

# The Hanover Insurance Group Grows New Automobile Business

P&C Insurer Attracts More Clients With New, Competitive Auto Insurance Products as a Result of Improved Policy Rating Application

## Abstract

A trusted name in property and casualty insurance, The Hanover Insurance Group, Inc. (formerly Allmerica Financial) sought to grow its personal lines auto insurance book of business by offering more competitive pricing to drivers with strong records. To achieve this, The Hanover leveraged its partnership with Keane to rewrite the engine powering its legacy policy rating system to incorporate more criteria when calculating the premium for a new customer. Through Keane's 24x5 development model using a combination of onsite and offshore developers, The Hanover has been able to offer more targeted pricing to clients, attract more business, and realize a 40% increase in new automobile business in only eight months.

## Business Challenges

In business since 1852, The Hanover offers a full selection of insurance for automobiles, homes, boats, and businesses, providing personalized service through independent agents. The Hanover was seeking to grow its auto insurance revenue and written premiums. The company understood that to meet its goal, it had to accurately price a broader spectrum of the market and deliver quotes in real time with a dramatically faster and easier-to-use interface. To achieve this, The Hanover was determined to rewrite the business algorithms of its legacy policy rating system so that the system would weigh considerably more factors when calculating the premiums for new customers. And, the company wanted the modified policy rating system rolled out to its over 2,000 agents nationwide in an aggressive timeframe of under 14 months.

## Solution

In partnership with Keane since 2000, The Hanover was confident that, together with Keane's onsite and offshore developers following a 24x5 development model, it could deliver this large, complex development project within its desired timeframe and budget.

The policy rating system is made up of several applications, including a front-end customer interface and the mainframe legacy application. To facilitate productivity, both Keane and The Hanover shared project management. Each project manager was responsible for a development team that included a combination of Hanover employees and Keane professionals located onsite and offshore. The project managers worked closely together, ensuring their teams were seamlessly integrated.

At the outset of the project, Keane's senior developer worked with The Hanover's business analysts to review business and functional requirements and convert them into technical specifications. Based on these requirements, Keane developed project and resource plans, earmarking 20 offshore developers and an onsite team of eight — which included developers, business analysts, and testers — over the life of the project.

Next, the technical specifications were handed over to the developers, who implemented the required changes to the mainframe legacy application and to the client-server application used by The Hanover's agents.

Working together, Keane's and The Hanover's developers performed unit testing, a critical prerequisite to integration and user acceptance testing.

## Premium Results

- Rolled out to 8 states by November 2005, resulting in significant increase in personal lines auto business new-client revenue
- Quick ramp-up of 20 offshore developers
- First wave rolled out in 5 months

Within five months, the first wave of the upgraded application was successfully rolled out. By November 2005, three additional waves were completed. During the first half of 2006, the final two waves will be completed.

## Results

The Hanover's large-scale development project using Keane's offshore resources proved successful. As a result of the improved rating system and supporting processes, the company has seen significant new automobile business growth in a short time.

A long-time partner of Keane, The Hanover Insurance Group was able to quickly ramp up the offshore resources needed — those with P&C insurance system experience — to get the job done. By using developers located in Keane's Hyderabad, India-based Advanced Development Center, The Hanover was able to complete the project within the required timeframe and budget.

Keane is thrilled to be a long-standing partner of this leading insurer, which continues to earn some of the highest ratings in the US insurance industry from third-party evaluators such as A.M. Best, Moody's, and Standard & Poor's.

## Client Story: Property and Casualty Insurance Provider

### What's Next

With the final waves of the rollout planned for the first half of 2006, all 2,000 of The Hanover's agents will be able to offer customers more attractive auto insurance options. As a result, the company expects to continue seeing its personal lines automobile book of business increase. In addition, The Hanover plans to duplicate this development work in other business lines in order to offer more competitive insurance products in other areas.

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**"Through Keane's ability to provide staff quickly, along with their 24 x 5 development capability, we were able to ramp up resources for this key project in 30 days and significantly decrease our speed to market for this product. Keane contributed business value to The Hanover's bottom line."**

Paul Trombley, Vice President, Sourcing Management, The Hanover Insurance Group

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