

# Austin Mutual Anticipates Growth in Policies Written per Month

New Online Insurance System Developed by Keane Cuts Policy Issuance Process from 14 Days to 1 Day, Sees 84% Use by Independent Agents in Only Three Months

## Abstract

Keane developed a front-end agent-entry system using Microsoft .NET for Austin Mutual Insurance Company. As a result, the company has seen explosive use (84%) in only three months. By Web-enabling the policy administration process, the lifecycle that used to take 14 days has shrunk to just a day. Because it is now far easier for independent agents to do business with the insurance firm, Austin Mutual expects to see significant growth in the number of policies written per month by 2006.

**“Using state-of-the-art technology, getting it done on a timely basis, accessing the right resources — Keane got it done right.”**

Gary Franssen, AVP,  
Austin Mutual Insurance Company

## Business Challenge

When AVP Gary Franssen joined the 100-year-old property and casualty insurance company Austin Mutual, managing the policy lifecycle was a highly manual process. The average time it took to process a paper application was 14 days. Founded in Austin, Minnesota, with the mission to provide crop hail insurance to local farmers, the firm now operates in eight states and offers 13 lines of insurance. With more and more independent agents doing business online, Franssen recognized that if he didn't make it easier for agents to do business with his firm, he would risk curtailing state expansion and losing business.

Having spearheaded the move to an Internet system at a previous company, Franssen knew that lower expense

ratios were among the benefits of such a project. However, one of his biggest requirements was to go online while maintaining the company's legacy AS-400 insurance system — the back-end system that processes applications, rates policies, and enables fulfillment.

“It would have been an expensive proposition for us to change a system that the company made a sizeable investment in, so our requirement was that Keane's Web interface connect with the existing system,” said Franssen.

## Solution

Austin Mutual AVP Franssen brought in Keane to Web-enable the insurance company's policy administration process, which, until that time, had been a highly manual process.

Keane performed an architectural assessment of Austin Mutual's systems and proposed to Web-enable its existing policy administration application using the .NET programming language. Franssen was pleased with the choice. “.NET is highly flexible,” he said. “I've seen it perform before and was happy with the results.”

After developing an architectural design, Keane proceeded with its rapid software development lifecycle. The agile nature of Keane's rapid software development lifecycle relies on close interaction with client personnel and breaks down development into small increments that consist of define, design, build, test, and deploy so that changes can be made in response to the client's business needs at any stage of the project.

Over a year-and-a-half period, Keane automated all of Austin Mutual's personal lines of insurance, including homeowners, automobile, and personal

## A Policy of Success

- 84% usage of Web application after three months
- \$400,000 saved in development costs
- Policy issuance process reduced from 14 days to 1 day

liability. By December 2005, Franssen plans to go 100% paperless, requiring all agents to use the online system.

## Results

After three months, 84% of Austin Mutual's personal lines business was coming in via the Web interface. “The agents have just jumped on and are using new additions, like endorsements, mobile homes, and homeowners, without any training,” said Franssen, adding that the interface is very intuitive. The policy issuance process has been reduced from 14 days to one day.

Looking toward the end of the year, when the company goes paperless, Franssen said, “We are going to increase business as a result because we will be able to work more and more with agents who can produce applications using the online tool.”

In addition, Franssen expects to see a significant drop in expenses.

Underwriters and customer service personnel are already using their time more productively to manage the business, rather than to track down errors in paperwork and enter data manually. The automated ratings rules engine Keane built into the system frees

underwriters from having to review the applications of people who meet basic requirements in order to issue policies, saving their time for more complex scenarios.

Additionally, Franssen estimates that the company saved about \$400,000 in development costs because Keane was able to link the Web interface to its existing AS-400 system.

### **What's Next**

When asked if he would consider Keane for subsequent projects, Franssen replied, "Yes. I would have no doubt in my mind. I wouldn't even look at another vendor."

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*Keane is a global services firm that specializes in enabling transformation of its clients' business and IT functions.*