

BMO Insurance Writes a Textbook Recipe

The first AURA client finishes four years of underwriting success

AURA really works!

Brent Horne, Director of Underwriting and Claims, BMO Insurance, sits in his office in Toronto and thinks back about how over the years BMO has been very successful in offering its life insurance products. “AURA really works!” he exclaims. AURA is a software and services suite developed by Reinsurance Group of America (RGA). AURA automates decision-making, requirements gathering and more.

“BMO Insurance has been using AURA software to underwrite life insurance applications since 2002,” says Horne. In 2001, BMO decided to enter the life insurance market. It was an opportunity to build something from the ground up instead of having to reengineer existing legacy systems. They chose to seek out the best of breed products—highly automated solutions that would provide straight-through processing.

The idea was revolutionary in the Canadian market. Automated underwriting would be a pillar of the new structure combining new sales and marketing techniques with cutting-edge advances in rules administration and usage. Using reflexive rules sets in the right way would allow BMO Life to get through the applications quicker with more complete information and less redundancy.

Life policies would be sold by licensed agents over the phone. But to streamline the underwriting process, agents would use AURA to do the underwriting during the sales call. Once AURA was implemented, the results were pleasing. In many cases, agents would sell a policy and get a decision during the same call. The time expended was far less than traditional underwriting—but an even greater savings was found in the ability to avoid many costly requirements tests.



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From the Beginning — It Was About the Partnership.

The founding employees at RGA realized that much of their success would be found by avoiding the traditional vendor-client relationship. Partnership is the key word. Every new client is an opportunity to learn how to best serve the industry. When it came to AURA, BMO Life had a vital role in the first round of development. Combined input from both organizations made a difference in how effective AURA's reflexive rules sets would be. As in any new endeavor, creativity and initiative on the front end often reaps tremendous rewards.

found that AURA was continuously providing us with sound underwriting decisions. It's proof that four years later, AURA is still doing the job we need it to do. We may tweak the rules here and there to make necessary adaptations, but that's the nature of the system. It's easy to customize the rules based on new products or new information."

"I think it's meaningful that BMO Life and RTP started at roughly the same time," says Jym Barnes, President and Chief Executive Officer, RGA Technology Partners. "Both organizations were launched on the principle that there was a better way. And both companies have

"This has really helped streamline the entire underwriting/new business process."

—Brent Horne, Director of Underwriting and Claims, BMO Insurance

"RGA has partnered with us from the very beginning, and has allowed us to control our own underwriting rules and increase our automatic acceptance rates while keeping our manual underwriting costs to a minimum," says Horne. "In January 2006, RGA Canada conducted an audit of AURA's decisions and

proven that they were right! From a vendor perspective, to have our first client still happy and using the system effectively sends a positive message to others who may be considering bringing AURA into their organization. We have been thrilled with the association we've had with BMO Life and all of our clients." ●



Streamlining Workflow

Real Straight-Through Processing in Action at BMO Life Insurance

AURA was a part of the platform BMO Life built for straight-through-processing. AURA is used by licensed agents in a call center environment. Often, when the call is over, applicants already know they have been accepted. For those who aren't accepted on the spot, AURA provides ratings. The licensed agent can then inform the applicant of their rated status and together they can decide whether or not to order requirements. Overall acquisition costs at BMO Life are lower because agents only order necessary requirements if a person is willing to have a rated policy.



Tele-Interviewer



Applicant



AURA Engine



Medical Providers



Processed Case



Underwriter