

# AIA Australia Case Study



## SUMMARY

→ Customer Name/Location

**AIA Australia**

→ Industry

Life Insurance

→ Needs

Meet the demands from Industry Funds, Master Trusts and Corporate Funds to deliver online insurance services to their members and advisers to make it easier for them to apply for, or increase, their life insurance cover

→ Solution

LIFEapp, built using Axe Group's Axelerator Insurance Platform, was developed to deliver an online quoting and application tool for AIA Australia's group insurance partners and their members

→ Achievements

- Improved fund and member satisfaction from faster turnaround times
- Enhanced online tools for funds to offer to their members
- Improved ease of applying for cover, resulting in an increase in applications from fund members
- Reduction in administrative costs from higher straight-through (cleanskin) rates

## AIA Australia increase Fund and Member services with Axelerator Group New Business



## BACKGROUND

AIA Australia is a specialist provider of life insurance products that has been operating in Australia for 40 years. It is a subsidiary of the AIA Group, which is the largest listed pan-Asian life insurance organisation that traces its roots in the region back more than 90 years. Through an extensive network of more than 260,000 agents and 21,000 employees across Asia Pacific, AIA serves the holders of over 23 million individual policies and over 10 million participating members of group policies.

AIA Australia is now the country's number one Group Life insurer by market share.\* Through their group insurance partners they provide life insurance options including death cover, total and permanent disablement and income protection to fund members.

## BUSINESS NEEDS

In recent times the Group Life insurance market has been undergoing significant changes in terms of product and service offerings. Industry Funds, Corporate Funds and Master Trust operators are increasingly

demanding that insurers provide online services to their members and advisers to make it easier for them to apply for, or increase, their life insurance cover.

With this in mind, and with a key goal of delivering higher levels of service to their existing group insurance partners, AIA Australia initiated a project to build an integrated online solution to allow members and advisers seamless access to fund-specific online insurance tools and application forms. The new solution would allow members and advisers to be presented with a needs analysis and quote, then to proceed with the application with automated underwriting and an outcome online.

With automated and one-touch application lodgement and approval processes, AIA Australia would be able to drive higher cleanskin rates, and ultimately make it faster and easier for members to manage their insurance cover.

Named LIFEapp, the project commenced with Axe in August 2009.

“Axe was a great partner to work with on this initiative and added real value to the development process. LIFEapp has been a great success and we look forward to continuing to enhance and evolve this.”

**Damien Mu** – Chief Distribution & Marketing Officer, AIA Australia

## THE AXE SOLUTION

AIA Australia chose to build LIFEapp using the Axelerator Insurance Platform. Axelerator was already being used to deliver an online quoting and application solution to AIA Australia's retail channel. With the technology proven through this prior implementation, AIA Australia was confident that Axelerator would be able to deliver on all their group insurance specific requirements and be extendable in the future. Using the same platform enabled AIA Australia to deliver a level of consistency to users and their IT department, as well as allow for re-use of the design, skills and experience from the retail implementation.

The Axelerator Insurance Platform provides AIA Australia with a dynamic and reflexive engine for automating insurance application processes. Its rules-driven and personalisation capabilities allow the business to make changes to end-user questions directly through configuration. For AIA Australia, this ease of use and flexibility was a key determinant in the selection of Axelerator as the technology that would lead their efforts to take their insurance processes online across their different business units. Also important to AIA Australia was Axelerator's white-labelling capability. The ease of creating a new skin for each fund, so that the LIFEapp

application can quickly take on the look and feel of the fund's web site gives AIA Australia the flexibility to easily and quickly extend access to the application to new funds.

Leveraging Axe's insurance technology know how, a combined team of AIA Australia and Axe consultants undertook requirements analysis and design phases to define the rules flow and look and feel of the system.

There are 2 key parts to the Axelerator developed LIFEapp solution; the quote tool and the online application. Using a standard form, LIFEapp generates a quote for the user based on the full range of insurance cover offered through each fund. The application process is intuitive as it is based on a smart application form with reflexive questioning, so users only have to answer those questions that are relevant to their application. To make this whole process as easy as possible for the user, the quote tool is seamlessly integrated with the application tool so the required information only needs to be entered once and can be changed at anytime. An insurance needs calculator can also be incorporated. Each fund has the choice of using their own calculator or the one integrated with AIA Australia's application which also seamlessly directs the member through to the quote once they have completed their needs calculation.

The LIFEapp solution was initially developed for 6 of AIA Australia's key group insurance partners, 3 being industry super funds and 3 Master Trusts. The rollout of the solution to the 6 partners was staggered over a 3 month period, aligning with both partner and project schedules. LIFEapp continues to be rolled out to AIA Australia's partners.

## ACHIEVEMENTS

### Improved fund and member satisfaction from faster turnaround times

Improved turnaround times from submission of the application through to approval and underwriting outcome, is proving to be very satisfying for AIA Australia's group insurance partners and their members. Instead of days or weeks using a paper based process, the turnaround time has been dramatically reduced leading to more satisfied partners and more fund members with levels of life insurance coverage they are comfortable with.

### Enhanced online tools for funds to offer to their members

With LIFEapp, AIA Australia has developed an improved offering for their partners to offer to their members which in turn increases AIA Australia's ability to compete with other insurers in the group life market. The ease

with which LIFEapp can be extended to a new partner due to Axelerator's white-labelling capability allows AIA Australia to confidently seek to increase their group insurance partner base knowing they have the capability to quickly onboard new partners with highly functional online services.

### Improved ease of applying for cover, resulting in an increase in applications from fund members

Since the launch of LIFEapp to AIA Australia's group insurance partners there has been a notable rise in the number of fund members applying for increases to their life insurance coverage. In the first few months following the launch and with limited promotion, hundreds of new applications were lodged which exceeded expectations. By making the process of applying for life insurance easier, faster and more transparent to the users, AIA Australia with LIFEapp has succeeded in their objective of providing a solution to meet the needs of fund members, as well as help to reduce the problem of under-insurance in Australia.

### Reduction in administrative costs from higher straight-through (cleanskin) rates

Approximately 50% of all LIFEapp applications submitted to date March 2011 have been accepted without the need for further underwriting. Driving higher cleanskin rates from more straight through applications reduces the back office administration effort, thereby reducing cost, and freeing up underwriters and administration staff to focus their time on complex cases.

## LOOKING FORWARD

Plans are now in place to expand the functionality of LIFEapp so that more life insurance applications can be submitted online. The next stage caters for enhancements to extend to more complex products that require longer form applications, so they can also be handled online.

AIA Australia is also currently working with Axe to complete the rollout of an eClaims packaged application that runs on the Axelerator Insurance Platform, to further expand the online suite of tools available to their group insurance partners. As the eClaims functionality is made available, funds will be able to quickly increase their insurance services, and fund members will be able to lodge their claims online through their fund's web site, using personalised, intelligent forms, similar to what they used to apply for the insurance.

## → ABOUT AXE GROUP

Axe Group is a fresh thinking software company enabling clients to outperform with our insurance automation platform and cross-industry application services.

### Axelerated Solutions

Provides the Axelerator Insurance Platform, the first Adaptive STP system for automation of New Business, Claims Management and Lifecycle Services to enhance an Insurer's competitive advantage.

Axelerator provides one-touch and personalized process execution, with smart handling of exceptions. A single platform manages all channels with accessibility via the web, kiosks or offline laptops. Axelerator is a rules-driven system allowing the business to continually change and innovate to keep pace with market dynamics.

\*Plan for Life, Group Distribution Summary 2010



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