THROUGH INNOVATION®



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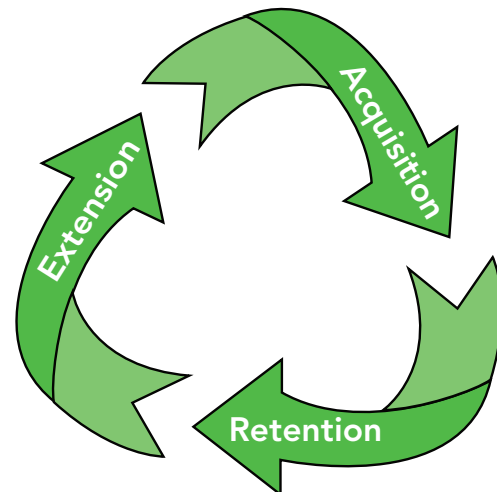
Abstract

The contemporary business environment has undergone significant changes over the past few years. The increased use of one-to-one communications has pushed organisations to modify the way they interact with their customers and focus on building customer loyalty. The only companies that will thrive are those that are able to develop and maintain relationships with their customers.

The main driver of customer relationships is personalised communication. Statistics show that 90% of organisations face the dilemma of communicating efficiently with their customers without compromising the quality of personalised contact. This is where dynamic document automation applications come into play.

Dynamic document automation allows organisations to efficiently produce documents in large volumes while simultaneously personalising content for each individual document and automatically store and index those documents for later retrieval. More than just database manipulation, dynamic document automation applications help organisations improve customer acquisition, reduce customer churn and increase cross-selling opportunities – all while providing the kind of personalisation customers crave.

While technologies for accumulating content are important, the place to start is with the applications that actually deliver content to customers – this is the domain of dynamic document automation systems.



Full Customised Care Lifecycle

Introduction

“Spending on document production, distribution, storage, retrieval and document/content repurposing consumes 1% to 5% of an enterprise’s annual revenues.”

– IDC

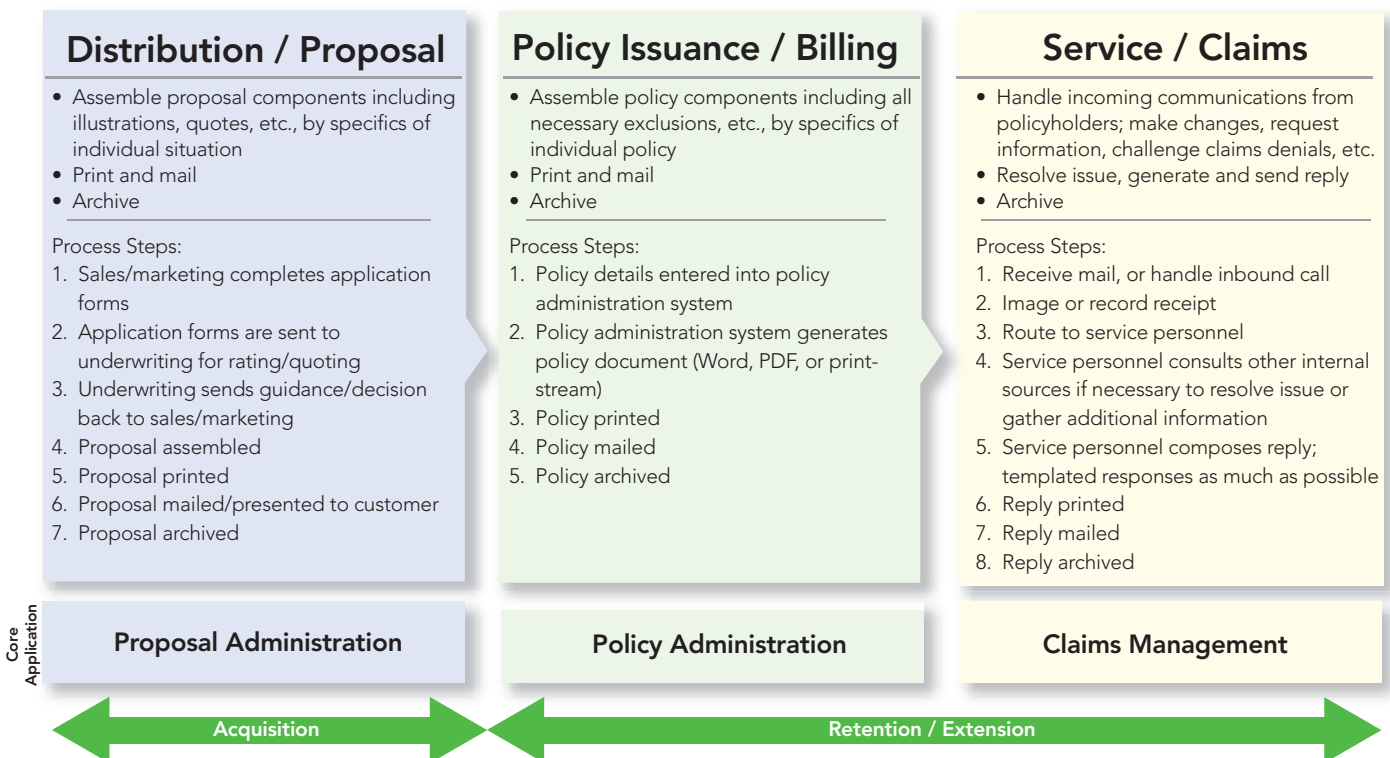
Insurance is about information and much of that information enters, leaves and lives in the insurance lifecycle as printed documents. A typical insurance company interacts with customers through a wide range of communications, including proposals, illustrations, contracts, policies, claims correspondence, letters and other paper-based documentation that underpin the industry. With multiple handoffs and touch points involved in every interaction, this paper-intensive environment can be a drag on the transactions that move through it and, as a result, take longer to effect those transactions.

As documents continue to overwhelm the insurance industry, so do the technological solutions designed to help it deal with those documents. With a plethora of information about enterprise content management (ECM), information lifecycle management (ILM), document composition and document management, many insurers are still unsure of where to focus their attention and which solutions are relevant for them.

It is critical to adopt a solution that meets all of the diverse needs of documents in each phase of the insurance lifecycle. Understanding how dynamic document automation supports and benefits the Insurance Product Lifecycle will help insurers make some of these critical decisions.

This paper examines how dynamic document automation supports policy generation in the retention phase of the product lifecycle.

Insurance Product Lifecycle



Dynamic Document Automation for Successful Claims Correspondence Creation

If your business deals with claims processing, dynamic document automation can help streamline the claims correspondence creation process and reduce your operational costs. By enabling customer-facing users to generate claims documents “on the fly” while simultaneously interacting with claimants over the phone, document automation allows your organisation to process claims faster and with fewer errors.

Dynamic document automation solutions can also help comply with industry regulations. As long as centrally managed and controlled, claims document models are compliant and thus every claims document generated from them will also be compliant.



What Is Dynamic Document Automation?

In general, insurers' document needs fall into two categories: document composition and document management. Together these solutions provide the structure for a complete document automation solution.

Document composition is the authoring or automated generation of documents used to communicate with external parties. As the first phase of the document automation process, document composition encompasses the design, deployment and delivery of high-volume and interactive personalised communications (i.e., proposals, policies and claims).

Design personalised content: Document automation allows you to easily design sophisticated document models with complex business logic that can be dynamically applied to all of your document communications. Everything from simple letters to highly personalised proposals – complete with bar codes, logos, charts and variable data – can be generated in a variety of formats (e.g. ODBC and XML) from any source within your enterprise.

Deploy timely communications: New document automation solutions are being engineered as single solutions that can be deployed across your enterprise via a service-oriented architecture (SOA). This 100% commitment to open standards optimises your legacy infrastructure investments while providing efficient, rapid integrations, multiple delivery channels and outputs in several formats (e.g. PDF, AFP and XML).

Deliver compelling documents: document automation solutions combine the scalability to produce structured document communications in high-volume batch with the flexibility to generate highly personalised, free-form documents on demand. This allows you to interact with customers in real time and deliver documents in the form that each customer prefers – print, fax, e-mail, web or SMS.

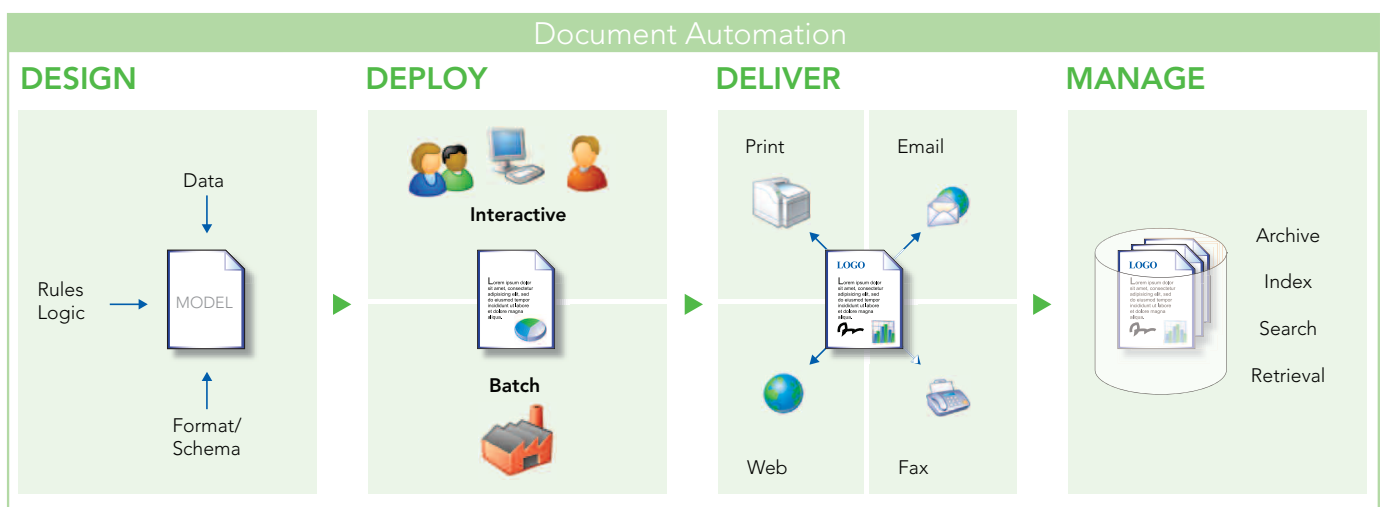
Document management includes routing, storing, indexing, archiving and retrieving documents that contain information needed to underwrite policies, process claims and communicate with customers. Document management solutions enable companies to achieve the following results:

- Gain visibility into their business.
- Acquire and retain customers.
- Reduce costs.
- Increase productivity.

These results can be achieved by implementing a solution that captures content and provides an archive with powerful indexing technology.

Document automation incorporates both dynamic document composition and document management solutions. This allows you to eliminate manual processes, thus speeding production time, lowering production costs and improving document accuracy.

Document issues continue to plague insurers. Fortunately, there are now document automation solutions that are easy to use, easy to integrate and easy to maintain. These solutions will help insurers cut costs and still meet their customers' needs and expectations.



Automating Claims Correspondence Creation

The level of care that claims organisations provide is an integral part of an insurer's overall product delivery. Today, customers choose insurers for more than just great rates and coverage. They also want great service, particularly at the time of a claim when the customer is often in a stressful situation and hoping for a painless process. Therefore, delivering the right information in the right format to the right audience at the right time and for the right reason is critical to customer satisfaction and, ultimately, the insurer's ongoing success.

The key to delivering superior customer care in claims organisations is responding faster to claims inquiries and delivering an exemplary customer experience. Claims representatives must be able to get answers and solve issues quickly and accurately. In short, every customer's experience needs to be easy, fast and thorough.

While it sounds simple enough, the challenge for most claims organisations lies in implementing solutions that simplify all of the complexities involved in harnessing content generated by claims management systems and applying formatting and business logic to that content in such a way that non-technical, claims resources – not just IT personnel – can easily assemble, generate and deliver claims documents that are accurate, timely and personalised to each customer. This level of document complexity requires dynamic document composition technologies.

Dynamic document composition applications provide claims organisations the tools needed to deliver a highly personalised customer experience through documents. Claims representatives can quickly and easily assemble, design, generate and deliver personalised claims documents, even while interacting with claimants in real time.

Product branding and corporate identity elements are automatically merged to ensure proper usage.

Variable information is included in the document including: address block components and effective date.

Transaction-driven tables and personalised charts of all types are built for dynamic incorporation into documents.

Mr. John Smith
28 Winchester Road
Worthing
Sussex, BN12 1XU

Re: Client Number MC-88000003-23

Dear Mr. Smith,

We wish to extend our heartfelt sympathy to you on the loss of your brother.

We have received your inquiry into the life insurance contracts your brother had which are held by our company. Please refer to the table below outlining all contracts in their name, including current values and tax liabilities.

Contract Number	Tax Status	Contract Type	Your Portion	Value As of	Benefit Amount	Taxable Amount	Withholding
E2444414	Non-Qualified	Fixed	25%	02/28/2008	£11,549.58	£4,049.58	£404.96
18444416	Non-Qualified	Fixed	50%	02/28/2008	£11,549.58	£4,049.58	£404.96
18444417	Qualified	Variable	25%	02/28/2008	£54,964.83	£5,686.49	£100.43
TOTAL AMOUNTS					£ 78,063.99	£13,784.75	£1,308.35

As part of the process involving the claim for benefits, we have the responsibility to notify you of income tax withholding requirements imposed by the Inland Revenue. That legislation requires us to withhold, on lump sum distributions:

Ten percent of the gain from non-qualified annuities (this is usually the benefit amount less the premiums paid) unless you elect not to have anything withheld.

Whether an amount is withheld or not, the gain/distribution in column seven is reportable as income and you may wish to discuss this with your tax consultant. The gain/distribution on your variable annuity is subject to change because it is dependent upon the investment experience of the variable account. Thus, the exact amount cannot be determined until the information needed to process the claim is received at our home office. Interest will be added to non-variable annuities at the time of settlement and is also taxable.

Sincerely,
R.A. Doll
Robert Doll
Claims Administrator
Ext. 2051

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Variable placeholders are predefined with XML schema.

Dynamic graphics including signatures are added based upon pre-configured rules logic built directly into document modules.

Design Claims Correspondence that Is Customised and Personalised

Sophisticated document models can be easily created, tested and edited within a familiar Microsoft Word-based design environment and incorporate complex logic, guided workflows and real-time data from a variety of sources, including claims management and policy administration systems. Dynamic document composition helps streamline claims interactions while delivering the personalisation and accuracy that customers demand.

- **Personalisation:** Drive deeper personalisation within claims documents by embedding sophisticated logic and real-time, customer-specific data from any source or format, including mainframe. Rules-based logic provides sophisticated functionality within document models, including data-driven logos, regulatory language, paragraph dependencies and signature inclusions.
- **Time-to-Market:** Dramatically shorten the time it takes to move claims documents into production through comprehensive testing and preview capabilities built directly into the design environment. Easily move from document design to production without manual intervention or complex programming from IT.
- **Quality:** Automated data acquisition, version control and reusable content components provide the simplest and easiest pathway to claims document quality and near-error-free performance.
- **Compliance:** Significantly reduce the burden and costs associated with regulatory compliance through centralised management and monitoring of content components, as well as comprehensive audit facilities.

Deploy Personalised Claims Correspondence Generation throughout the Enterprise, Seamlessly

Document composition is making insurance a faster, more flexible and more customer-focused industry. With one solution, companies are able to design, deploy, deliver and manage the full range of communications – including letters and status reports – and easily modify them to meet changing requirements, while leveraging all of the data within the organisation. Document composition achieves this in the following ways:

- **Single Solution:** Simplify the IT infrastructure through a single, comprehensive solution for batch automation and interactive document generation.
- **Rapid Integration:** Provide efficient, rapid integrations, support multiple delivery channels and streamline workflows with consistent, progressive and flexible rules implementation through a solution architected entirely on published, open standards and utilising a 100% XML core.
- **Extensibility:** Extend the value of investments in core applications and technologies with adherence to published, open standards and a services-oriented architecture that promotes agility and flexibility.
- **Enterprise-Wide Access:** Provide business-line users with easy access to document model repositories from anywhere across the enterprise.
- **Multiple Support:** Simplify the management and maintenance of document repositories by utilising published, open XML-based technologies that minimise the number of document models required to support multiple delivery channels, outputs, jurisdictions and languages.



Deliver Timely, Persuasive Claims Documents

Simple, intuitive interfaces, such as a web browser, give claims representatives “point-and-click” access to a central repository housing sophisticated document models containing pre-approved components (e.g. compliant language) and pre-configured workflows that easily guide the assembly of documents. Claims representatives can then quickly assemble documents by selecting from pre-defined paragraphs, logos and signatures or supplying free-form text ensuring that claimants get the exact information they need, when they need it – even in real time.

- **Interactivity:** Dynamically assemble, generate and deliver highly personalised claims documents with varying degrees of complexity while interacting with claimants in real time.
- **Ease of Use:** A thin-client interface, point-and-click access to documents and guided workflows provide a highly intuitive environment that significantly reduces the training burden across the enterprise.
- **Timely Response:** Improve responsiveness with point-and-click access to a multitude of claims documents and document packs that provide single customer delivery of multiple documents.
- **Multiple Delivery Channels:** Automatically adjust document characteristics to the respective delivery channel, providing turn-key, point-and-click support for multiple delivery channels.
- **Output Management:** Simplify output management strategies while significantly reducing post-processing costs by combining, grouping and sorting capabilities with open and published native Microsoft XML schemas.

Manage All of Your Claims, Easily

Document management offerings support the high-volume capture, management, indexing, archiving and presentation associated with claim processing. Fully automated archiving and retrieval of documents easily facilitates the mining of target information from across the enterprise. And when it comes to compliance, document management offerings can provide complete document lifecycle management to ensure that claims documents are timely and accurate and that schedules are strictly enforced. The right document management solution provides organisations with a content-centric foundation to deliver application-specific solutions that solve business problems with two critical features:

- **Indexing:** Answering customer questions, spotting sales trends or performing analytical research is much easier when you have a common data-mining user interface for developing powerful queries. Robust data-mining capabilities allow users to mine target information from all content types across the entire enterprise, regardless of where it is located.
- **Archiving:** A document management solution provides fully automated archiving and retrieval of all data stored in its repository. The archive process is triggered automatically, based on migration parameters established to leverage hardware and network resources. The restore process automatically locates the document from any storage media and presents the user with the data upon request. Users are no longer required to focus on the increasingly complex burden of locating information and are able to focus on analysing the information itself.

Document automation offers a way for enterprise-level organisations to meet contemporary customer care challenges in an efficient, effective and profitable manner. By streamlining the process by which claims documents are designed, deployed throughout the enterprise, delivered to customers and managed, organisations can strengthen and expand their customer relationships, as well as gain significant savings in production cost and time.



Cincom Has the Claims Correspondence Solution for Today's Insurer

Cincom Document Solutions is unique in the industry for the way it engages with prospective clients. Cincom learns your business, analyses your needs and builds a solution tailored to your specific requirements. Cincom's solutions adapt to – not radically alter – your existing, mission-critical document communications processes.

Cincom Eloquence, the most intuitive, dynamic document composition offering in the industry, helps global insurance companies enhance and strengthen customer relationships, minimise compliance and regulatory risks and reduce operating costs by simplifying the management of business-critical, document automation processes.

Cincom Eloquence helps you optimise enterprise-wide legacy investments by effortlessly integrating with core business applications, databases and information-technology infrastructures. This ease of integration is made possible by Eloquence's open, J2EE/XML service-oriented architecture (SOA), which utilises IBM®'s industry-leading WebSphere® technology.

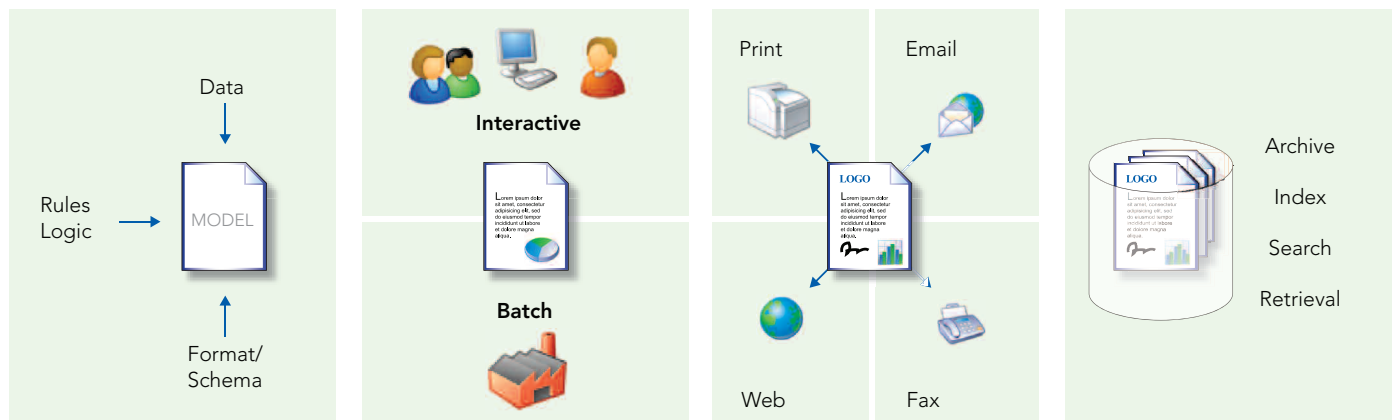
Cincom Eloquence's easy-to-use interface was co-developed with Human Factors International, global experts in the area of user-centered design. The interface leverages the features, content editing and formatting capabilities of Microsoft Word, including WordML (Microsoft's published, open XML schema). This enables you to move document design and generation out of the IT department and onto the desktops of non-technical, line-of-business professionals for more timely, accurate and relevant document communications.

Benefits Realised

Global insurance clients including Barclay's Bank, Generali Belgium, Liberata Financial Services, Prudential Life Insurance, MTL Insurance, Anthem Blue Cross Blue Shield, Molina Healthcare, Stater and Wisconsin Physicians Service Insurance have achieved the following benefits:

- Acquired, strengthened and expanded customer relationships by dynamically personalising document content and presentation to each individual customer communication
- Accelerated time-to-market for new products and communications by as much as 90% by moving document design and generation out of the IT department and onto the desktops of non-technical, business-line professionals via a highly intuitive interface
- Realised cost savings equivalent to 1%-5% of revenues by streamlining document processes, while exploiting and extending legacy investments
- Reduced document errors to near-zero by automating the entry of data and inclusion/exclusion of content based upon embedded rules logic
- Reduced compliance risk by centralising the management and monitoring of all document models, content components and generated documents

Cincom Eloquence™



Case Study: Wisconsin Physicians Service

Wisconsin Physicians Service Insurance (WPS) learned dynamic document automation's value to claims processing when their workload tripled from new contracts. Thanks to Cincom Document Solutions, they are easily able to handle 25,000 calls flooding in each day and generate the resulting 4.5 million documents per year – 1.5 million of which are produced “on the fly.” The intuitive design environment enabled their authors to easily manage and control access to document repositories, update document models and enhance the professionalism and accuracy of all document communications, both batch and interactive. By moving to a document automation solution by Cincom Document Solutions, WPS has been able to realise the following benefits:

- An improved ability to efficiently handle increased claims processing, generating up to 4.5 million documents per year
- A reduced edit time on document models from days to minutes
- Average document generation times and claimant call times that are over 40 percent faster
- A reduction in document automation user training time from five days to two

“Cincom Document Solutions is better, faster and easier to use ... reducing our new-hire training time by 60%.”

– Terry Runkle, TRICARE Customer Service Supervisor

Conclusion

The insurance industry needs fast, cost-effective document composition and document management across systems and processes; the flexibility to support traditional paper and electronic communication channels; and the ability to offer choices to their customers, not just in terms of products and services, but also in how those products and services are delivered.

Document automation solutions streamline the process by which documents are designed, deployed throughout the enterprise, delivered to customers and managed over their lifecycle. This can lead to significantly lower production costs and time savings. In some cases, companies have:

- Reduced production costs by up to 80 percent
- Improved production time by nearly 90 percent
- Virtually eliminated document errors

From acquisition and retention to extension, dynamic document automation offers a way for you to meet contemporary customer-care challenges in an efficient, effective, profitable manner. Organisations utilise dynamic document automation to drive greater personalisation, respond to customer inquiries quicker and achieve greater response rates from extension campaigns.

Dynamic document automation makes it simpler for you to keep customers satisfied, increase growth, enhance customer loyalty and decrease defections to your competitors – all while reducing costs.



About Cincom Document Solutions

Cincom Document Solutions delivers the most intuitive, dynamic document automation solutions in the industry, designed to simplify the management of business-critical processes from document automation through document management. By streamlining the design, deployment, delivery and management of high-volume, highly personalised document communications, Cincom Document Solutions has helped hundreds of businesses worldwide acquire, strengthen and expand customer relationships, minimise compliance/regulatory risks, reduce operating costs and accelerate time-to-market for all their document communications. With over two decades of experience, Cincom Document Solutions leads the industry in providing dynamic document solutions that are easy to integrate, easy to use and deliver a rapid and continuous return on investment.

About Cincom

Cincom delivers and supports innovative software and services that simplify complex business processes. Cincom specialises in the areas of business where simplification brings the greatest value for companies that want to grow revenue, control cost, minimise risk and achieve rapid ROI better than their competitors. For nearly 40 years, Cincom has helped thousands of clients worldwide simplify the management of complex business processes. Cincom serves clients around the world, including Barclay's Bank, Generali Belgium, Liberata Financial Services, Prudential Life Insurance, Christian Children's Fund, MTL Insurance, Anthem Blue Cross Blue Shield, Stater, Wisconsin Physicians Service Insurance and the U.S. Social Security Administration. For more information about Cincom's products and services, contact Cincom on +44 (0)1628 542300, send an email to info_europenorth@cincom.com or visit www.cincom.com/docs.

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