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CREATIVITY AND COLLABORATION IN THE FORMS AND DOCUMENT LIFECYCLE

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June 29, 2021

This report was commissioned by GhostDraft, which asked Celent to design and execute a Celent study on its behalf. The analysis and conclusions are Celent's alone, and GhostDraft had no editorial control over report contents.

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EXECUTIVE SUMMARY

Insurance is a promise to pay, someday in the future, maybe. Policy forms are the expression of this promise in written form. Creating and maintaining these forms is a core activity in all insurers. To understand current approaches and issues in performing these processes, Celent interviewed ten insurers around their existing processes, organizational structure, the pain points involved, and the various constituencies served. The use of technology was also explored.

Product management is a central activity in the execution of an insurer's business strategy. Insurance product management is best characterized as an "artisan approach," with highly skilled professionals across underwriting, compliance, operations and IT (to name a few) performing their work in a largely manual fashion. The deliverables — forms and standardized correspondence, underwriting guidelines, rate changes, new processes — are of high quality at high cost, with low process consistency, limited auditability, and partial repeatability.

Creating new forms is a fundamental part of a product manager's role but is still a largely manual process prior to loading them into the system. Product managers collaborate with a wide variety of other players - legal, marketing, claims, underwriting, IT, and regulatory affairs. The process from start to finish can be only a matter of days for a small simple change. But for larger, more complex changes, or new product development, it can take as long as a year. This may be acceptable in an environment of little change. However, the insurance industry is not in a steady state. Customers, both consumers and businesses, expect an engagement approach that takes advantage of digital technology and makes the buying process easier, faster, and more personalized.

Additionally, the product proposition is transitioning to a real-time, risk avoidance model. Investing in new customer engagement models and new products is difficult given expense pressures.

Finally, the looming retirement of many career specialists presents an unprecedented knowledge retention challenge.

While many other aspects of underwriting have benefited from automation, product management is an area that still lacks the support necessary for speed and agility. Modern policy admin and rating systems have streamlined the process of modifying rates and algorithms, but the creative and analytical side of creating new product forms requires the unique skills that only human beings can deliver.

INTRODUCTION

Product differentiation has taken on new importance in the last few years and insurers see product management as an increasingly vital core function. When senior property/casualty executives describe their goals and objectives, they often mention agility, flexibility, responsiveness, and speed to market. A fresh portfolio gives an insurer advantages in pricing, risk selection, and distribution. An oldie (product) can be a goodie — as long as the market does not move against it. But Celent sees competition in both personal and commercial lines centered increasingly on the rapid rollout of new and enhanced products. There are also benefits from being able to refresh a product offering more frequently.

We looked at the current processes used by insurers in order to identify potential sources of efficiency, and to identify where technology could provide additional agility.

Research Methodology

Celent conducted hour-long interviews with ten insurance companies to gain a deep understanding of their processes that address policy form processes — both new development and existing maintenance. Insurers were selected based on the role that product management plays in their overall strategy. They ranged from large multi-line insurers who write all lines of business across all fifty states, to smaller specialty insurers whose core strength is developing unique products for their target customer.

Interviewees all had direct experience in insurance product management. Fifteen individuals were involved, all of who are active in product management on a day-to-day basis. The interviewees were primarily on the business side, although we did interview some IT people as well. Sample titles of those involved Manager of Product Development, AVP of Product Compliance, Product Specialist, Director of Innovation Management, Underwriting Director, Director, Product Development, Underwriting Compliance Director, and VP of Products and Programs - IT.

The survey responses reflected varying sizes of insurers, and participation was sought so that results would be representative across all premium groups.

Table 1: Size and Lines of Business of Respondent Insurers

Annual Direct Written Premium	Number of Participating insurers	Lines of business
Over US$1 billion	5	Standard Personal Lines , Standard Commercial Lines, Specialty Lines
US$500 million to US$1 Billion	4	CL and PL standard lines, Nonstandard Auto, Professional Liability
Under US$500 million	2	CL and PL standard lines, Commercial Auto, Excess and Surplus Lines

Source: Celent

The interview instrument consisted of a variety of questions to understand the existing organization, processes, and technologies used to support the process. We also discussed concerns and challenges with the process as well as a wish list for support to simplify the process. The use of technology was also explored.

There are important caveats to make regarding this data as the respondents represented a wide scope of business responsibilities. Some were answering for forms creation for a single line of business such as commercial auto, or for a limited number of specialty lines. Others were outlining the work involved across multiple lines in both personal and commercial books. The number of new forms created each year is highly dependent on the scope of the product management area, and the average from the survey results reflects a mix of business lines and complexity.

While this research sample size is too small to yield strict statistical validity, these indicative results are valuable. The comments of these professionals provide current and practical perspectives. Insurers are urged to compare their product management approach with those described and use the resulting insights to decide how to address their own future needs.

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THE PRODUCT MANAGEMENT PROCESS

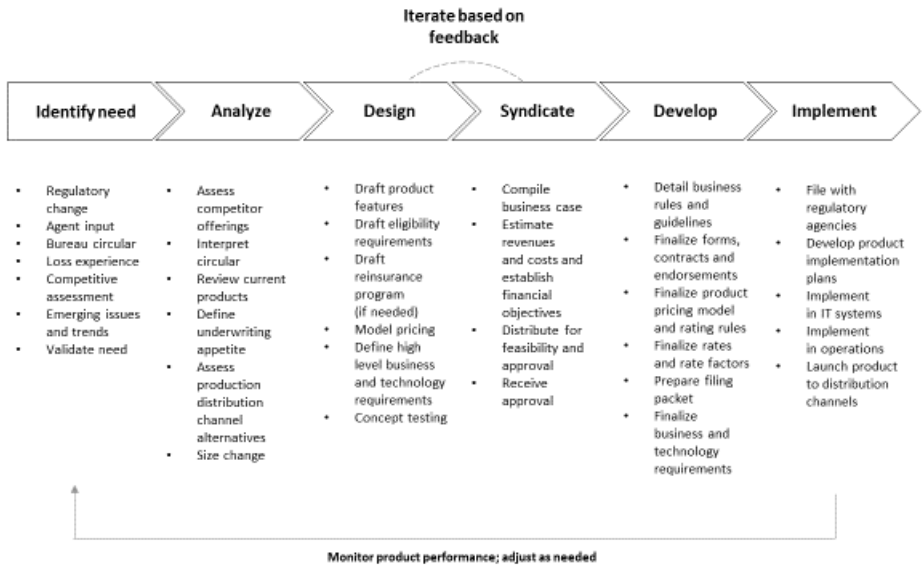
Product management is a central activity in the execution of an insurer's business strategy. Underwriting and claims are core competencies for insurers. The terms under which risks are selected, priced, and settled are outlined in policy forms. Creating and maintaining these forms are part of the product management process.

Process Overview

The insurance product development process is best described as intricate. Broadly, there are two major categories: build new products and maintain existing ones. Both involve numerous activities and multiple handoffs between different departments/organizations. We started our discussion by understanding the overall process these firms used to manage existing forms and create new forms.

The insurers in this research group generally follow the process below. But there were differences in the way they conduct this work.

Figure 1: Typical Product Management Process



Source: Celent research

The first step in the process starts when the need for a new form or forms change is identified. The forms development process often begins with an idea from an agent or field underwriter. They may see an issue with the wording, or a competitive opportunity. Changes may also originate from claims or legal, who see opportunities to create differentiation – or close gaps. Analyses of the book of business may identify a trend in claims that the insurer wants to manage by modifying the language. And given the high proportion of ISO reliance in commercial lines, many changes come from ISO circulars.

Typically, a product manager, or compliance manager will conduct an initial review of an incoming circular to understand the scope of change e.g., which lines of business are impacted; how many states are touched; and whether it is a small change or a major change.

Regardless of the starting point, once a need is identified, a set of analyses are kicked off. A wide set of participants are involved in this analysis process including product management, regulatory compliance, claims, legal, marketing, field operations, actuarial and others depending on the complexity.

Once the final changes have been finalized, the results are sent to the part of the organization that manages the filing process with the Departments of Insurance. They are also sent to the IT organization to begin the process of implementation – although implementation isn't finalized until the filings have been approved.

As customer expectations grow and technology opportunities multiply, the activities involved in delivering and maintaining new products will be more important than ever.

PRODUCT CHANGES

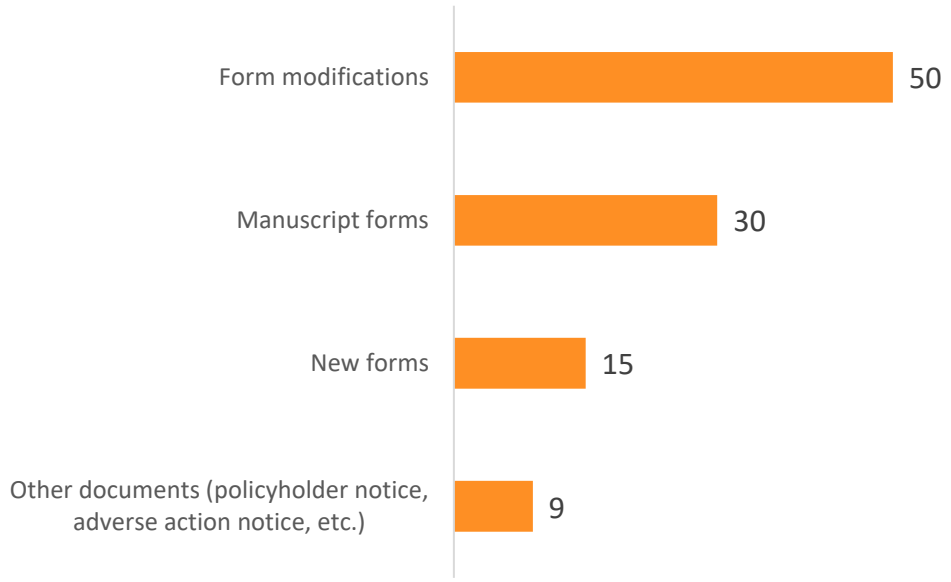
We first wanted to assess the size of the effort of creating new products or modifying product forms in order to understand if this is a problem worth fixing. We looked at the number of product changes these insurers typically handle during the course of the year and the reasons insurers are modifying or creating new products.

Product changes come from a wide variety of sources. Many product changes start because a request has come in from the insurers' agents. Others come as product managers watch competitor changes or see losses in their book of business that they wish to control. And many come as a result of ISO circulars.

Form Changes and Creation

These insurers, on average, handle 50 product changes per year and create 15 new forms. Some also create manuscript forms for one-time use. Manuscript forms are more dominant in those that write specialty or E&S coverages.

Figure 2: Average Forms Created Per Year

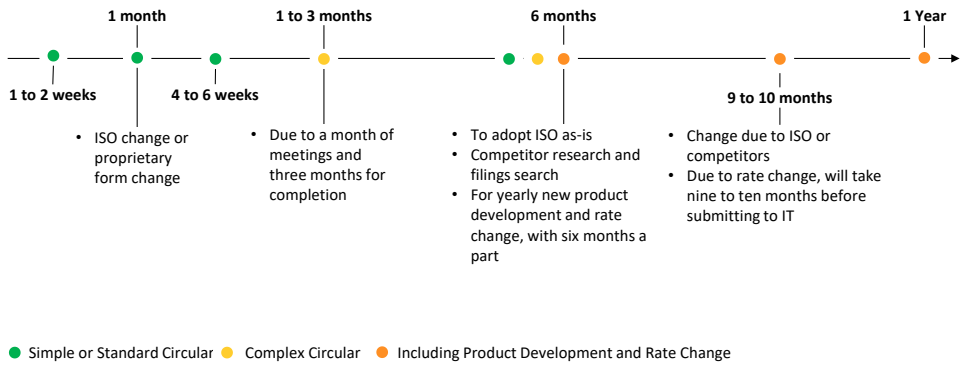


Source: Celent

The majority of the forms work that occurs is driven by ISO circular changes. Verisk issues more than 75 ISO circulars a week [1] across multiple lines of business and multiple states. This creates significant work simply to review the circulars to understand if they are applicable to the insurers book of business. When we asked these insurers "What percentage ISO would you say you are?" they told us on average they are approximately 75% ISO language and 25% proprietary language. But even 100% proprietary forms may be impacted by ISO changes if an insurer wants to align philosophies or individual clauses across their proprietary forms and ISO based forms.

Once a change is initiated, the time taken to analyze the requirements and develop the form can be as short as a week for a simple change to as long as a year for a complex change.

Figure 3: Typical Timeline for Analysis

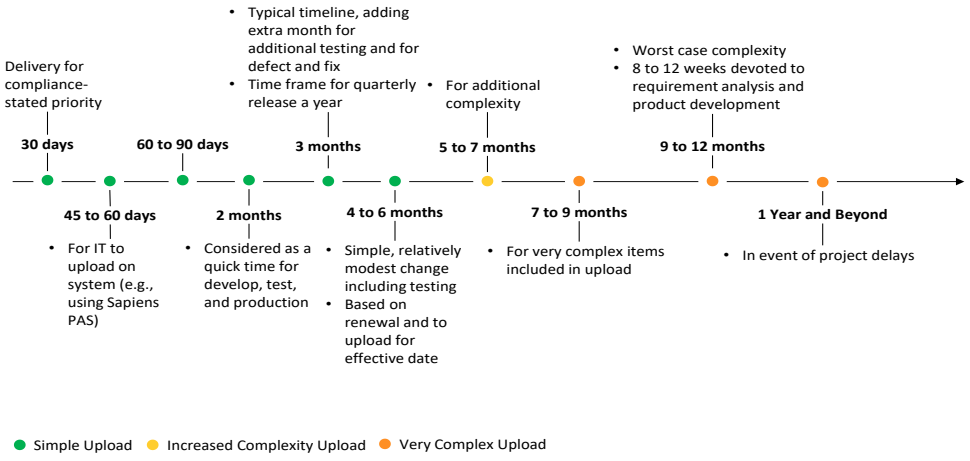


Source: Celent

Loading the change into the production system can also take some time. The typical timeline is about 3 to 6 months. In some circumstances, a change can be prioritized and loaded in much faster. But for complex forms, respondents reported that upload time can stretch five months and beyond.

[1] 2021 Verisk - https://www.verisk.com/insurance/products/circulars-on-isonet/

Figure 4: System Upload Time



Source: Celent

This time frame can cause challenges in launching the product by the ISO filing date. Let's just walk through the timing. If ISO comes out January 1 with a new form that has an effective date of September 1, nine months lead time, that form change needs to be in the system ready to be used by June 1 in order to be applied to September 1 renewals. Renewal policies are typically issued 90 days in advance of the effective date. This group told us IT generally takes 1-3 months to make a change. That means IT needs to have all final requirements in place by March 1. That gives product management two months to complete their analysis and obtain all approvals. But as you see in the chart above, while some simple changes can be done fairly quickly, changes that include rate changes or are complex generally take much longer than two months.

Because of the amount of work effort and the number of changes coming in, some insurers choose to only modify products periodically. In this group, it was evenly split with 50% making changes as the circulars come in, and 50% making changes on a periodic basis. This is usually aligned with a broader product review.

> *"We usually don't adopt right away but as part of our overall filing schedule. We have a set schedule of when we look at filings for each line of business. So, we'll add the circular in the list of things to look at later. Of course, occasionally, we do need to handle it right away."*

> *"We have what we call product reviews for each LOB. We have product reviews annually. We review the circulars as they come in and put them in a database. When the LOB comes up, we review them. But if it's something that needs addressing right away, then it's an off-cycle change."*

> *"We generally just stick to our schedules. We start a six-month cycle so if it can be done in that time frame, we'll do it. Otherwise, we'll hold off for another year. Sometimes we can't wait, and we make do with what we have. But we try to fit them into our schedule. It's a formal process, e.g., this is when product management starts, the BA starts here, QA starts here. It's all on a set schedule*

over the six months. We follow that schedule on all changes unless it's something really unusual then we'd tweak."

So, what is taking so long? Let's look in more detail.

The Analysis

When the need for a change is first identified, whether through a circular or through some other business trigger, such as a loss, a field request, or an external event, a series of analyses occur.

Typically, product managers, or regulatory compliance will review the circular first, to determine the scope of the change – the number of states and lines of business it may impact. They also look at whether it's a change that is seen as urgent or mandatory.

A change of any significance will trigger a set of analyses. Product management looks at the forms themselves, actuarial will look at any potential rate impact, marketing looks at the potential impact on the field, IT will assess the IT effort and time to get the change in the system, legal will opine on the potential legal and regulatory aspects of the change, even loss control may get involved for a change of some significance.

If the product is new to the industry, research may need to be conducted on the particular risks to be covered. Example: for cyber products, research will be done on various risks, exposures, and controls, and product managers will look closely at competitors who are currently providing cyber insurance.

COLLABORATION AND DECISION MAKING

Clearly, with this many individuals involved, collaboration becomes critical, and managing the communications and decisions is a key task to be organized. Managing the interactions and sign offs of these different participants creates its own set of challenges.

Collaboration between departments is key to delivering a form change and driving innovation. The product manager typically has the responsibility of overseeing the process. They need to inform stakeholders of updates, coordinate and schedule meetings/calls, record meeting minutes and document decisions.

A variety of tools are used to drive collaboration. Email plays a heavy role in the process as do periodic meetings, especially for complex changes or new products.

Given the large role that collaboration plays in form management, it is not surprising that the biggest challenges facing respondents is communication. The challenges fall in two camps - the actual collaboration on form language, and, managing and documenting the processes, communications and decisions among the stakeholders.

Two Models

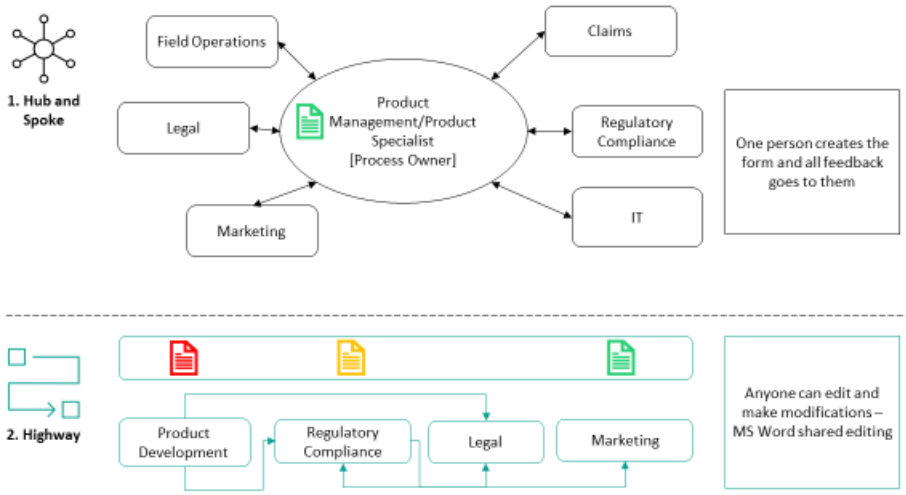
We found two models of how insurers manage the coordination and collaboration of the processes needed from start to finish. We'll characterize the first as 'hub and spoke'. In this model, the product manager serves as the center hub. Work is done by other members of the team, the spokes, but all work is sent back to the product manager to consolidate, to update the form, and to finalize the decision process. Project management is a large part of the product managers role in a hub and spoke process.

> *"Well we're basically project managers. Think of it as a wheel with all the spokes - we're the center. We're trying to coordinate the different departments to make sure it all comes together."*

The second model we saw, we'll characterize as a 'highway' approach. In this model, all participants work simultaneously, and make changes to the actual form. Those using this approach generally said they have a centralized storage spot for the form, which is generally in MS Word. They use track changes to track who has made changes. There is no central control point, although the product manager is responsible for coordinating the parallel paths, gaining agreement, and finalizing any changes.

"We use track changes on whatever document we're editing whether word or pdf. Track changes identifies the person making the changes. They then send an email saying they made an update. Or, if it was predefined in the process, at certain checkpoints, someone will go in and evaluate."

Figure 5: Two Process Models



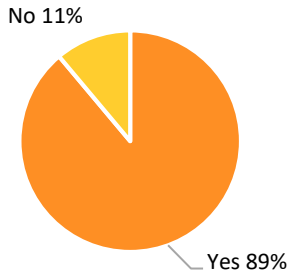
Source: Celent

Generally, the hub-and-spoke form of organization is the dominant model used by the insurers we interviewed. Of the ten insurers that we interviewed, eight of the ten used this model. The primary reason for this seems to be to assure version control. By routing everything through the product manager, they can assure all appropriate changes are included in the final version. Of course the question is – is one model better than the other? Do insurers who use one form of organization versus the other work faster? We didn't see any significant difference. Of course, this was a very small sample size.

CREATING THE WORDING

Once the analysis has been completed, the final forms language must be created and finalized. ISO is usually used as a starting point or baseline for language development, even by those that are 100% proprietary. The use of ISO language is understandably high at 89% as it provides standard coverage language that has already been filed and approved in the different states.

Figure 6: Usage of ISO language



Source: Celent

Most also pull competitor forms as a second research step to see what coverage others are providing.

> *"It's common competitors. I use Competiscan to get ideas and Global Intelligence from S&P. I use SERFF. I use third party sources and ISO. I look up ISO forms a lot if I'm missing something. Well we're an ISO company so I just go that way, but I know I can put more sizzle on the form. I use their form as my reference point and dovetail my coverage off those."*

Typically, product managers create the first draft of the form's language, although one carrier indicated that their claims department created the draft of the language.

A challenge we heard repeatedly was that product managers do not have an easily searchable library of forms. While two of the respondents had software that allowed them to index and search text of the forms, the remaining participants are unable to easily search through existing forms for specific clauses that could be reused to address an issue. This snowballs into an even bigger issue.

The lack of searchability means they are also unable to systematically find all forms that may have a specific issue in them. For example, if ISO comes out with a change, product managers are unable to find every form that refers to the subject of that change. They must rely on their own knowledge and memory of the forms. This creates the potential for gaps – missing a form that might need a change.

> *"For a business interruption data call, I had to do manual searches of every property form we have. It was the only way to make sure we had the appropriate fungi limitation or exclusion and were keeping us out of harm's way of business interruption."*
>
> *"We have to remember. We just have to remember. There's no easy way to do that. And we rely on the product leads to know that the change impacts their forms. The product lead people have been there a long time. So we rely on them to know. If it's an independent form, a lot of them are ISO based. So if they change something in an ISO form that we don't use anymore… that we've amended into our own form… we have to remember that we changed it."*
>
> *"We just have to know. We have to know if we have seen that before. If I want to change a sentence on lead poisoning and want to change it to "deep" lead poisoning, knowing where all the forms are that have that would be a challenge."*

The implication is that the best product managers are artisans with deep memories of all the forms in production. And indeed, many product managers have achieved that role after years of building expertise. But with more than 25%[2] of all employees at insurers poised to retire in the next ten years, insurers won't be able to rely on a product manager's years of expertise and memory as the fail safe for these potential coverage gaps.

The other gap it creates is the inability to provide governance over forms language assuring that all units in the organization are in compliance with the corporate directive.

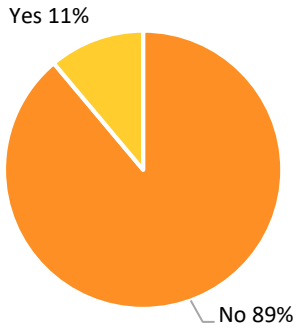
> *"If you have a rogue unit – like our programs unit, they will do stuff that you would never know they had done as a LOB. My favorite – which wasn't a favorite... Everyone decided that no, you don't need a molestation exclusion on an auto policy. I mean, how will molestation result from an accident? Even if it's a school bus. So we made the decision, we don't need to exclude it. Well, the people in programs said "we disagree, we'll exclude it" without me knowing it. We don't have a good method for tracking that across our organization. The problem is that now you're inferring that you're covering it on everything else. Since you only excluded it in one area – it must be covered everywhere else. That's a mess I have never been able to clean up."*

[2] Bureau of Labor Statistics - https://www.bls.gov/cps/cpsaat18b.htm

WORKFLOW

Managing the workflow and tasks across multiple departments across a wide number of forms over the course of months is a key role of the product manager. Processes are a good use case for automation, and we asked respondents about the usage of automated tools currently.

Figure 7: Automated Workflow Usage Percentage



Source: Celent

Most respondents do not have any automation support to help them manage the ongoing tasks. Today, this is primarily handled through email, excel, and memory.

One insurer is using Trello. Each circular has its own card on the board. That card has a checklist to track where the specialists are in the process. While it facilitates communication, not all stakeholders utilize it.

Another is in the process of implementing a workflow system to help them.

> *"Instead of sending an email, they will go into the new system and they'll request a new form. They'll fill out a template and that will automatically enter that new form into the system. That will make it available for tracking. No more spreadsheets. We will also have a dashboard that will display during the monthly meetings. And a project manager will update and make any changes from that original request that was input. So, we can use the new system to track tasks. There will be tasks that can be assigned from the system."*

Others use email or excel to track the tasks.

- *"We utilize Outlook with reminders and tasks."*
- *"It's a little more of "I know what needs to be done."*

Filings

When rate, rule or forms changes are made, insurers are required to file those changes with the Departments of Insurance in the applicable states. There is generally a formal process with required forms and documentation that must be included. DOIs typically have time frames they must respond but may respond with approvals, disapprovals, questions, or crits (criticisms). Tracking the status of these different filings across multiple products and multiple states can become complex. In one state, it may be automatically assumed to be approved upon the initial filing. In others, the maximum time period for state response may be 30 days and in others 60 days. Once the state has responded with a question the insurer has a time period within which they must respond – and the clock starts ticking all over again.

Virtually everyone surveyed uses SERFF for their state filings. The System for Electronic Rate and Form Filing is a paperwork flow management tool. SERFF creates a universal interface for dealing with correspondence between insurers and insurance regulators. It assigns a unique number to each filing and provides a standardized place to manage correspondence between rate examiners and insurance company employees.

Some track the filings directly in SERFF. Many use excel spreadsheets to manage and track the status of the filings.

- *"We use SERFF and we also populate an internal document to track the filings. It's a tracker sheet to id where the filings are in the process. I think it's Excel."*
- *"The analyst that is responsible for submitting it — the same person who does the research and does the forms — submits on SERFF and follows up weekly if not daily. We talk about all the forms in our weekly meetings - updating the status of each."*
- *"We watch the filings for objections through SERFF. Then we have a filings dataset which provides a number to the filing so we can track down any filings that we have through the database. We continually check —a lot of times daily to see if we have received approvals or objections."*

Documentation

With the wide number of individuals involved in a form change, documentation of the decisions and approvals is necessary.

Some decisions are made during meetings that occur as the wider team meets to discuss the changes. Documentation of these decisions is typically captured through notes taken during the meeting. Other decisions are made through emails back and forth amongst the constituents.

While half the respondents reported that there were times, they would make minor forms changes without getting additional approvals, most forms changes do require

some level of approval from multiple parties. Most also require some type of final sign off from legal or other parts of the organization. For the most part, these sign offs are captured in email.

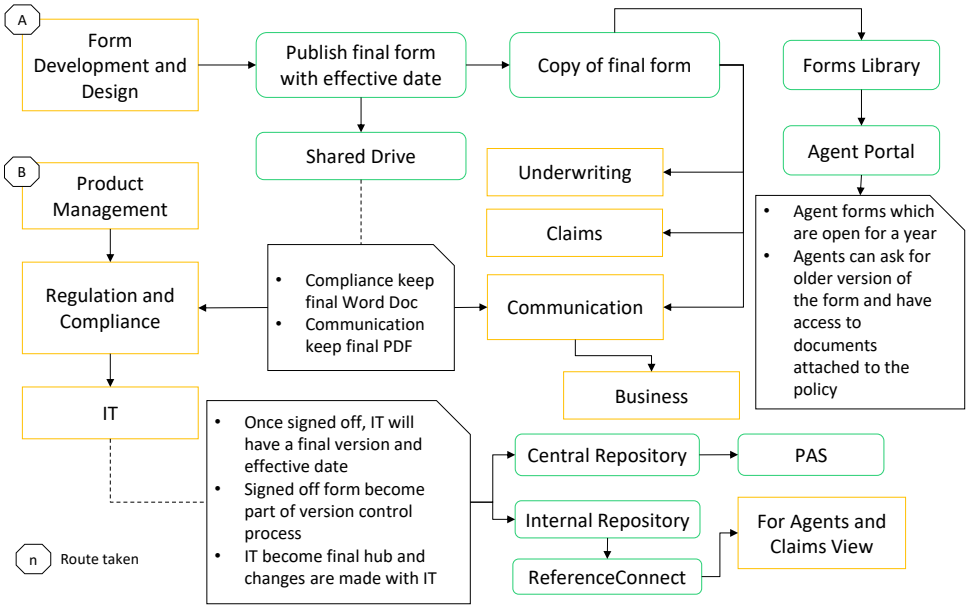
Our question to the respondents was how they capture and store these decisions. Should an insurer want to refer back to the reasons why they made a particular decision, was it possible? We found that for many insurers, documentation of those decisions is simply storing the emails in the product manager's email box. Others store the relevant emails in a shared drive or shared folder.

> *"No. It's just in my own email. I have it. Sometimes we'll save the state filings in the shared drive . But not for every one of our decisions. I have a very good email index - I could find it. But if I left I don't know what would happen to that documentation."*
>
> *"We don't have a standard process for this. We keep the language change decisions in email. In our old system there was a notes section that would allude to why we turned a form off for example. But we don't have that now."*
>
> *"I use an excel spreadsheet with all the tasks and on the excel spreadsheet I import each email and then I've got all the emails in one place. And that's saved within a folder."*

This reliance on email can be inefficient as everyone has specific ways of organizing their inbox. Additionally, when the person leaves the company, there may be an issue of knowledge transfer. This highlights the issue of aging that we mentioned earlier. Organizations need a process for capturing the expertise of senior staff and need a process for passing the baton.

All but two of the participants reported that they have a centralized form repository. However, the functionality described provides very limited forms management and no analysis capabilities. Most use a popular document sharing application that primarily manages check in / check out rights to assist with version control.

Figure 8: Routes of Final Form Publication and Storage



Source: Celent

Several organizations noted that there are multiple shared folders that might contain the final version of the forms. Some said that the product manager has a folder with the final versions; some said there were also duplicate folders in the regulatory affairs organization. Still others noted that the final versions of the forms were captured in the policy administration system – and only IT could get access to them. In these cases, the product manager maintains their own files on their own laptop. While noting the different needs for maintenance of final forms, there is potential for version issues when the "final form" is kept in multiple locations.

> *"We keep them in the shared drive. The forms program we use houses them but there are different versions in that system. So that's not reliable. We look at it in order to make sure we're looking at the correct version, but we keep them all stored on our shared drive."*

> *"They're in the policy system. And we save a copy of the form into our own forms library. We add a copy of the forms to the external site too — to the agent portal, so they have access to the new forms. They have access only to the new version of the forms. They could ask for an old version of the form and then we'd go look it up."*

TECHNOLOGY PRACTICES

We were surprised during our interviews that the product managers that we spoke with generally had little to no idea what process the IT organization used once the form was passed to IT for deployment. Similary, we were surprised that the IT organization seemed to have little to no idea what work the business went through to create and finalize the form.

There were several technology aspects that create potential process gaps or risks because of the inconsistency in knowledge or processes.

Data fields: One area that it seems that both the business and IT would have common knowledge of is the available data elements for forms. Some forms are fillable. Product managers need to be able to tell IT which specific data elements should be used for these fillable fields. But, the majority of respondents say they do not have a formal process for the business to track the available variables or field mapping in place. A centralized data dictionary is not available for most. Product managers provide general guidance to IT and rely on them to choose the appropriate fields.

> *"IT knows the fields. If we need a field to display that is not available, we'd work with IT to create it. If we determine it needs to display, we'd reach out to make sure if the policy admin system tracks that."*

Of course, IT has robust processes for managing data.

> *"We have a tool that has every attribute - has an identifier which is used to identify each element. If it's in RQI itself {Rate Quote Issue] there are queue tags that do the mapping to the form. There is a repository of all the data and what type of data that is, and there is within RQI itself there are queue tags that we use to map the data to the particular spot in the form."*

Version Control: Because there are multiple places that forms are stored, version control is inconsistent. While of course the IT organization maintains tight control over the versions in the system, the product managers have processes that create potential version inconsistencies.

- *"Versions are just in the shared drive. We open the old version and save it as a new version and then make changes."*
- *"It's soft version control. Actually, version control is a strong word. It's more just chronicling changes. We as product managers, agree to create multiple versions. We create that to begin with, so we don't have a problem."*

- *"We control that in my team. We do one step at a time. We would first go to product development. It comes back to us. Then we go to communications and it's back to us. Then we send it back to legal, then communications and then we're done. But one product lead was skipping us and going straight to legal. So, then the question is what is the final version? We're the version control. We control the versions, so it doesn't get out of control."*
- *"It starts out as one document with change. Then it's sent to the underwriting group. They'll resave by tracking the changes they made and send it back to us. It's mostly emails. Updating the word document and emailing it back."*
- *"We manage versions by looking at the date of the email. It goes to different individuals – it's not a group email."*
- *"We keep old copies but there's no formal version control "*

Testing: Generally, we expect automation to be used heavily for testing. However, respondents stated that it is mostly manual now with little automation used. Business users generally said they weren't involved in testing, even UAT, except for a rare occasion where they may double check forms attachment logic or that a fillable form was pulling the correct field.

- "*The BAs take care of that process. Once the filing goes into testing, the QA department and BA would review forms and see if they're attaching the way they're supposed to. Sometimes we create use cases but rarely".*

Brand management and style guides: Most insurers have standard brand guidelines regarding color schemes, use of logos, font types etc. While document creation systems typically have these templates built in, most of our respondents stated they don't use the document creation systems in the firm (and most said they were unaware of the document creation system being used.) Generally, product managers said they were responsible for providing IT with a final, branded, version of the form. While some had automated style guides, most would send the document over to the marketing department to apply the brand template. Some have to create their branded version each time from scratch.

- *"No. I wish there were. If we could have something that would be a template that we could start with on every form, that would be great. We have sat down and said "these are the fonts we'll use, here's how we title it, we'll bold this, when we exclude something it should be phrased this way". We've met and have some standards but nothing corporate."*
- *"We did come up with a general template of how the forms should look and we work off that. In product management we've decided what we want the forms to look like and we work off that. Marketing is not involved."*
- *"That's defined by the marketing team. Ultimately the branding is another set of people."*
- *"Yes. That's what communications does. Like you're required to have a logo on the Dec page. Communications makes sure that's all correct."*
- *"There is a corporate standard in regard to logos. They have a whole branding guideline manual for all types of communications whether a form or advertising. There is an automated style guide."*
- *(IT) - "It comes to us already branded. If it's a brand new it would follow our style guide when it's created. And it comes to us with those standards."*

THE PATH FORWARD

The process of managing forms development today is characterized by heavily manual processes, aided by MS Word, Excel and Outlook. Clearly, Microsoft is the dominant technology provider for product managers. But this largely manual process also results in the lack of agility and lengthy product change cycles. Insurers that are looking to drive product differentiation and agility must determine how they might change the existing process.

Improvement through the application of technology is an attractive option. Based on the comments of the participants and the metrics reported, standard workflow and specialized forms management applications would increase productivity and process transparency. Automated text analysis and document comparison tools, long a staple in the legal industry, would assist with new product development, competitive form comparisons, and impact assessments.

These can not only speed the process but can also help mitigate the looming generation cliff. The loss of technical expertise is particularly acute in product management. It takes a substantial length of time to become expert at policy form creation and maintenance.

Technology helps bridge the experience gap. Forms management software offers templates that can be used as a starting point in the development of a new form. Automated audit trails on past projects provide practical, real-life training materials. Analysis tools assist inexperienced employees with impact assessments. They can also identify patterns – both similarities and differences -- between different forms. Search utilities, driven by keywords, retrieve forms that contain specific concepts. Finally, improved collaboration and workflow tools guide participants through the numerous handoffs, provide alerts when tasks are overdue, and aid communication between multiple stakeholders.

The objective of technology in the form's management process is to augment, not replace human effort. As less experienced people replace veterans, technology can help maintain existing levels of consistency and underwriting intent while increasing throughput.

Celent encourages insurers to (re-)examine their form development and maintenance processes taking a three-step approach such as the one below.

Table 2: Review of Forms Creation / Maintenance Processes

Stage	Selected questions
Assess	• Estimate rate of change for new/revised product introductions based on company strategy / competition / bureau activity • Collect key metrics on process (cycle time, work effort, etc.). • Check for hidden costs such as missed coverage changes, gaps in coverage, and missed competitive opportunities. • Assess your human resource situation (for example, the percentage of specialists within five years of retirement) and the need to capture the expertise of the organization and make it easier to manage forms without having to have the institutional memory. • Inventory technical tools (for example, version control, text comparison/indexing, workflow, document storage). • Examine workflows (how effectively are handoffs managed?) and collaboration.
Decide	• Based on assessment and business strategy, should investment in product management stay the same, decrease, or increase?
Execute	• Implement human resource plan (e.g., knowledge transfer activities; recruitment actions) • Upgrade technology: address process efficiency, throughput, and human resource enhancement. Consider workflow tools, and text mining or forms comparison tools. Look at whether your document creation vendor includes any of these capabilities. • Revise process (e.g., introduce best practices to eliminate wait states).

Source: Celent

Conducting such a review will, at a minimum, improve current practices. For insurers with aggressive expense goals and growth plans and/or those which expect the rate of product change to increase, it is a necessary step. For those wishing to address the retirement issue, it serves as a proactive step toward an inevitable transition.

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