Business challenge
In the face of increasing competition and government regulations MIR needed to optimize its internal and customer-facing processes

Transformation
The insurance broker deployed IBM Business Process Manager as a framework for automating non-repetitive, manual processes and adapting to new mandates regulating Indonesia's insurance industry

Business benefits

Reduces policy processing
times from days to hours

Automates
over 50 percent of non-repetitive, manual processes

Increases process agility
in the face of changing regulatory and competitive environments

MIR Insurance Brokers
Reduces policy processing from days to hours

Based in Jakarta, MIR Brokers is one of the oldest insurance brokers in Indonesia, providing insurance services in the areas of property and casualty, engineering and construction, employee benefits, marine and aviation and motor vehicle.

"So, what we were able to do with the IBM platform is quickly create unique rules and process templates for each insurance company, which streamlines and error-proofs pricing and claims requests."

—Aditya Budi, MIR's head of information technology

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Process inefficiencies

Corporate entities in Indonesia comprise seventy-five percent of MIR Insurance Brokers' (MIR) customer base, with the remaining twenty-five percent made up of individual policy holders. Regardless of which category they belong to each customer expects the same: independent and personalized advisory services, tailored coverage and efficient claims processes.

To those purposes, MIR has established relationships with nearly every insurance company in Indonesia, avoiding exclusive arrangements with any one insurer and providing its customers with access to specialty products designed for particular industries or personal insurance needs.

Process efficiency, however, presented some challenges. Three years ago, after a 5-month review, Aditya Budi, MIR's head of information technology, uncovered numerous examples of inefficient manual internal processes. And with hundreds of new policy requests and hundreds of new claims coming into the company on a daily basis the company's need for efficiency grew daily as well.

Processing the claims requests can be a daunting task, because of the complexities of calculating insurance premiums and negotiating claims with clients, insurance companies and adjusters. Likewise, new policy requests are often complicated and sometimes must be processed within short, limited timeframes—an exporter needing a marine cargo insurance certificate, for example. "With manual processes, it might take days to submit the necessary documentation, gain internal approvals, issue certificates to the insurance partner and submit the certificate to the customs board," says Budi. "As a service company we need to be agile and have zero errors in our processes, so I started to look at technology as a tool for accelerating our response to change."

External forces were encroaching further into MIR's operations as well. The regulatory environment, for instance, was becoming more stringent. Starting in early 2014, Indonesia established a governing body, called OJK, to oversee financial reporting and rates for both individual and commercial insurance—activities not consistently regulated prior. MIR and its competitors had only 3-months' notice to adapt to the new OJK rules. "From an IT perspective, it was important that we be able to quickly adjust to the changes," Budi says.

Gaining that agility was also important given Indonesia's increasingly competitive insurance environment. MIR competes with approximately 150 other insurance brokers and, in recent years, banks are beginning to establish their own foothold in Indonesia's insurance products sector.

A framework for optimization

Fortunately for MIR, as a result of his process review over a year earlier Budi had completed the company's IBM Business Process Manager platform deployment by the time Indonesia established the OJK. "At the time, we really were looking for the IBM solution to eliminate our administrative workload by streamlining process design and increasing automation. We also wanted the ability to monitor and integrate our

processes with our customers and other stakeholders, like banks and insurance companies. As far as OJK and regulatory changes were concerned, we didn't even see them coming," he says.

But when it did arrive, OJK transformed the way the insurance industry had to operate, from virtually unregulated to regulated— a 180 degree change. "Our counterparts were panicking. We were relaxed, though, because IBM Business Process Manager is a framework that adapts quickly to the regulatory requirements," Budi says.

To date, he and his team have migrated fifteen very large MIR processes, each encompassing five to seven business processes impacting as many as 30 services, to the IBM Business Process Manager platform. Budi started with individual automotive insurance-related processes. "We needed to start by

automating non-repetitive manual processes and administrative tasks, like price quotes and policy renewals. All the required information is already there, so we were looking to IBM to provide a platform that our underwriters and marketing team could use to serve more customers while reducing their administrative costs."

MIR is delivering new capabilities to its customers as well, enabling them to create, print and authenticate certificates of insurance via MIR's Business Process Manager portals, ensuring that all stakeholders can access the same set of information at the same time.

As the process migration continues and additional processes evolve Budi expects a significant increase in the number and complexity of business rules he and his team will need to manage. Consequently, he is exploring the possibility of a cloud-based

IBM® Bluemix® or IBM Operational Decision Manager platform deployment in the coming year.

Increasing agility and service levels

"My mission is to create as many automations as possible on the IBM platform," Budi says, pointing out that decreasing the volume of paperwork his company's administrative staff administers is job-one. "And IBM Process Manager accelerates transaction turnaround times while removing the pain of administering policies and invoicing from our staff."

For instance, individual customers are no longer calling MIR to prepare quotations, print policies and prepare certification letters. Instead, using the IBM Business Process Manager platform, MIR has shifted those processes to an online, self-service model. "We took all those tasks away

from our administrative staff," says Budi. "Now with MIR online customers do self-quoting, pay online, get confirmations online and receive e-policies online. What used to take the customer and the MIR staff hours, now takes minutes, with no demand on our resources."

The IBM Business Process Manager platform also helped MIR navigate the complex matrix of OJK mandated rules and regulations, the most significant of which are geared toward motor vehicle insurance. "With the OJK regulations we are required to comply with many distinct sets of parameters, because each insurance company—and we work with many - is governed by a unique collection of rules, making it very difficult on our underwriters," says Budi. "So, what we were able to do with the IBM platform is quickly create unique rules and process templates for each insurance company, which streamlines and error-proofs pricing and claims requests."

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