

FEATURE

# Insurance firm banks on change management in digital overhaul

Axis Capital CIO Darryl Catts prefaced an insurance platform revamp with a change management program, making IT and its business peers co-owners of the initiative.

By Clint Boulton

A major technology overhaul at Axis Capital's insurance division is paving the way for data analytics programs geared to generate revenue. But the IT revamp wouldn't have been possible without a preemptive change management program, says Darryl Catts, CIO of the company's insurance business.

"We struggled in the beginning, but we assigned roles in change management and got leadership involved," Catts, who worked at Zurich Insurance before joining Axis in 2010, tells CIO.com. The success of Catts' change initiative underscores the importance of aligning IT and business before kicking off a transformation.

Fighting against but-this-is-how-I've-always-done-it syndrome and coaxing employees to embrace new and emerging technologies is challenging for most CIOs. But 62 percent of 1,700 respondents polled by Capgemini and analyst Brian Solis said that corporate culture remains the biggest impediment to change.

Catts knew he'd have to usher in some significant changes — both technical and cultural — when he joined Axis to lead an IT modernization effort designed to leverage technology for growth.

### The fragmentation challenge

Years of mergers and acquisitions had left Axis with fragmented technology systems, making it difficult for data to flow



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freely between the business units. The company had more than 160 disparate insurance products, covering a range of property and casualty services.

Executive leadership had a tall task for Catts: Craft an IT strategy that consolidates every insurance product on a single insurance platform. Axis' IT and business teams met frequently to hash out a global IT strategy and roadmap for what they call the "future insurance platform."

Catts knew that he had to carefully choose the core platform, a significant strategic decision that could position the

company for growth. He considered two paths: replacing individual components of the existing platform over time, or building a new platform in parallel and migrating the legacy system when it was done.

Electing the latter option, Catts worked with his staff and product managers to develop a common architecture with which to fulfill product requirements. Enlisting the help of PwC, Catts sought out vendors who could provide a core platform.

That a CIO would source core IT vendors is nothing new, but Catts tried something

a bit different for Axis. He demanded that his business peers, including product managers and operations managers, help vet the solutions to make sure that they aligned with their process requirements.

Though many initially resisted — Catts says they “pushed and shoved, and they

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kicked and screamed” — he insisted they come along for the ride because the wrong choice could set the company back.

“Early on, I highly encouraged strong executive sponsorship and engagement from the business,” Catts says. “This is something we need to do together.”

Axis opted for a property and casualty insurance platform from Duck Creek, which includes such core tasks as policy and claims administration, billing, and commissioning. Catts says all of these functions are highly integrated, ensuring that policy information aligns with claims filed with the company. Axis product managers and other employees access the system from desktop systems comprised of Microsoft email, file-sharing and customer relationship management software.

Conversion to the Duck Creek plat-

form is ongoing, but roughly 23 of the products are now running on Duck Creek across all 50 U.S. states, and Axis anticipates the remaining 47 will be running on the platform by 2020. Axis has also whittled down its product count from 160 to 70 products over the past two years.

Efficiencies from the new platform are so significant that Axis has already recouped the value of its investment, including significant efficiencies. For example, Axis can now issue a general liability policy for large casualty in 15 minutes, compared to 60 minutes with

the previous platform.

### **Data analytics driving business insights**

Catts has loftier goals with the Duck Creek platform in 2018. With the new platform offering over 1,000 more data attributes than the previous system, Catts, along with Axis’ actuaries, data scientists and analysts are poring over the data to identify new business opportunities. Catts is also forming formal analytics groups and aims to move data into data lakes for faster, more holistic analysis.

“When we book a claim in Duck Creek, claims get mashed to the coverage and policy to create greater data insights,” Catts says. “I know if I take that claim it was against this coverage and within a certain policy route so when pricing actu-

aries look at that claim they know what policy coverage to take action on.”

Axis has also developed predictive software that analyzes characteristics of claims submissions to help anticipate future success, as well as inform better product pricing and underwriting decisions. Ideally, these moves will help Axis better understand what partners and customer segments offer the most growth potential.

“If we can get to the right stuff first and get good quotes out the fastest and with a lot of accuracy, the opportunity to book more business increases significantly,” Catts says.

Catts says that the platform launch validated the change management initiative, lending IT greater credibility with the business and helping to infuse new cultural DNA into the company. When Catts joined the company, Axis’ business managers had a history of passing off platform changes to IT, only to loop back around when they are complete.

But Catts says engaging the business early to be co-owners of the initiatives created greater cohesion. For example, business line presidents are demoing product launches on the platform, something IT would have shepherded previously. Every other week, IT and business congregate to walk through and share feedback on changes to platform features and functionality.

“Before it was the business and IT, and now it’s us,” Catts says. “Business ownership is phenomenal now.”



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**Duck Creek Technologies**