

CUSTOMER SUCCESS

case study



Duck Creek Platform Allows Insurer to Expand Business to 30 New States while NPW Grows from \$12 Million to \$125 Million in Six Years

FIRST AMERICAN PROPERTY & CASUALTY COMPANY OVERVIEW

First American Property & Casualty Insurance Company holds an “Excellent” (A) rating from A.M. Best Company, the oldest and most recognized financial rating services in the world. In addition to superior customer service and responsive claims handling, First American Property & Casualty’s insurance can be purchased with convenience and ease through the home buying process.

THE BUSINESS CHALLENGE

With the goal of being “the most convenient company to do business with,” First American Property & Casualty needed to find a system that could provide their agents with easy and real-time access to information via the Internet. Once accomplished, the next steps were to be able to rate and quote online, and then to expand the distribution channel to offer products beyond the four states where they were already doing business. Last but not least, the insurer also wanted to improve their product development process with a goal of getting product to market much quicker.

THE SOLUTION

First American Property & Casualty had installed Fiserv’s Specialty Information System (SIS) as the back office administration system. With the Fiserv system in place, they still required a system that could effectively integrate with Fiserv and support the front-end effort, starting with the agent website.

While there seemed to be a lot of vendors in the market who claimed to have the capabilities required by First American Property & Casualty, the insurer wanted to be certain to select a vendor that had the staying power. And of particular importance was finding a vendor who could act as a true partner and work side-by-side with them for the long haul.

As First American Property & Casualty began their solution search, they insisted on working only with vendors that would be effective partners in changing what the insurer viewed as the insurance industry’s technology status quo.

SOLUTION CONTINUED

In addition, they selected technology products based on value, which they defined as solutions that must:

- Provide strategic value to long term business objectives;
- Provide tactical value such as improved time-to-market; and
- Reduce operational costs.

After careful review of the market, First American Property & Casualty selected Duck Creek's EXAMPLE Platform® for a variety of reasons, including the

- Front-end and web capabilities;
- Attractive time-to-market with a tools-approach; and
- High-value for the investment with the Duck Creek solution.

As part of the evaluation, First American Property & Casualty also spoke to three existing Duck Creek clients, finding all happy with the products and just as importantly, happy with the Duck Creek relationship.



“Not only did Duck Creek offer a high-value solution with EXAMPLE Platform, but we also found the company’s culture one that we felt comfortable with as a long term partner. What was refreshing was the company’s sales approach – no high pressure. With Duck Creek’s consultative style and their taking the time to understand our requirements, we felt that our decision was based on facts rather than vendor promises,” said **Jim Court**, Vice President and CIO, First American Property & Casualty.

THE IMPLEMENTATION

With the agent website in place in late 2004, the agents had real-time access to information and were already better servicing their clients. The next step was to use the Duck Creek system to provide online rating and quoting in the 4 primary states with this effort completed in late 2004. Once the initial states were completed, the rapid rollout began with 30 additional states providing black box rating in just 18 months.

While First American Property & Casualty had originally purchased Duck Creek’s EXAMPLE Platform for homeowners, it didn’t take long for them to realize that they could expand the use of the system to their other personal lines and even the commercial business.



“The Duck Creek system delivered as promised. It allowed us to get a quick and cost-effective online presence for rating and quoting while providing a scalable solution that can easily grow with our business,” said **Jim Court**.

IMPLEMENTATION CONTINUED

With the tools-based EXAMPLE Platform system, First American Property & Casualty opted to do much of the rules definition and implementation work on their own, with self-sufficiency as one of the insurer's goals.

THE RESULTS

Now in production in 35 states, First American Property & Casualty is much more connected to their business partners and distribution channels through the implementation of the agent website to provide online, real-time access as well as the quick rate and quote capabilities offered with the Duck Creek system.

Starting with NPW of \$12 million in 1999, First American Property & Casualty has enjoyed impressive year-over-year growth, reporting \$125 million NPW in 2005 – nearly 1000% growth in just six years.

Rapid time-to-market has also been accomplished with the Duck Creek system's rule-based approach. First American Property & Casualty's business analysts are able to reuse common product features and quickly develop new products and appropriate rate models.



“While we haven't quantified the benefits in saved development costs, it is more than obvious that giving our business analysts the Duck Creek tools to develop new products rather than relying on programmers is a tremendous value to us – not just in cost, but in the revenue opportunity from bringing product to market in an abbreviated timeframe. The value is evident in our tremendous growth over the past few years,” said **Jim Court**,

FUTURE PLANS

First American Property & Casualty is continuing to focus their growth efforts in geographic expansion into new states, rather than a focus on new products. However, they know that when the time is right, Duck Creek's EXAMPLE Platform is well suited to support the new product development.

From a technology perspective, First American Property & Casualty is also looking at taking greater advantage of the integration capabilities offered by both the Duck Creek and Fiserv systems to further streamline and automate their insurance process.