



Overview

Country or Region: Latvia

Industry: Financial Services; Insurance

Customer Profile

IF Latvia is an insurance company with more than 100 employees, and part of the IF Group, one of Northern Europe's largest insurance concerns. IF Latvia offers property and casualty insurance to private and corporate customers in Latvia.

Business Situation

IF Latvia intended to expand its services into the private insurance arena. However, its existing procedures were unable to cope with the expected increased volumes. To resolve this, IF Latvia executives sought to automate workflow.

Solution

IF Latvia deployed a customised insurance-management solution (IMS) designed by Nexum IT and based solely on Microsoft® products. The IMS automates all administration and sales processes across IF Latvia operations.

Benefits

- Ten-fold boost in efficiency due to automation
- Rapid development using Microsoft solutions and tools
- Significantly reduced reporting and administration costs
- Improved security using Terminal Services
- Sizeable competitive advantage due to new architecture



Insurance Firm Boosts Efficiency Ten-Fold with a Claims and Sales-Management Solution

“It was an easy decision to maintain the focus on Microsoft products and install a new architecture based on a trusted technology that would integrate seamlessly.”

Uldis Apsitis, Managing Director, Nexum IT

IF Latvia, part of IF Group, one of Northern Europe's largest insurance concerns, offers property and casualty insurance to private and corporate customers in Nordic and the Baltic countries. To cope with anticipated growth due to a decision to expand into the consumer market, IF Latvia partnered with Nexum IT to develop a complete insurance-management solution (IMS) that would reduce the company's reliance on manual tasks and automate many claims-related processes. Following a design and planning session at the Microsoft® Technology Center, IF Latvia commenced work on the implementation of its IMS. Consisting of an insurance and claims administration back office system, a point-of-sale solution, and an online portal, the new system has helped IF Latvia successfully expand its business. In 2004 the company grew by 33 per cent, and in 2005 it grew by an additional 28 per cent.



"We were faced with the option of either employing hundreds of sales staff, plus a team of dedicated data-entry employees, or implementing an automated, online system to manage these tasks. The latter was clearly the most efficient solution."

Janis Kesteris, IT Director, IF Latvia

Situation

IF Latvia is part of the IF Group—one of Northern Europe's largest insurance concerns, which employs 7,000 employees and serves around 3.8 million clients. IF Latvia offers property and casualty insurance to private and corporate sectors. It employs around 100 staff members and has seven main client centers, which are located in Riga, Liepaja, Valmiera, and Jelgava in the Republic of Latvia.

At the turn of the millennium, IF Latvia decided to diversify its offerings by serving private as well as corporate customers. To manage the anticipated growth this strategy would deliver, the company needed to completely revise its administration and sales procedures.

Traditionally, IF Latvia had relied on a host of fragmented manual procedures to manage the documentation that accompanied its sales and administration processes. However, this manual system had proved difficult to maintain and, on occasion, had resulted in errors and discrepancies between departments. Such errors were relatively simple to detect and rectify when the company was operating only in the corporate sector. But the substantial increase in workload and documentation that were anticipated following IF Latvia's entry into the private consumer market would only compound the problem.

Janis Kesteris, IT Director, IF Latvia explains, "We foresaw a situation where the sheer quantity of information we would be handling would put our existing manual systems under tremendous pressure. We were faced with the option of either employing hundreds of sales staff, plus a team of dedicated data-entry employees, or implementing an automated, online system to manage these tasks. The latter was clearly the most efficient solution. Therefore, we decided to implement

a new, automated insurance-management solution that would combine all of our existing processes into a single, integrated platform."

To do so, IF Latvia turned to its trusted partner Nexum IT for advice and support in choosing and implementing a solution.

Solution

Under the guidance of Nexum IT, IF Latvia decided to build its new platform using solely Microsoft® products and technologies. Uldis Apsitis, Managing Director of Nexum IT, explains, "IF Latvia was already using Microsoft SQL Server™ 2000 to handle its back-office storage requirements and the group was very happy with the performance of its Microsoft products. It was an easy decision to maintain the focus on Microsoft products and install a new architecture based on a trusted technology that would integrate seamlessly."

Initially, the company created a first version of a back-office insurance administration application in 2000, which was based on DB2 and Java. However, the licensing costs involved in using DB2 prompted the company's management to look elsewhere. They turned to Microsoft as a less expensive, more scalable alternative. Also at that time, IF Latvia and Nexum started to work together on a point-of-sale solution. The success of this experience of working together encouraged IF Latvia to begin work on an insurance management system—together with Nexum IT—at the start of 2002.

In 2004, again in collaboration with Nexum IT, IF Latvia began work on an online portal based on the powerful Web server Internet Information Services version 5.0, which is available through the Microsoft Windows Server™ 2003 operating system. (Windows Server 2003 is part of Microsoft Windows Server System™ integrated server software.) The portal provides IF Latvia customers with

a quick and simple means of accessing their insurance documents. The entire solution set is utilized through Terminal Services on each user's personal computer (PC), which eliminates the need for numerous applications on each workstation and reduces the associated software maintenance on each PC.

In 2005, with the goal of becoming more familiar with the relevant Microsoft solutions, Nexum IT undertook a design session at the Microsoft Technology Center. Microsoft staff members were able to share their knowledge and experience, particularly about blending a fragmented IT infrastructure.

The Microsoft team lent their support to the delegates from Nexum IT. "During the week-long session at the Microsoft Technology Center," explains Apsitis, "we were able to better understand how to make the solution work with the latest Microsoft products. We examined the code that would be used, and Microsoft experts offered their advice for making the solution even more stable."

At the end of the session, Nexum IT was able to isolate IF Latvia's exact requirements and identify the tools best suited to meeting them. The team paid particular attention to performance and modularity issues because it was essential that all elements integrate seamlessly.

Because of its positive experience with SQL Server 2000, IF Latvia is planning to make the transition to Microsoft SQL Server 2005. The newer version would provide IF Latvia with greater flexibility and additional scope to expand its data storage, data manipulation, and reporting needs as its business volume grew. "We believe that with SQL Server 2005 as our data warehouse we can expand our business without the fear of overloading the foundations of our new environment," said Kesteris.

The overall solution gives IF Latvia a customer-oriented insurance administration system, providing full support of insurance business processes. The claims system supports complete claim life cycle management, starting from case registration, claims reservation, and claims documentation workflow, all the way through claims closure with payments to various beneficiaries. The system also provides a money-management subsystem, for managing policy payments, and automatic connection with policy status. The money-management subsystem integrates with the banks, and payments are automatically received and allocated. Claims payment processing integrates into the new system. The system also works with Swedgiro (a European mass printing and direct debit operations), where invoices and reminder letters are generated automatically.

Benefits

Greater Efficiency by 50 Percent

The new solution has given IF Latvia an estimated 50 percent improvement in the company's overall productivity. This is essentially due to the automated processes now in place, which have helped reduce administrative time and resources.

In addition, the automated nature of the new insurance-management solution (IMS) has enabled IF Latvia to eliminate errors that used to creep into its systems as a result of human involvement in the manual steps. This has not only improved the company's service, but also saved the time and expense of rectifying the errors. No less important is that IF Latvia, as a rapidly growing and progressive enterprise (currently growing on average 28 percent per year), now has the opportunity to get one step ahead of the market, while rapidly adjusting to market changes.

“With a dedicated business process-management solution at the heart of our organisation, we will be able to position ourselves even further ahead of the competition.”

Janis Kesteris, IT Director, IF Latvia

Accelerated Development

Because the IMS incorporates only Microsoft solutions, IF Latvia's management has been able to accelerate development and implementation of its IMS. Apsitis observes, “Microsoft development tools enabled us to create a dedicated, customized solution to meet IF Latvia's exact requirements, with minimum disruption and expense. Furthermore, these scalable tools enable our partners and customers to easily customize their own systems.”

Reduced Administration Costs and Improved Reporting

“The IMS system has reduced our overall administration costs substantially,” advises Kesteris. “Because we have automated all the processes that didn't add value, our costs have dramatically decreased and our staff members are now free to concentrate on improving customer service and bringing tangible benefits to the company. Now, we will be able to improve our reporting environment, thanks to the functionality of SQL Server 2005. Where we once had to invest time and resources into tracking down information and compiling our reports, we will be able to author, manage, and deliver both paper-based and Web-based reports.”

Simplified Desktop PCs and Improved Security

As an additional benefit, IF Latvia has been able to do away with a host of unnecessary applications that were previously installed on users' desktop PCs, but rarely used. With Terminal Services in place, the company can host all applications securely in a centralized, online location, thus removing clutter from employees' PCs. In addition, Terminal Services also increases security because users are no longer able to install their own desktop PC applications. This greatly reduces the risks of viruses and other malicious software entering the network. “Security is critical to an insurance company like ours,”

notes Kesteris. “Anything that helps us improve security is valuable to us—and Terminal Services is no exception.”

Greater Competitive Advantage

With this powerful combination of software development tools and server products at its disposal, IF Latvia has been able to deliver a level of service that places it far above its regional competition. Because the IMS system was designed and built with business process-management firmly in mind, the company will be able to further secure efficiencies and reduce risks across the board. IF Latvia's business process-management solution, which employs Microsoft BizTalk® Server 2006, is currently in development. The company plans to complete implementation in the third quarter of 2006.

“With a dedicated business process-management solution at the heart of our organisation, we will be able to position ourselves even further ahead of the competition,” concludes Kesteris.

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about IF Latvia products and services, call (371) 7094777 or visit the Web site at: www.if.lv

For more information about Nexum IT products and services, call (371) 7609275 or visit the Web site at: www.nexumit.com

Microsoft Windows Server System

Microsoft Windows Server System is a line of integrated and manageable server software designed to reduce the complexity and cost of IT. Windows Server System enables you to spend less time and budget on managing your systems so that you can focus your resources on other priorities for you and your business.

For more information about Windows Server System, go to: www.microsoft.com/windowsserversystem

Software and Services

■ Products

- Microsoft BizTalk Server 2006
- Microsoft SQL Server 2005
- Microsoft Windows Server 2003 Enterprise Edition

■ Technologies:

- Internet Information Services 5.0
- Terminal Services

Partner

- Nexum IT

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