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CASE STUDY

How a top-3 international insurance company leveraged Socotra to successfully launch a new Insurance-as-a-Service platform in six months

Introduction

The customer in this case study is a global insurance company that strives to excel in every step of the customer journey with simplicity, speed, flexibility, and personalization. After partnering with a leading ride-sharing company to provide vehicle protection for its drivers, this insurer looked to Socotra to help build an Insurance-as-a-Service platform for distributing on-demand insurance products.

Protecting ride-sharing drivers with business interruption coverage

New ride-sharing drivers often quit after an accident because they cannot afford the loss of revenues caused by the unavailability of their vehicle. A leading ride-sharing company wanted to develop a solution.

The ride-sharing company decided to partner with Socotra's customer: an insurance company who proposed a business interruption cover product, which would provide drivers with a lump-sum benefit of up to £500 if their vehicle is damaged following an accident and must be off the road for 24 hours or more. The product would be distributed within the ride-sharing company's loyalty program, so the insurer chose a simple and easy-to-understand pricing/benefit model: one penny per mile driven with a final customer, plus a benefit amount according to the driver's loyalty level.

HEADQUARTERS
Western Europe

BUSINESS LINE
Business Interruption

REVENUE
€90B+

ASSETS
€500B+

GEOGRAPHICAL PRESENCE
Worldwide

EMPLOYEES
100,000+

Legacy technology unable to support modern business models

The main challenges for the insurer were to achieve a short time-to-market to meet their partner's expectations while maintaining a high level of agility to address the constant business, legal, and IT adjustments that are inherent to the design of an innovative product. The insurer was faced with building the product from scratch with custom code—a massive and expensive effort that would significantly jeopardize their condensed launch window.

Due to the limitations of traditional insurance IT systems in supporting seamless integration within digital ecosystems, Socotra's customer decided to develop a global Insurance-as-a-Service (IaaS) platform that could quickly distribute and manage innovative insurance products with digital partners. Through the IaaS platform, the products would have:

1. On-demand, single-click activation, and deactivation.

2. Usage-based premium calculations.

3. Data-driven, optimized, and automated policy underwriting and claims processing using partner-provided information.

In order to achieve and maintain significant scale in a digital ecosystem characterized by large volumes and low premiums, high levels of automation across policy and claims operations are key.

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Socotra's modern core platform introduces efficiencies

The insurance company decided that the best approach to build the IaaS platform was to use a Software-as-a-Service (SaaS) Policy Administration System as an accelerator. After a very thorough selection process that included prototyping different solutions, the insurer chose to work with Socotra.

The insurance customer used the Socotra platform to quickly model, define, and configure the product without coding customizations:

Socotra's large set of well-built, publicly documented, out-of-the-box APIs could seamlessly integrate with the IaaS platform.

Socotra's flexible product model allowed the insurer to easily configure and manage the product across the entire insurance lifecycle, from quote to claim.

Socotra's true-cloud platform ensured simple, one-click deployment of the new product.

Socotra designed a new feature to support retrospective premium calculation to simplify and optimize the insurer's solution.

Socotra's API-first philosophy accelerates time to market

While traditional insurance product development typically requires a large roll-out team of 50-70 people[1] and an average 18-month launch timeline,[1] the insurer's new-economy insurance product was created with Socotra in a mere six months. Socotra's intuitive APIs were easily extended and integrated with the insurer's multiple systems, enabling the customer to build the complex product with a small, highly efficient implementation team of 10 members and little support from Socotra.

Vehicle Interruption Cover sees strong adoption

The insurer's Vehicle Interruption Cover was successfully launched in the United Kingdom in 2019. The product has already seen strong customer adoption, and the IaaS platform has been praised by the insurer's ride-share partner for its quality and reactivity. Drivers can sign up for flexible coverage through the partner's mobile app with a few clicks, and their premium is then automatically collected from completed trips.

The road ahead

With Socotra's help, the insurance company will continue to expand the capabilities of its IaaS platform to other products. Discussions are already in progress to extend Vehicle Interruption Cover to other countries.

Key results

1. Socotra helped its customer implement a new technical platform and launch a new product in only six months—3x faster than it would have taken with a legacy core system.

2. The insurer's implementation team was made up of just 10 members, thanks to Socotra's easily configurable platform.

3. The insurer's "run" cost on Socotra is significantly lower compared to other legacy solutions.

4. The product launch was successful both technically and commercially, reaching a 5% penetration rate within six months.

5. Since its launch, more than ten thousand policies have been sold to drivers through the ride-sharing app or renewed.

About Socotra

Socotra is the modern, enterprise-grade core system that enables global insurers to accelerate product development, reduce maintenance costs, and improve customer experiences. Socotra is trusted by insurers to provide them with modern technology to rapidly develop products that better serve their customers and manage their existing book of business. Socotra's flexible, radically open, cloud-native solution unifies underwriting, rating, policy management, claims, billing, reporting, and more. To learn more, visit **www.socotra.com.**

[1]Celent P&C Insurance estimate.