



Automation for Payment Protection

Payment protection is a high-volume business in which costs and quality are dependent on the level of process automation. In addition, this type of insurance is usually sold through banks; the customers do not have direct contact with the insurer. The payment protection specialist Credit Life International handles the entire data exchange with the bank partner systems automatically using the inubit BPM-Suite. In addition, the data is validated and adapted to industry standards.



About Credit Life International

Credit Life International N.V. is a company of the RheinLand Versicherungsgruppe and a specialist for payment protection insurance that is sold in Germany and across Europe. The company with headquarters in Venlo has been offering payment protection insurance for more than 30 years. It currently has about 100 employees.

Credit Life International payment protection insurance protects borrowers as well as lenders from default risks caused by unemployment, incapacity to work or death of a borrower. The insurance is provided as part of a financial product. It is used to protect leasing, loan and mortgage payments as well as recurrent payment obligations.

Requirements

As annex insurance, concluding a payment protection agreement requires completely error-free processing and reliable data storage. The following is therefore required:

- ▶ Automation of all affected processes
- ▶ Consolidation of all data in the inventory management system

Approach

The inubit BPM-Suite enables a high level of process automation, which profits the business partners as well as Credit Life International:

- ▶ Payment protection can be seamlessly integrated into the partners' products and sales processes
- ▶ Financial institutions receive contract data and make it available for the month-end closing in the Credit Life International data warehouse

Results achieved

Automation accelerated the processes:

- ▶ Competitive advantage thanks to the faster introduction of new products
- ▶ Banks have immediate access to all insurance-relevant processes



"The whole insurance market is currently changing significantly. Many insurers are still too focused on systems. These days, the right concepts and orientation in the sense of business process management are more decisive for being able to keep up with change."

Harald Stober, Senior Process Manager
Credit Life International

In light of the ongoing financial crisis, insuring credits and leasing agreements is becoming increasingly important. Payment protection insurance plays an important role in this area because it covers a range of unpredictable events such as incapacity to work, unemployment or death of the borrower. In addition to consumers, an increasing number of lenders are insuring their credits to reduce payment default risks.

Up to 400,000 transactions per month

As annex insurance, payment protection is usually part of a credit contract and is therefore sold together with the respective credit. "In the simplest case, all it takes to take out payment protection is to tick an extra box in a car leasing or loan agreement," explains Harald Stober, process manager at Credit Life International. "The consumer is usually not aware of the transaction between the bank and us." The close connection between bank systems and insurance systems ensures uncomplicated processing. Credit Life International is one of Europe's leading payment protection insurers and is currently processing up to 400,000 transactions per month.

With the aid of the inubit BPM-Suite, Credit Life International uses a fully automated process to exchange all relevant data between its own systems and the partners' systems. "Bringing together different applications and numerous partners means that the software needs to offer extremely powerful integration," reflects Harald Stober. "Different formats are exchanged, all the communication must use the same technical and business language."

Data integration in the inventory management system

In addition to automating its processes, Credit Life International also used the inubit BPM-Suite to introduce a new inventory management system and integrate it into the overall architecture. The inubit BPM-Suite receives the data from the financial institutions, compares it with the information on the product server (VP/MS of the provider's CSC), performs several plausibility checks that are required for further processing, and stores it in the legacy system (aiDa classic from ID-Software GmbH). If a month-end closing including all postings is executed at the end of the month, the inubit BPM-Suite ensures that the data warehouse and the accounting system are supplied with all required data.

"The inubit BPM-Suite ensures that the data is available in

the required form, checked appropriately and in the right place," explains Stober. If an error occurs during the transport of data, the customer's staff can make any necessary corrections directly in the provided web application and automatically feed the data back into the cycle.

More extensive partner integration

Streamlined business process management enables a high level of process automation, which promises to provide even more benefits to business partners in the future. "All our partners have their very own specific way of selling their products," explains Harald Stober. "Our aim is to adapt to these individual processes." Credit Life International is therefore one of very few insurers who analyze future partners' business and technical workflows, system environments and processes in advance. This makes it possible to determine the exact actions required, capacities and possible bottlenecks at a very early stage. By taking this approach, Credit Life International ensures that payment protection can be seamlessly integrated into the partners' products and sales processes. Bank employees can thus use all insurance-related processes such as premium calculation, application, form generation, policy printing, data changes or cancellations without delay.

Improved competitiveness

Thanks to the strict process orientation and with the support of highly advanced automation, Credit Life International can modify all products very quickly and implement customer requirements flexibly. Customers and partners also profit from this competitive advantage because innovations can quickly reach market maturity.