Billing Transformation

End-to-end support to modernize your billing

Today's turbulent economy demands that companies trim policy servicing costs and improve cash flow, while managing growing delinquency risks. Tech-savvy insurance customers now expect electronic billing and payment options, online access to their complete account, up-to-date information, and round the clock change capabilities. At the same time, companies are refining business segment strategies and trying to improve customer experience to promote greater customer loyalty and retention.

These competing demands all encourage re-examination of billing and customer service processes and transformation of the underlying billing automation.

But decades-old legacy billing systems, tightly integrated to other core processing systems, must overcome significant hurdles to successfully respond to these demands and today's fast-changing business environment.

Companies often operate multiple billing systems, using new ones for different types of billing or different policy systems. The multiple systems, daily batch architecture, legacy technologies, tight integrations, and complex "hard coded" business process logic make these systems inflexible and cumbersome to maintain.

Some insurance companies have found that 30% to 50% of customer calls are related to billing inquiries. A large portion of these billing costs can be eliminated with easier to understand bills and customer self-service facilities.

This processing logic is complicated by multiple banking and distribution channels, complex producer compensations and incentives, varied product and billing options, rigorous financial control and audit requirements, and numerous cross-system dependencies and data flows.

Legacy solutions were not designed for today's needs, such as integration with external financial systems, real-time information and processing, customer and agent-friendly access, personalized communication and services, electronic transactions, and compliance with regulations such as Sarbanes Oxley.
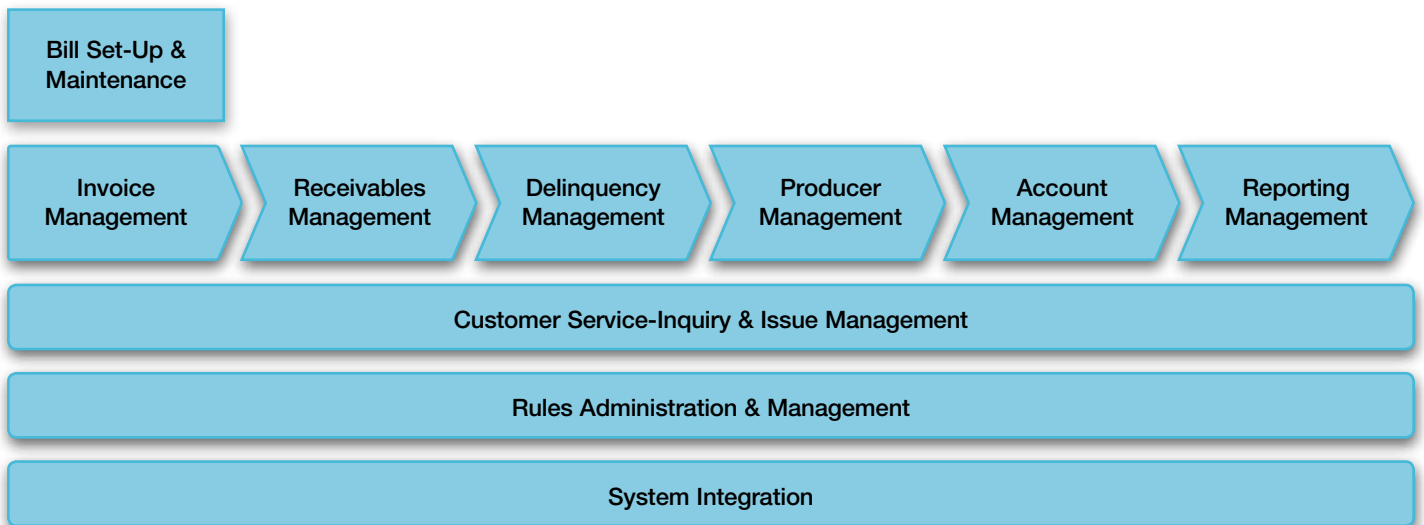
Benefits of strategic billing transformation

Billing and customer services directly drive brand loyalty, cross-selling, customer retention, and expense ratios. In response, leading insurers are transforming their billing services to:

- Reduce call center volume via online customer self service;
- Consolidate multiple systems;
- Outsource selected billing support and processing;
- Enable electronic bills and green solutions to support more ways to pay electronically
- Provide business process workflow and rules management
- Offer an integrated single customer view for customers, producers and customer service;
- Support combined account billing across all policy systems;
- Enable intelligent automation for limited manual intervention;
- Integrate company messaging and branding; and
- Use analytics to tune payment options, delinquency strategies, and producer incentives.

Capgemini's Billing Functionality & Work Flow

Bill Set-Up & Maintenance

| Invoice Management | Receivables Management | Delinquency Management | Producer Management | Account Management | Reporting Management |

Customer Service-Inquiry & Issue Management

Rules Administration & Management

System Integration

How can Capgemini help with your billing transformation?

Capgemini can define and execute the right billing initiative, with an appropriate focus on total cost of ownership, while driving alignment between value and investment. We combine experience in executing billing transformation projects for large insurers and an external perspective that is not tied down by specific technologies or legacy perspectives.

Our experienced insurance consultants can help your company:

- Evaluate billing functions to help select the right approach and roadmap by looking at system enhancement, transformation, consolidation, replacement and process re-engineering options.
- Effectively plan and execute your billing transformation projects from requirements through roll-out with minimal disruption.
- Build operational partnerships to drive effective IT and/or business operations and help you manage total cost of operations (TCO).

Consulting powered by real-world knowledge

Capgemini's transformational consulting focuses on business value to develop the approach.

Evaluate the Current State. Look at cost drivers, levers for cost savings, industry benchmarks and technological maturity.

Design the Future State. Define high level billing processes, roles, responsibilities and technology design and direction.

Make the Business Case. Analyze the costs and benefits of alternative scenarios.

Plan the Transformation Roadmap. Outline activities, milestones, roles and responsibilities.

Share the Vision. Communicate and mobilize the organization for change.

Our consulting practice uses powerful tools and assets to speed engagements such as our patented Accelerated Solutions Environment (ASE) facilitation environment and process which jump starts strategy development, decision-making and consensus. Capgemini's TechnoVision 2012 framework helps assess the impact of evolving information technologies.

Technology powered by experience & accelerators

Capgemini's technology consultants have experience implementing and configuring market-leading billing products, building custom-designed billing applications, and enhancing a wide variety of legacy systems and technologies.

Our proven and certified project processes have delivered cost effective insurance transformation projects to leading insurance companies across the globe. We bring a wealth of assets and experience to ensure your billing project success including:

- Partnerships with leading billing solution vendors like Oracle, Guidewire and SAP and technology alliances with IBM, Microsoft and HP

- Proven rapid design and visualization tools and methods
- Project framework assets such as use cases and models
- Special practices and Centers of Excellence for: IT Architecture, Testing & Quality Assurance, Business Intelligence, Business Process Management, Data Conversion, User Experience, and Project Management
- Expertise in all major platforms including: J2EE, Open Source, .Net, Mainframe, and iSeries

With centers in 35 cities across 15 countries, our Rightshore® network provides you with the people, process and the expertise to successfully manage and maintain your billing systems.

Outsourcing powered by Rightshore®

Once your billing systems have been enhanced, transformed or replaced, it's time to optimize maintenance and support. Capgemini offers application and IT infrastructure maintenance options using a highly scalable global network which delivers effective operations and ongoing TCO management.

Cost effective maintenance is about more than just outsourcing to lower cost geographies—it's about continuing to upgrade your systems and maintenance processes so you reap the benefits of process and technology improvements over time. We offer options to host your billing services and even perform selected processing functions. Several of the world's largest insurers outsource specific financial services and IT services with Capgemini.

Our outsourcing teams work closely with your own staff using our Rightshore® global delivery model. This provides cost effective services based on a common infrastructure using shared tools and methodologies that enable us to maintain consistent quality.

For more information, contact us at **insurance@capgemini.com.**

In Practice: Capgemini helps a major global insurer's direct bill operations

Capgemini's client, the U.S. property and casualty arm of a major global insurer, had a legacy billing system which was expensive and difficult to maintain. The system used a 'green screen' interface for customer service representatives, occasionally produced incorrect results, contained complex requirements and business logic embedded in code, was unavailable during off hours, and did not provide electronic payment options.

The insurer wanted to reduce expenses, add flexibility, lower time to market, and support business expansion. At the same time, it was important to improve customer service by enhancing the experience of users and CSRs by eliminating cumbersome interfaces and incorrect results, while providing round-the-clock access and electronic payment features.

Our Solution

Over two weeks of strategic collaboration, Capgemini proposed a scalable, custom web-based billing and payments solution which provided end-to-end integration with electronic bill payment options and 24x7 availability. During the eight month Rightshore® implementation, Capgemini:

- extracted business rules from the legacy systems to a business rules management system for easy maintenance;
- provided iterative development with regular end user testing and feedback;
- delivered the final implementation within time and budget.

The Results

Our client experienced a 75% reduction in system maintenance costs, a 100% reduction in erroneous bills to customers and proved scalability and flexibility in a national roll-out.

About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, called the Collaborative Business Experience.

Backed by over three decades of industry and service experience, the Collaborative Business Experience is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and collaboration-focused methods and tools. Capgemini utilizes a global delivery model called Rightshore® which aims to offer the right resources in the right location at competitive cost, helping businesses thrive through the power of collaboration.

Capgemini employs approximately 92,000 people worldwide and reported 2008 global revenues of 8.7 billion euros.

More information about our services, offices and research is available at **www.capgemini.com.**