

CASE STUDY

HOWDEN TRANSFORMS ITS GUARANTEES BUSINESS WITH NOVIDIA PLATFORM

Weeks faster, infinitely more efficient, and financially transparent - Howden Guarantees business does in hours what used to take a week

Novidea 



Part of the Hyperion Insurance Group, Howden is a specialist insurance company that provides insurance broking, risk management and claims consulting services. Howden has deployed the Novidea broker management platform in 16 countries across its policy lifecycle, claims, and accounting functions, resulting in dramatic increases in sales, renewals, efficiency and more.

In early 2020, its specialized Guarantees division was looking for a way to streamline and digitize the time-consuming interactions with its partner insurance company. Moving data and backend processing from the insurer's manual systems to Novidea's platform slashed policy creation delays and now gives Howden a game-changing competitive advantage in the Guarantees business.

A NICHE MARKET

Guarantees, known in some regions as surety bonds, are not something most brokers typically offer, and the majority of them are provided by banks. But Howden's Guarantees department is able to offer large construction projects and their associated contractors cash guarantees with advantages and flexibility that banks can't.

THE CHALLENGE: a complex, time-consuming process

Providing this service in partnership with the insurance company created unique challenges for Howden, largely because the insurer relied on outdated manual systems for managing workflow. So while Howden ran its other business on the most advanced broker management technology, the back-end processing involved with creating a guarantee took place on its partners' archaic systems. As a result, it could take several weeks of working with multiple manual spreadsheets and waiting for signatures to process a policy.

What's more, relying on its partner's old and complex systems meant it had no direct access to or transparency into premiums and commissions information in a timely manner, so Howden was dependent on its partner for financial accuracy and verification but it could take weeks or even months to get the reports produced. That made predicting income and resolving discrepancies extremely difficult.

To address these issues, Howden came up with a novel, win-win solution that would accelerate processing, provide full transparency into guarantee-related data, and yet not require its insurance company partner to replace their internal systems.

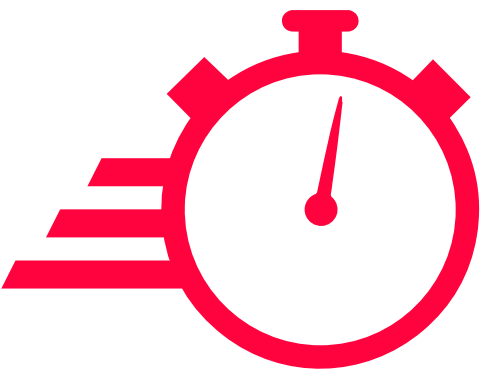
“What we wanted to do was to build a system that would work alongside the insurance company's information systems. The idea was to use Novidea's cloud-based platform, which is far more advanced than those of the insurer, to manage the guarantees, support business operations and produce invoices, complex calculations, reporting and auditing, more efficiently than the insurance company could,” says Meir Mallel, head of the guarantees business at Howden.

THE NOVIDEA SOLUTION

Howden's strategy was to shift the creation and processing of policies from the insurance company's slow and cumbersome systems and move the entire body of data to the single end to end Novidea platform. The shift would include contractor information, invoices, projects and all their details, sales information for each property; and the scope of financial guarantees needed for each project, including all the details of the tens of thousands of customers who have purchased properties in these construction projects.

It deployed the new approach in March of 2020. And now, instead of waiting weeks for a policy to be created on the partner side, the guarantee is created in minutes with Novidea, which immediately sends a message to the insurance company. The insurance company simply records it in their system, issues a policy number, and sends a PDF copy of the policy to Howden.

What used to take a week or more now takes a couple of hours.

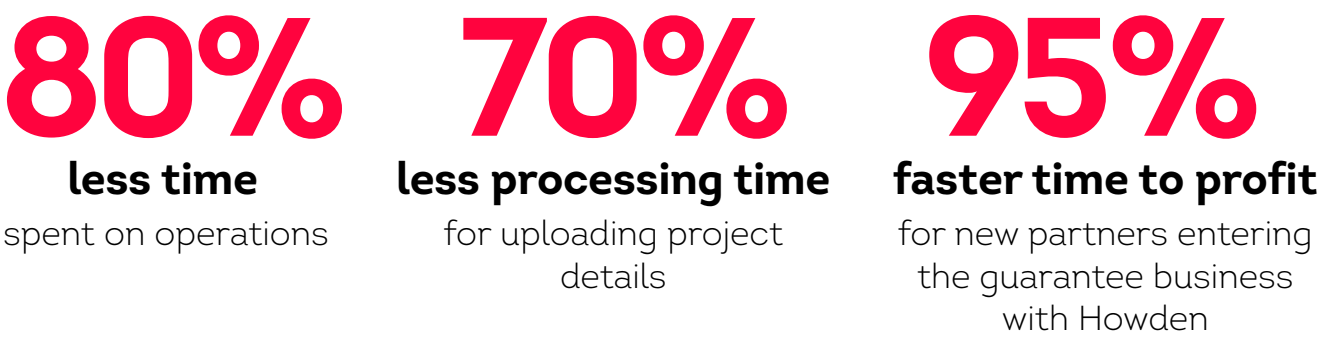


RESULTS

Managing policy production on Novidea has dramatically reduced turnaround times, operating workloads and Howden's dependency on its insurance company partner and their outdated systems.

"First, there's the policy production improvement, which is now a matter of seconds," says Mallel. "And because the time to produce policies is so small now, I won't have to bring more and more operations employees. Also, whereas creating reports and signatures on the insurance company side is cumbersome and was literally impossible, today we can do it in the push of a button."

NOVIDEA DELIVERS TIME SAVINGS AND OPERATING ADVANTAGES:



- From 15 minutes down to 30 seconds to produce a policy
- From one week down to 2 hours for the entire policy binding process from start to finish
- Signatures automated with the click of a button
- Real-time hourly, daily and monthly management reports, including sales, commission and income reports
- Full transparency into premiums and commissions for finance management, fast auditing and resolution of discrepancies in the click of a button, instead of months
- And with a giant database of tens of thousand of customers, Howden can use Novidea's actionable intelligence and cross-selling capabilities to offer these same customers additional coverage for property insurance, mortgage insurance, car insurance and more.

“Before, uploading details for hundreds of apartments could take up to a day. The Novidea system allows us to handle it in about a minute. In terms of manpower, it’s like needing one less person to accomplish the work. I’d say we’ve saved at least 70% of our processing time,” reports Mallel.

In addition, Howden now has access to premium and commissions data so it can predict and audit its income and quickly spot errors.

NOVIDEA SETS HOWDEN APART IN GUARANTEES

Going forward, the ability to easily onboard insurance companies will be a real competitive advantage for Howden. With Novidea, the logic can remain the same for each new partner and the structure of interface can be easily adapted to meet each insurer's needs.

"What it enables me to do is to offer companies that want to enter into this field a way to do it quickly and to use what we've built with Novidea without having to develop a separate system," says Mallel.

"An insurance company that wanted to enter the guarantees market would normally face a large initial investment, and 1 ½ years before any payback," according to Mallel. "With Novidea, an insurance company can start working with me in the field after just a month, so we enable them to get into the business very quickly."

FLEXIBILITY FOR THE FUTURE

"With Novidea, it's easy to enter into the world of digitization from start to finish. And that's the direction I'm headed," adds Mallel.

For Howden, Novidea brings transparency and efficient information management to what was a bog of spreadsheets and manual calculations. They can now predict and track expected payment collection, revenue from premiums, and commissions, because all of the information is housed on one single state-of-the-art system.

What's more, now Howden can approach other insurance companies with a ready-made, customizable platform that manages everything efficiently that will make it the guarantee partner of choice and drive business growth.



“Novidea is not just providing us an operational nerve center for our own business, but also allows us an operational capability that insurance companies need,” says Mallel.