



Balboa wanted a rating solution that would enable it to offer a greater variety of products to customers

Duck Creek product(s) used:

EXAMPLE Platform®
Product Suite:
EXAMPLE Author®
EXAMPLE Server®

Balboa's commitment to new technologies includes Duck Creek as its rating engine

Duck Creek's EXAMPLE Platform® integrates with the insurance policy administration system used by Balboa, enabling the company to self-manage its insurance products.

Balboa Life & Casualty - Leadership Through Technology

As an industry leader in lender-placed insurance for more than 30 years, the Balboa Life & Casualty Group maintains its leadership through its investment in technology. Over the years, the company's technology strategy has been to continuously improve insurance tracking and customer service systems, building on a state-of-the-art platform that has the ability to evolve and grow to best meet the needs of their clients.

Historically, Balboa Life & Casualty's primary business was providing lender-placed insurance solutions to financial institutions and other clients. In recent years, Balboa has expanded its menu of insurance products and related services, adding growth-oriented personal insurance products such as homeowners insurance to its lines of business. The successful and profitable growth of personal-lines products is a cornerstone of the company's strategic plans to become a dominant industry player in both the consumer and financial institution marketplaces.

Balboa's Growing Business Needs

Having grown beyond offering lender-placed insurance only, Balboa identified the need for a more complex insurance rating and policy administration system for its personal-lines products. Lender-placed business uses simple rating formulas, while personal lines, with many more variables, requires greater flexibility.

Balboa selected a policy administration system designed to utilise a third-party rating engine. Because Balboa Life & Casualty writes business in all 50 States in the USA, it wanted a rating solution that would enable it to offer a greater variety of products to customers. These products must meet the State regulatory requirements of the specific State in which the customer resides. These requirements, among others, dictated a need for a sophisticated and robust rating engine.

The Solution Search

As the market search began, Balboa identified 13 rating solution vendors. Through initial research and phone interviews, the field was narrowed to six possible solutions. A formal Request For Proposals was issued, covering both the business and technical needs and customer references were contacted.

Of the six possible solutions, the list narrowed quickly, given Balboa's three key requirements:

- The solution must be XML-invoked.
- The solution must offer a tools-based approach that enabled the business users to self-manage the rating function.
- Easily integrate with multiple systems, including Balboa's policy administration and Web-based quoting systems.

The choices were narrowed to two with Duck Creek's EXAMPLE Platform® as one of the finalists. While Balboa viewed Duck Creek as a relatively new player, it was impressed with the design and user-friendly interface.

Choosing Duck Creek

Balboa asked the vendor finalists to participate in a Proof of Concept (POC). Balboa's high volume projections and stringent performance criteria created concerns about whether an XML-based product could meet the requirements.

In order to address these questions, Duck Creek called upon a partner company to help with the POC and simulate the servers, transactions and loads in order to obtain the needed statistics to evaluate performance. Duck Creek completed the POC with excellent results.

"Duck Creek was selected because the product performed the required functions, its staff had strong insurance experience in areas critical to Balboa and the product had excellent built-in testing tools. In addition, the supporting documentation and tutorial were outstanding. The performance test was impressive – not just in terms of the speed of the product but in the way that Duck Creek supported the test with integrity and attentiveness," stated Kathy Sharman, Vice President of Application Development, Balboa Life and Casualty.

Duck Creek Beyond Rating

Because Duck Creek's EXAMPLE Platform® is a rules-based system, Balboa was interested in using the system for more than just rating. When Balboa expanded its product line by offering multiple-tier homeowners insurance in many states, it used the Duck Creek products to create rules for claims history evaluation and tier determination.

"Because we had so many States and tiers within each State, we needed a product, like Duck Creek's, that provided our business users with the flexibility to make rate changes easily without having to depend on the IT staff," added Kathy Sharman.

Benefits to Balboa Life & Casualty

"Development of the rates using the Duck Creek system takes about one-tenth of the time it would have taken using traditional coding methods. And now, with 50 States, more products and multiple tiers, the effort would have been overwhelming without the Duck Creek system," continued Kathy Sharman.

Future Plans

Currently, the Duck Creek system is being used for Balboa's Homeowner and Dwelling Fire products. In order to get up and running quickly, Balboa contracted with Duck Creek to develop rates for the initial States. Balboa has now taken on all development, using the Duck Creek tool set. Balboa knows it can use the Duck Creek system more extensively for rating and rule development on other products.

Balboa Life & Casualty Overview

Balboa Insurance Group, Inc., the parent of the Balboa Life & Casualty Insurers, is a wholly owned subsidiary of Countrywide Financial Corporation, Inc., (NYSE: CFC), a diversified financial services provider and a leader in the financial services industry. Balboa Life & Casualty is comprised of Balboa Insurance Company, Balboa Life Insurance Company, Balboa Life Insurance Company of New York, Meritplan Insurance Company, Newport Insurance Company and Balboa Lloyds Insurance Company and the group has earned a prestigious "A" rating, based on performance and financial stability, from A.M. Best Company, an insurance rating and information source. Balboa's employees are devoted to helping business partners throughout the United States build their customer relationships by providing high quality insurance products and exceptional service. To learn more about the Balboa Life & Casualty Group, please visit www.balboainsurance.com.



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