

# Idiom Helps National Transport Insurance Focus On The Future

National Transport Insurance implemented Focus – a fully integrated Line of Business Insurance System. By developing Business Rules in-house, Focus is delivering a scalable, extensible, state of the art platform...

**N**ational Transport Insurance (NTI) is Australia's largest truck insurance specialist. It offers insurance products specifically tailored for the transport industry, including heavy motor, fleet, liability and road freight. These products are then backed by specialist risk management, claims and assessing management services. In terms of its market success, NTI has consistently out-performed the general insurance market in Australia for the last five years with an industry-leading client retention and referral rate.

## The Business Challenge

In 2002 NTI was enjoying the benefits of an upswing in the insurance cycle. However, plans for further growth were constrained by its end-of-life information system. NTI undertook to fully replace its systems, and evaluated several off-the-shelf packages, but did not find one that was a close enough fit with its business model as a market leading specialist insurer. Specifically, whatever system NTI was to install would have to support dramatic improvements in agility and product offerings, speed to market, consistency in underwriting and claims decision making. Together with the benefits of information integration, these characteristics would lead to improved customer service, a better book of business, reduced costs and increased profitability. Add to this the fact that not only did NTI's new system need to provide a complete line-of-business Insurance solution, it also had to be delivered without disrupting business as usual. Thus NTI sought a vendor relationship aligned with its core value of 'controlling what matters' and therefore a strategy of maintaining its core IP internally and avoiding vendor 'lock-in'.

## Working with the Right Partners

Prepared to look offshore, NTI chose Auckland based RHE & Associates whose speciality is the development of leading edge



*NTI is Australia's Largest Truck Insurer*

software applications for the insurance industry. RHE utilises the latest techniques in service-oriented architecture, decision-centric methodologies for harnessing business rules and open source technologies. Taking on the project, RHE delivered a genuine 'One-Team' approach to NTI - bringing skilled analysts, architects, rules architects, developers, delivery managers and function testers to be part of a distributed project team, but managed by NTI. As a result NTI retained overall project management, control of requirements capture, rules definition and control of the quality and test processes. It also needed knowledge transfer to ensure self-sufficiency for future internal support. A key requirement was for NTI to be able to define business rules externally to the core application so NTI could make business critical decisions without affecting the solution architecture. Looking for the right tool that crossed the boundary between development and business teams, the business rules engine Idiom Decision Manager was implemented by RHE. NTI's IP investment is protected using Idiom as a core technology throughout the Focus project. Idiom's decision-centric approach in Focus provides the business with the flexibility and agility to enable its own requirements and to develop and deliver change at a fraction of the cost of traditional systems.


### Landing the Right Solution

Focus is an innovative, powerful insurance solution, which uses best-of-breed technology. The decision to separate Business Rules from application 'plumbing' enables fast construction or changes to business logic including rating changes, underwriting rules, claims rules, workflow and task escalation rules. This enables NTI

to change the things it cares about quickly and cost efficiently.

A simple workflow solution is built in to the system and is controlled by rules and relationships. These rules and relationships can be changed quickly without having to re-engineer the core application.

### Delivering the Goods

RHE and NTI have delivered an 'offshore' development project yielding a solution that is operated, maintained and enhanced by NTI in-house in Australia, while the core application development was performed by RHE from its Auckland development facilities, whilst the client, the main business users and the operational team were based in Brisbane. A blended team approach and technology choice from day one ensures NTI has full Rules development capability, and that its application can be maintained using people and skills in Brisbane. The two-and-a-half-year program has produced a full legacy system replacement that fully integrates policy administration and claims processing capability. Automated electronic underwriting rules are delivered consistently to internal users and the electronic Intermediary channel, so every policy transaction is processed in the same way. An automated Claims Management and rules based Claim application, B2B interface (for insurance brokers to write business electronically through Telstra's Sunrise Exchange hub) and automated workflow management are all enabled. Business rules are separated from the application in a discrete engine that enables agile changes to be made quickly to meet NTI's business demands. All in all, a state-of-the-art technology platform that is highly scalable and extensible. 

Focus has been tailored specifically to the needs of NTI's business, with the flexibility to respond to a dynamic general insurance market. There is no doubt that this will be a key factor in our future growth and profitability as a leading specialist insurer."

**Martin Moore**, NTI Chief Information Officer



### CASE STUDY

#### > National Transport Insurance (NTI)



### AT A GLANCE

#### Business Objective

> To replace an ageing information system and extend NTI's market-leading position as a specialist insurer and to independently deliver the decisions around its future growth.

#### Solution

> Focus, a fully integrated Line of Business Insurance application written in Java running with Idiom Decision Manager.

#### Business Benefits

> Focus has removed the business risk from around NTI's obsolete system. It provides the ability to grow the business exponentially while at the same time retaining a low cost base and intellectual property in the Focus business rules. Technical Business Analysts can manage the Business Rules in-house without altering the underlying application source code. In turn this improves NTI's claims frequency rate by reducing manual underwriting errors, leakage costs in claims and cycle-through integration with policy systems.



### FOR MORE INFORMATION

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