

Toa Re Automates Rules for Reinsurance Underwriting with Progress

CASE STUDY

Challenge

CLIENT



INDUSTRY
Insurance/
Reinsurance

PRODUCTS
Progress Corticon

SUMMARY

Toa Re used Progress Corticon to automate its reinsurance underwriting system and register assessment rules for the 290 diseases queried by insurance companies over the past two years. With Corticon, users who don't possess expert knowledge can perform assessments, reducing assessor workload and improving efficiency.

"Reinsurance" is a structure that transfers a part or all responsibilities of an insurance contract to other (re)insurance companies. It's an effective way for insurance companies to perform stable underwriting. The Toa Reinsurance Company, Limited (Toa Re) is the only reinsurance company that handles a diverse line of both non-life reinsurance and life reinsurance in Japan.

Facultative reinsurance is one of the structures underwriters within reinsurance companies used to assess the validity of the contract and insurance amount, based on their underwriting guidelines, and once the direct insurance company provides the individual insurance policy assessment. Direct insurance companies offer facultative reinsurance to Toa Re, because they rely on the company's assessment ability. An inaccurate or delayed assessment from Toa Re would have a significant impact on the company's operation and reputation; speed and accuracy are necessary.

To address these needs and improve operational efficiency, Toa Re considered developing an automated underwriting system. “It takes some time to underwrite the facultative reinsurance, because underwriters need to assess the applicant’s medical history and health condition based on our underwriting guidelines,” said Mr. Takahiro Tannaka, Development Leader for the automated underwriting system.

“Additionally, underwriters are busy with other tasks, such as conducting seminars for the direct insurance companies. The workload of our underwriters is heavy every year, so we must improve efficiency while maintaining business quality. The other factor is our competitors are starting to automate their underwriting. To remain competitive, we needed to develop our own automated underwriting system.”

Solution

Toa Re set up a team to implement an automated underwriting system and requested three system vendors propose a design plan. Additionally, they evaluated Business Rule Engines (BREs) with help from the IT department. After reviewing a demonstration and prototype of several products, Toa Re selected Progress® Corticon®.

“With Progress Corticon, we don’t need to develop a new program when we add and modify our underwriting rules. This was very attractive, because we can save a lot of time.” said Mr. Tannaka.

It took roughly 10 months to develop and launch Toa Re’s automated underwriting system.



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--Mr. Takahiro Tannaka, Development Leader, Toa Re

Results

With Corticon as its business rules management system for the automated underwriting system, Toa Re has registered the underwriting rules for 290 diseases queried by direct insurance companies over the past two years. With Corticon, staff without expert underwriting knowledge can assess each case based on Toa Re’s underwriting guidelines, reducing the workload for underwriters and improving the efficiency of the underwriting process. This frees up underwriters to focus on other tasks, adding value for the company and customers, and ensuring assessment consistency and quality.



“Traditionally, an underwriter determines the eligibility for reinsurance, using manual processes,” said Ms. Ishii. “This requires special knowledge for assessing each case. However, with the new system leveraging Corticon, staff without special knowledge can perform the underwriting tasks, without help from seasoned underwriters.

This frees up underwriters to perform other important jobs, such as seminars for customers.”

--Ms. Yuriko Ishii, Superintendent of Underwriting Team at Toa Re

According to Ms. Yuriko Ishii, Superintendent of Underwriting Team at Toa Re, the administration staff can complete underwriting tasks using Corticon, while continuing to perform their usual work, improving productivity across the organization.

“Traditionally, an underwriter determines the eligibility for reinsurance using manual processes,” said Ms. Ishii. “This requires special knowledge for assessing each case. However, with the new system leveraging Corticon, staff without special knowledge can perform the underwriting tasks, without help from seasoned underwriters. This frees up underwriters to perform other important jobs, such as seminars for customers.” Ms. Ishii added that the Underwriting team can now focus on reviewing underwriting standards, because Corticon reduces the team’s workload.

In addition, the flexibility of Corticon enables staff to make changes of underwriting guidelines quickly and easily, as needed.

Toa Re plans to incorporate lessons learned by using the new underwriting system to further improve quality and consistency.



About Toa Re

The Toa Reinsurance Company, Limited (Toa Re), was established in 1940. With the reinsurance market evolving and customers' needs expanding, Toa Re provides life and non-life reinsurance services to support various needs for their clients as Japan's primary professional reinsurer. Toa Re is based in Tokyo with subsidiaries in New Jersey and Graubünden (Switzerland). Toa Re also expands their operations in the Asian region and establishes branch offices in Singapore, Kuala Lumpur and Hong Kong.

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About Ashisuto

K.K. Ashisuto is a leading independent supplier of a large range of software products from hardware manufacturers and software vendors. By combining expertise in various software products and services, Ashisuto supports large enterprises in each field of information utilization, including operations, database and business intelligence. The company's mission is to be the premier IT support and service provider in Japan.

About Progress

Progress (NASDAQ: PRGS) is a global leader in application development, empowering enterprises to build mission-critical business applications to succeed in an evolving business environment. With offerings spanning web, mobile and data for on-premise and cloud environments, Progress powers businesses worldwide, promoting success one application at a time.

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