

California Department of Insurance

CDI Goes Paperless with Business Process Automation from Micro Focus.

Overview

Like the rest of the country, the California Department of Insurance (CDI) was impacted by a down economy and a statewide fiscal crisis that slashed budgets and reduced spending. For California's largest consumer protection agency, this meant doing more with less—and finding a way to regulate over 1,500 insurance companies and 300,000 brokers and agents with a 2010 spending allocation that was less than 2005 levels.

Challenge

To meet its goals, CDI developed a strategic plan that included key initiatives to address budget cuts, increase efficiencies and maximize resources. The agency mandate was to

“The whole process is so streamlined that it is a lot less stressful than just relying on the checklist. I love the emails that come after saying what’s left to be filed! You are the only state that I’ve seen do that and it’s great!”

STEPHANIE GERVAIS

Starmount Life Insurance Company

better meet the needs of stakeholders and the public while establishing a foundation for continuous process improvement.

A key goal was to create paperless operations to improve efficiencies and reduce waste by eliminating manual transactions. CDI needed to transition its entire operation to an electronic workflow-based system and streamline business processes.

AN AVALANCHE OF PAPER-BASED PROCESSES THAT WOULD FILL A ROOM

The paperless goal was far reaching and a major challenge. CDI issued approximately 1,200 licenses annually to insurance companies, and each licensing application had to be reviewed by CDI attorneys, financial analysts, and investigative staff, residing in different locations—from San Francisco to Los Angeles and Sacramento. License approvals required documents to physically move between cities, forcing a serial review process as each department's staff handled tens of thousands of pages of paperwork.

In addition, all insurers were required to submit, in paper, financial documents to CDI, such as Annual and Quarterly financial statements, California supplemental filings, and annual renewals. Payment fees were submitted by check, resulting in more manual processing.



At a Glance

Industry

Financial Services

Location

California

Challenge

CDI needed to transition its entire operation to an electronic workflow-based system and streamline business processes.

Solution

Use SBM to convert paper-based application processes to an online system, allowing insurers to upload filings electronically in a fraction of the time.

Results

- + Established a web based paperless submittal process to support insurers
- + Improved turn-around time, accuracy, and efficiency of application processing
- + Reduction in usage of paper for insurance companies and CDI
- + Reduced costs associated with paper handling and storage costs

These highly manual and paper intensive processes were costly, time consuming, and inefficient. CDI estimates that the paper associated with their manual processing system equated to over a million sheets, or 2,000 reams of paper—enough to literally fill a room.

Solution

The paperless initiative needed to transform CDI's business operations by deploying key technologies that would increase efficiencies and maximize resources.

"We needed a way to automate the entire application and payment submission system to streamline our operations, while offering better service for our customers," said Christie Borchin, CDI's Chief Information Officer.

CDI wanted a system that would fit into their existing enterprise architecture, while providing a platform to automate other enterprise business processes. The technology needed a proven track record, with successful implementations in similar environments. In addition, CDI wanted a solution that could be supported in-house with the CDI teams' existing skill sets, without relying on consultants for on-going assistance.

CDI collaborated with Serena Software (now part of Micro Focus) and Delegata to develop and deploy OASIS, the Online Assistance System for Insurer Submittals, which facilitated electronic processing of all corporate transactions. OASIS is powered by the Micro Focus® Business Process Management (BPM) solution, Micro Focus SBM, which offered a configurable data model that allows for reusable components, supporting future services and additional applications.

SBM converted paper-based application processes to an online system, allowing insurers to upload filings electronically in a fraction of the time. OASIS now acts as a unified portal that allows insurers to electronically submit applications, fees and other transactions on the CDI website, by simply using the portal, instead of manually filling out an application in triplicate and mailing it in.

Results

Complete automation of all processes saved over 1 million sheets of paper. Currently, up to 1,200 applications yearly can be filed to CDI through the system. In addition, since February 2010, CDI received almost 1,500

filings of financial data electronically, a total over 27,000 documents, saving an estimated 1.5 million sheets of paper.

Prior to OASIS, the paper-based application process consumed approximately 83 percent of the support staff's time in the Corporate Affairs (legal) Bureau. Today, OASIS enables the CDI staff to support the legal and financial departments with more direct, high value tasks, rather than wasting valuable time handling paper. Efficiency gains are estimated at almost 2.5 personnel years in the legal department alone. SBM offered CDI an agile, iterative approach to rolling out additional process-based solutions thereby capitalizing on their investment. SBM's process reuse capabilities allowed CDI to deploy 37 additional filing types since the system roll out in February 2009.

Serena Software and Delegata worked with CDI to train internal users, while CDI marketed OASIS directly to applicants in order to educate the potential users of the system. The interface was easy to learn and authorized CDI users are able to modify or create new processes to rapidly meet CDI's evolving requirements.

“We needed a way to automate the entire application and payment submission system to streamline our operations, while offering better service for our customers.”

CHRISTIE BORCHIN

Chief Information Officer

CDI

www.microfocus.com



Micro Focus

UK Headquarters

United Kingdom

+44 (0) 1635 565200

U.S. Headquarters

Rockville, Maryland

301 838 5000

877 772 4450

Additional contact information and office locations:

www.microfocus.com