PRISM

NEWSLETTER

RDT | REFLECTIONS ON INSURANCE TECHNOLOGY | WINTER 2015/16

HOME SWEET HOME
How RDT is supporting household insurance

CREDIT WHERE IT'S DUE
Bringing clarity to credit hire

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REDEFINING TOMORROW

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PRISM Newsletter

INSIDE VIEW

THE future isn't what it used to be. It's a familiar quip that has echoed down the years, usually at a turning point in history. But sometimes the past can predict the future, and in October we reached a watershed moment when we could reflect on the progress we'd made in the past quarter of a century.

The big date was 21 October 2015, aka Back to the Future Day – the day that time-travellers Marty McFly and Doc Brown arrived at in the 1989 blockbuster Back to the Future Part II.

The media marked the occasion with a spate of light hearted news stories comparing today's world with the dystopian but tech-crammed one depicted on screen 26 years ago. So is the future what we expected? And if so, how is twenty-first century technology reshaping insurance? You'll find some of the answers in this issue of *Prism*. In the previous issue we looked at the motor sector and the implications of driverless cars – if not the flying vehicles in Back to the Future Part II – and now we turn to the revolution in the housing sector.

Technology is changing business
Hill Valley's 'smart homes', with their intelligent systems for lighting and appliances, are no longer fiction. As with cars, so with the home; technology is changing the business model and insurers must access all available digital data and resources so they can price sensibly and manage risks, not least the complex issue of flood risk, which we discuss on page 6.

Big data, the internet of things, disruptive technology, this is the vocabulary of the digital age, the future that is now, and it's what makes RDT tick. Our three core products, Landscape, Skyline and Equator, are all helping insurers meet today's challenges, from pricing through to first notification of loss and settlement.

Skyline features heavily in this issue, and you will see how it complements our administration platform and enhances customer service. And when it comes to customer service, claims handling is one of the most important ways for insurers to build their reputations and keep their customers happy. Speed of response and transparency are critical, the lack of which has allowed credit hire to thrive and led to frequent litigation. RDT's technology can help to bridge the gaps, giving insurers the information to work more efficiently with accident victims and credit hire organisations.

Creative collaboration is key
The future is our constant focus at RDT, which is why we describe our business as 'redefining tomorrow'. It's a reflection of our work style and the importance that we place on research and development. Using agile practice and creative collaboration, we work as a team with our clients and the growing community of third-party providers who are adding value to our platform. Examples can be seen on page 10.

Our staff are fundamental to our future, and we are continuing to grow and attract talented people. I'm pleased to welcome Joe O'Connor as our new sales and marketing director and Mark Degenaar as our new head of architecture (*see News in Brief, page 15*). Both are highly experienced and accomplished specialists who will make a big difference to our product suite and customer relationships.

Finally, we are planning a tech showcase for next year, where customers can find out about the fast-changing world of insurance technology. If you would like to know more about any of the topics in this issue or how RDT can help your business, don't hesitate to get in touch with me.

Mark Bates, RDT CEO
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EQUATOR
LEADS THE WAY

Insurers who don't embrace disruptive technology risk being left behind. **RDT**'s innovative rating solution is taking the industry forward

INSURANCE companies are beginning to resemble the Luddites of the business world, a study has revealed.

A recent edition of Computer Weekly used a graph to illustrate the rate of influence and uptake of disruptive technology across 10 sectors. In top place was the music industry, which has been revolutionised by developments such as Spotify and the latest direct-to-fan marketing and selling techniques.

Music was closely followed by publishing, retail and advertising. And right at the bottom, and by a significant margin, was insurance.

The survey noted: 'There are very few exciting new digital insurance firms, and there is still a great deal of inertia'.

But with digital technology redefining all areas of business, it's time for the insurance industry to catch up. It's no longer enough simply to concentrate on day-to-day operations, making incremental adjustments only where necessary.

Insurers must use the game-changing technologies that are available to them in the same way that other industries do.

Long term strategy
Run costs should no longer be the prime focus of an IT budget, with new technology only an afterthought. Too often, run-spend mentality blinkers decision makers to opportunities that could dramatically change their business and improve the combined ratio. That means technology to reduce fraud, improve straight-though processing, and increase efficiency and control at all stages of the insurance cycle. The failure to embed a digital culture will be far more costly in the long term than investing in disruptive technology today.

A good example is Equator, RDT's rating and pricing solution. Equator collates and centralises information, giving insurers total control of rates. It puts data at the heart of efficient underwriting in a way not previously possible, and enables insurers to build their businesses with the future firmly in mind.

Refining pricing and underwriting
Information was scarce under the old insurance model and the channels to gather it were limited, but we now have an abundance of both. By tapping into rich data sources and using predictive analytics and other sophisticated tools, insurers can refine their pricing and underwriting models and gain real competitive advantage in a market that increasingly depends on digital information and delivery.

The motor sector is a key focus for Equator, and Markerstudy Insurance was an early adopter of this disruptive solution. The UK and European motor specialist has seen a 60 per cent reduction in fraudulent applications and estimates that it is saving about 20 per cent a year on the cost of updating rates, which previously had to be done across 15 systems.

Best use of available data
But it is not just in the motor sector that Equator can have a big impact. Across all areas of general insurance, whether personal lines or commercial, it can help businesses make the best use of available data. And in addition to pricing, Equator can gather data to feed claims systems, helping to identify suspicious activity in real time.

Insurers not prioritising the introduction of new technology will lose ground fast and may forfeit a secure place in the insurance market of the future. So when considering disruptive technology, instead of asking if they can afford to change, insurers should ask themselves if they can afford not to ●

MARKERSTUDY MILESTONES

Equator has achieved:

- A 60 per cent reduction in application fraud
- A 20 per cent saving in the cost of updating rates
- A 3.5 per cent reduction in loss ratio
- More than 25 million quotes a day, scalable to tens of millions

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"*We expect to process more than 20 million quotes a day by 2016, with Equator returning prices in a fraction of a second using real-time enrichment. That's a very big step forward*"

Gary Humphreys,
Markerstudy Group
Underwriting Director

THE SKY'S
THE LIMIT

Skyline brings clarity and control to first notification of loss, lifting productivity and customer service to new heights

IN the previous issue of *Prism* we reviewed **Landscape** and **Equator, the cornerstones of the RDT platform. Completing RDT's product line-up is Skyline, a tool set for the creation of bespoke, process-driven platforms for use in first notification of loss (FNOL) call centres.**

Skyline allows RDT to rapidly build web-based applications featuring self-adapting scripts. The scripts contain prompts that affect the direction that a phone conversation takes depending on three factors – the customer's responses, data obtained in real time from third parties, and data already known by the insurer.

Consistency and accuracy

Skyline products can save significant levels of time and money, while helping the insurer optimise its customer service.

Businesses can have customer journeys tailored according to their needs. This ensures that the right information is logged at the right moment, and that claims are handled as quickly and efficiently as possible right from the outset.

Skyline products also promote consistency and accuracy, helping insurers to identify fraud early on. This is because during the course of phone call, users can cross-reference responses to answers given on a previous occasion, while unusual responses can trigger questions that help verify and validate information.

Skyline applications can be created and maintained at a much lower cost than a hard-coded web journey. Changes can be made very quickly, meaning that businesses can easily update their question set, for example if they wanted to comply with the latest guidelines for best practice, which would further help them to fight fraud.

In a Skyline environment, every field, associated label and scripted prompt, as well as the logic that determines what path the journey follows, is configured using a web-based utility. Virtually everything is database-driven, which makes it quick and simple to process FNOL journeys.

Better customer service

The benefits that Skyline products bring to the claims cycle are felt at all stages. Customers can often be stressed when making a first notification of loss. They may be emotional or they could even be in a risky situation, such as the scene of a car crash. You will be serving them better by keeping the conversation short and to the point.

Not only that but very often the only time a customer interacts directly with an insurer is when they're making a claim, so keeping the service personal, and not asking irrelevant questions, will make a good impression.

Skyline platforms are standalone and integrate seamlessly with RDT's Landscape administration system, with claims handling beginning as soon as an FNOL call is ended. The platforms also integrate simply with other policy administration and claims management systems using web service interfaces.

Control over third parties

Using Landscape's workflow module, logging a claim via a Skyline application allows insurers to trigger the action of suppliers and service partners the moment a claim has been logged.

So, whether it's car hire (*see page 8*), emergency accommodation, or the rapid response of a tradesman, Skyline puts insurers in complete control of every aspect of a claim, and again customers benefit from a speedier and more efficient service.

The Skyline tool set is a perfect example of collaboration leading to innovation. It was developed by talking to insurers and listening closely to what would make their businesses more efficient ●
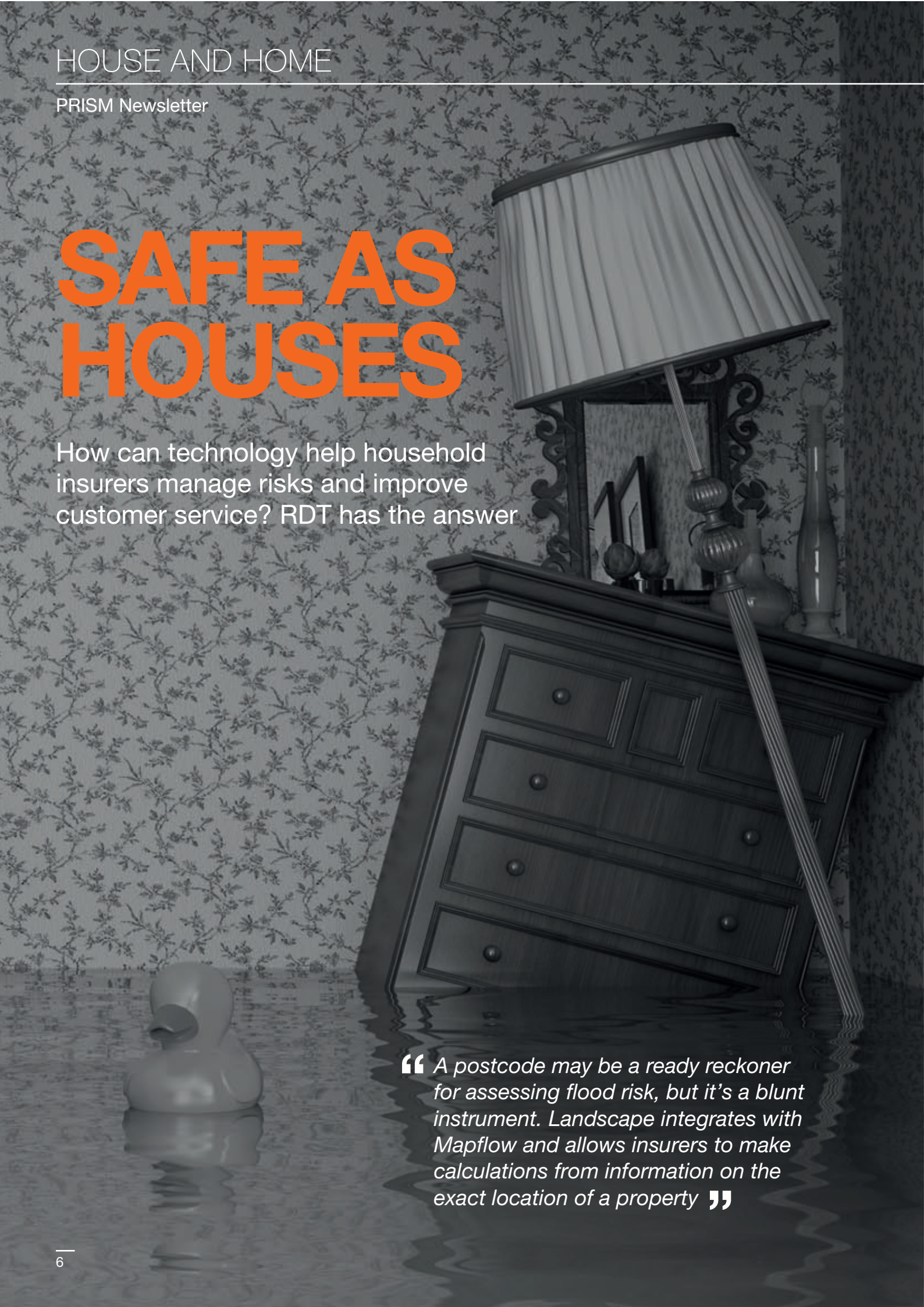
BENEFITS

- Stay in control of third party suppliers

- Minimise fraud with more accurate data gathering and by using latest best practice guidelines

- Changes to Skyline products are quick, easy and low cost, unlike maintaining a hard coded web journey

- Staff will gather and record data faster – calls will be shorter and staff can handle more of them

- Callers may be under stress. Serve them better by minimising their time on the phone

> " *Visibility, speed, clarity and control are key strengths of Skyline. Businesses can tailor customer journeys according to their needs, ensuring that the right information is logged at the right moment* "

SAFE AS HOUSES

How can technology help household insurers manage risks and improve customer service? RDT has the answer

> " *A postcode may be a ready reckoner for assessing flood risk, but it's a blunt instrument. Landscape integrates with Mapflow and allows insurers to make calculations from information on the exact location of a property* "

THE household insurance market is huge, with the Association of British Insurers reporting an underwriting profit of £930m in its Key Facts statement for 2014.

But being big is not necessarily the same as being buoyant, and household insurers face threats that could push them down the same unprofitable road as the motor market.

Recent years of headline-grabbing floods and huge payouts, combined with rising administration charges, have put the household market under growing pressure and underlined the need for better industry practices and more reliable data. Increasingly, that means better technology. Technology that can gather and process data more efficiently, that can identify and isolate risks, and can improve claims handling and get closer to customers.

Household cover is more complex and layered than motor cover, and offers fertile ground for innovation and disruptive solutions that will provide insurers with more granular and meaningful information and improve the customer experience.

Making things more fair
Take location data – two houses in the same postcode might have very different elevations, with one on safe ground and the other in a flood-risk zone. How do you make distinctions and move away from the common denominator approach that unfairly lumps everyone together?

The devil is in the detail. You need comprehensive information at street level, about individual houses, local geography and conditions, and many other factors necessary to price accurately and fairly. This is the domain of big data, where the more an insurer knows, and the more information it can swiftly and usefully process, the better it can manage risks and serve the insured.

This is where RDT's core products Landscape, Equator and Skyline provide a strong foundation for the household market, helping insurers and their customers at all stages of the insurance cycle.

One example is Equator's ability to gather so much data that pricing factors can include local crime statistics and an individual home's construction. Another is Landscape's integration with Mapflow,

which allows insurers to make calculations based on information about the exact location of a property.

Swift data capture and carefully scripted journeys, notably with Skyline products (*see page 4*), is another benefit, with RDT helping insurers provide fast responses and a smooth journey from first notification of loss through to settlement. This is especially useful in the housing sector, as people making home claims are more likely to be emotional about their loss than a motorist might be.

Future growth areas
Another plus is RDT's innovative approach to distribution. Through Equator, insurers can gain full control of all aspects of their rates. Equator accesses enrichment data from companies such as Experian and Lexis Nexis, uses it to expand and validate known information, and returns prices sub-second. In the complex household sector, aggregators are not able to draw out enough detailed and specific risk criteria for insurers to rate sensibly. Equator fills this gap, mapping information comprehensively.

One growth area for the future is the 'smart home'. Now that the internet of things is linking all kinds of systems and appliances, there is obvious potential for insurers to access this intelligence to support underwriting and claims handling.

Strategic alliances
This is yet another demonstration of how data is becoming more granular and inter-connected, and technology such as Equator can help insurers to gather and centralise rich seams of information. Google, Apple and other pioneering brands are already exploring ways to increase internet-enabled devices in the home, which will impact household insurance in the same way that telematics is changing motor insurance.

RDT has an important role to play as a technology intermediary and partner, forming strategic alliances with other providers to achieve strength and versatility in combination (*see page 10*). Across both the household sector and the motor sector, RDT's commitment to innovation and disruptive solutions is helping insurers to benefit from the latest developments in big data and digital technology ●

HOME HELP

Landscape
- Multiple properties can be placed on a single policy
- Caters for the widest variety of properties (eg main residence, holiday homes, pied-à-terre)
- Versatile coverage (eg buildings, contents, legal expenses, personal effects) and add-ons such as pet and home emergency cover
- Mapflow enables geographical calculations to be made based on flood plains, subsidence regions, etc
- Two or more proposers permitted on a policy
- Third-party integration with numerous value-added suppliers
- Scripted journeys enhance efficiency and accuracy
- Postcode identification and referencing

Equator
- Third-party data enrichment at point of quote provides a wealth of detail to support pricing and reduce fraud
- No need to distribute rates as all sales channels access them directly from Equator
- Supports all aggregators and broker software houses and integrates with all websites
- Can generate up to 1,200 quotes a second

Skyline
- Fast, flexible data collection
- Shorter calls, carefully scripted dynamic journeys
- Minimises fraud
- Swifter overall claims handling and better customer experience

DISCREDIT

Accident not your fault? Need a replacement car? Swifter claims handling and better data management can ease the journey

ON the surface, the practice of credit hire seems pretty harmless. After all, how could it be a bad thing to provide a free hire car for the innocent party in a collision while their vehicle is being repaired?

And, you would think, it must be an improvement on the bad old days, when drivers would often have to stump up for a hire car and then wait to be reimbursed when their insurance claim was settled.

Well it turns out that for lots of reasons it can be a bad thing, and it's not necessarily better than the old days. Credit hire has been an increasingly contentious issue in the motor industry since the late 1980s, with a history mired in controversy. Indeed it is a tale of conflicting interests, endless litigation, confused and vulnerable motorists and embattled insurers.

Minimise losses
So, innocent and simple it is not. On one side there are the credit hire organisations (CHOs), always quick to step in when

cars are damaged and repairs have to be organised. On the other side are the insurance companies. Obviously they want to minimise their losses when they're presented with seemingly inflated hire charges – but they are equally keen to receive referral fees from CHOs when acting for claimants rather than defendants.

Caught in the middle is the hapless motorist, often left to pick up the pieces when costs are disputed.

Profiteering and skulduggery
At stake are several issues, most of which have been tested in court in recent years.

What is an appropriate replacement car, a fair hire rate, a reasonable loan period? How do you tell if a person really needs a hire car? Could they afford to pay for a hire car themselves until their claim is settled? Do they have access to another car, at no material disadvantage to themselves or anyone else? Couldn't they just catch a bus for a few days? Accusations of profiteering and skulduggery are often levelled at CHOs,

and meanwhile the rising cost of funding the practice of credit hire is inflating premiums – up to 15 per cent of all premiums go towards these hire cars, even though most of us will never need one.

Better response times
It's an unhappy picture and there's no easy fix, but as far as motorists are concerned, the credit hire industry has blossomed because motor insurers have failed to deal with claims promptly.

There is some truth in this, and better response times would help. Efficient claims handling is about data management, clarifying the who, what, why, where and how of each claim, and then processing that information as quickly as possible to achieve a speedy and fair resolution.

Another benefit of making best use of data is knowing when it's appropriate to write a car off. At the start of a claim a write off may not look like the best option. However, knowing how long an average repair takes and how much the hire car would cost, and

HIRE

> " *RDT enables insurers to harness data with an immediacy and depth that was unknown in the days when credit hire first emerged* "

putting that against the value of the vehicle, can enable a much speedier and more cost effective resolution. This is where RDT steps in. Our products enable insurers to harness data with an immediacy and depth that was unknown when credit hire first emerged.

The power of big data and sophisticated analytics is being heightened by the emergence of disruptive technologies such as Equator, where information is collated and analysed from a wealth of sources.

Reducing fraud and malpractice

The result is greater transparency and control, with the growing volume and centralisation of data helping to reduce fraud and malpractice, as well as accelerate the insurance cycle.

RDT is building a sophisticated new credit hire module for Landscape that will dynamically assign tasks as new data emerges, advise assessors on when to settle a claim, and monitor hire rates and repair charges. This module will be available in 2016. RDT's Skyline tool set (*see page 4*)

provides the control to make the best use of available data, accelerate claims-handling and reduce the chances for credit hire irregularities.

Draw the strands together

CHOs are key players in the supply chain and likely to remain so. Because motor insurers spend a large proportion of their claims costs on credit hire, they must work closely with CHOs and ensure they have sufficient oversight of credit hire activities.

This will involve database searches, validating the hire company and the hire vehicle, reviewing the legitimacy of the repair period, and sifting through a host of other details to build a complete and accurate picture of all parties involved.

RDT can help draw all the strands together and eliminate the darker side of credit hire. There will always be a need for replacement vehicles in motor insurance, and while clarification of the law would alleviate areas of confusion, insurers must look to a swifter and more efficient claims process ●

CAR WARS

In December 2013 the Competition Commission revealed that credit hire adds between £5 and £6 to the average premium. These court cases restored some balance:

● Umerji v. Zurich Insurance, 2014: the Court of Appeal decided that at the outset of a claim the onus is on claimant hirers to provide documentary proof that they are impecunious

● Stevens v. Equity Management Syndicates Ltd, 2015: the Court of Appeal ruled that judges should adopt the 'lowest reasonable rate' when evaluating credit hire claims for pecunious claimants

LET'S STAY TOGETHER

Partnerships are a driving force behind **RDT's** success

COLLABORATION and innovation define RDT's business, a fact brilliantly demonstrated by the strong relationships we have formed with a wide range of strategic partners. Technology providers such as Microsoft, associated with RDT for 15 years, add value to our services and ensure our customers benefit from the best software and hosting resources.

It is the cross-industry approach that enables RDT to create disruptive technologies such as Equator, while continually upgrading and refining its core administration platform Landscape. Here's an introduction to some of the partners in RDT's growing community of technology specialists.

Microsoft Partner
Gold Application Development

RDT has been a Microsoft Partner since 2000 and is an active member of the Microsoft UK partner community. RDT has achieved Gold Application Development competency, the highest level of expertise recognised by Microsoft, and works closely with Microsoft to ensure that its latest products are used to improve RDT's platform.

Experian QAS

Experian QAS is a global provider of data accuracy and identity management solutions. Its QAS range of software helps insurers capture accurate address data, cleanse database records and prevent duplication. Some of RDT's Landscape implementations have been integrated with QAS, resulting in less returned mail, improved call centre efficiency and more successful first-time delivery for QAS customers.

KOFAX

Kofax Customer Communications Manager is a flexible, powerful platform for creating tailored and personalized documents that can be delivered in customer-preferred formats, including email, SMS or via portals. Integrated with Landscape, it allows RDT's customers to create a more agile business environment and improve the customer experience with timely, relevant and personalized communications. CCM enables business users to quickly and easily create customized documents and manage all outgoing communications.

THUNDERHEAD
Make every communication count

Thunderhead improves the way companies create and manage all their communications, from quotations, proposals and policies, to renewal notices, claims correspondence and billing statements. Thunderhead spans print, web, email and mobile channels, and RDT harnesses its technology to manage information smoothly and efficiently.

NaviSite

NaviSite is a Time Warner Cable Company and a leading worldwide provider of enterprise-class cloud enabled hosting, managed applications and services. NaviSite provides a full suite of reliable and scalable managed services including application services, industry-leading enterprise hosting, and managed cloud services for enterprises looking to outsource IT infrastructure and lower their capital and operational costs. RDT has deployed NaviCloud Director to underpin its testing and development systems, helping its software engineers focus on creating disruptive solutions for insurers.

KEWILL

RDT's Landscape platform is integrated with Kewill's software that removes connection complexity and facilitates straight-through processing. It links insurers, brokers and partners, irrespective of existing legacy and back office systems. In partnership with Kewill, RDT enables customers to collect, transform and deliver information electronically within their partner communities. The benefits include increased security for the delivery of accurate information, ensuring deadlines are met and supporting regulatory standards and compliance requirements.

RDT

REDEFINING
TOMORROW

As a committed provider of innovative technology **RDT** encourages progressive work practices, and has always focused on team creativity and collaboration

TECHNOLOGY companies often have very distinctive cultures that complement the nature of their businesses. Think of Google and Apple – both are brands whose creativity and innovation are part of a virtuous circle that starts with a strong vision and clear values.

RDT is no different, and the company slogan reflects both the corporate culture and the business. 'Redefining tomorrow' describes a team spirit and work style that is fluid and versatile, forward-looking and challenging of accepted practices. It also promotes individual creativity and personal development within a strongly collaborative environment.

Technology pioneers
RDT's culture was shaped by the personalities and values of its founders Mark Bates, Holger Hasenstrauch and Andy Hardy, and the pioneering approach that they brought to financial technology.

For example one early project from 1995 was the development of the UK's first website that allowed consumers to use their credit cards to buy insurance in real-time. Since then, RDT has been committed to innovation, with staff focusing on research and development and continually pushing the boundaries for software and systems.

Innovation through collaboration
RDT continues to strengthen its commitment to innovation, a fact highlighted by the move

in 2014 to custom-designed headquarters that provide the perfect space for agile practice (*see agile feature in the previous issue of Prism*).

Technical specialists such as software engineers, test engineers and business analysts work in an environment that maximises creativity and team interaction, based firmly on agile principles.

This collaborative style is matched by RDT's working relationship with its customers, who are closely involved in software definition, and the strong partnerships it has formed with third-party technology providers, some of whom are highlighted in this issue of *Prism*.

Build your future with RDT
RDT has expanded in recent years, with many staff joining the new headquarters to work on Equator and Skyline, as well as Landscape. RDT is always interested in hearing from talented software specialists and support staff – people who can ensure that the business remains true to its origins and continues to shape tomorrow's technology. To find out more about opportunities at RDT, please see the website for job vacancies, or contact us directly and tell us how you can contribute to the RDT success story ●

AUSSIE RULES

RDT's Group Product Owner and Australian import **Michael Boucher** almost missed his true calling by becoming a professional sportsman. However a nasty injury booted him off the pitch and into underwriting...

Is it true that you had a promising career outside of insurance?

Yes it is. I played Australian rules football for a small local team as a teenager, but in 1987 I got signed up to a professional team as a junior. I agreed to play one final game for my old team, even though I wasn't supposed to play because I was semi injured, but I didn't want to leave them in the lurch. So I went out and got into a horrible tackle, broke my right arm really badly and had to give up the game – I never played again.

I was already working for an insurance company on a front counter and I had to learn how to write left handed to keep that job, because I was in plaster for nearly 18 months. One of the worst things about it was that the club I'd been playing for didn't have insurance, so I had to pay for my treatment. I've got a huge scar on my right arm and it's shorter than my left arm, but I do have the world's biggest trophy, for Most Promising Player, to remind me of what I missed.

That's really terrible. But you were able to console yourself with a great job in insurance, right?

I didn't even want to work in insurance. I'd worked in a department store while I was at school and I wanted to carry on there selling hair dryers, because the commission was fantastic. But my mum wouldn't let me. She said I had to get a proper job, either in insurance or banking. I knew nothing about insurance. I turned up for the interview and they said: 'What can you tell us about insurance?' And I go: 'Not much, Mum does all that for me'. Then they say: 'What about car insurance?' And I go: 'No, Mum does that'.

'Third party, comprehensive?'

'Nope. Mum does all that.'

So they could definitely tell that I didn't want the job... I got the job. This was in 1987, the heyday of insurance, before the stock market crash. It was booming, they couldn't get enough staff. Everyone was growing because the stock market was so high and it didn't matter if you made money out of insurance or not because it was just a way to make revenue to invest. So I was just

one of these dumb young sales guys, kids, running around generating cash to invest. Then the stock market crash came in '87, and then, as an industry, we had to learn how to make profit.

How did the businesses cope?

A couple went broke, big ones, then the regulations came in and that's when I started to become a pricing manager, in 1991. Some colleagues and I were sent off to learn how to price, none of us knew how to do it. I was sent on the course because I was the only one who knew how to use Lotus 123 (*an early version of Excel*). I'd borrowed the boss's laptop, figured it out, next thing I know I'm the pricing expert.

How has underwriting come on?

Serious underwriting didn't really start until 1987. Before that, there were six questions asked for pricing. Today we enrich with 248 items that the consumer doesn't even know they're being priced on, and that's on top of all the questions we do ask them.

Back then everything was worked out on paper. You got a rate card and the applicant had to say what type of car they had (out of nine categories), the engine size, their age, postcode and how many years claims free they were, and that was it. We worked it all out with slide rules on paper. Your training was, 'There's the rate card, there's the counter, off you go…'

You were working for RAA (Royal Automobile Association of South Australia) when Landscape was being implemented. How involved were you in the project?

I was one of four senior managers selected to find a system and I was the one who recommended Landscape. The sales guy didn't agree with me, he wanted to go with one of RDT's competitors because their system had a slightly whizzier look and feel, but there was nothing behind it. I liked Landscape's rating engine and I

thought it was really sophisticated. Then during the project I headed up the business implementation.

What impact has Landscape had on RAA?

They won the Celent Asia Pacific award for the implementation, which says a lot. And two months after go-live they wrote their biggest GWP month ever. They may not have done that because of Landscape but they did it, for want of a better term, in spite of it. If you look at other implementations like this, the companies can suffer a serious lag for a few months. One Australian insurer took 12 months to get their business back to normal. But two months after adopting Landscape and RAA was growing.

Most people think go-live is the end of it but there's another three months after that you have to survive. There are defects, workarounds to get rid of… it probably took RAA six months to fully get over it, but really crucially, it didn't stop their growth.

What made you move to the UK?

I wanted to work for RDT, and the only way to do that was to move here. It was meeting Mark (*Bates, RDT's CEO*) that sparked it. RDT was a good bunch of techies but they didn't have a lot of management or insurance knowledge, which is where I bring value. I was excited about Equator, because I love data and analytics, and seeing the passion Mark had for it triggered the move. We don't have anything like that in Australia because there isn't the access to data. So I'm going, 'that stuff sounds really cool, this product could change the way that we do insurance…'

How do the UK and Australian insurance markets differ?

There are no aggregators in Australia, the insurers resisted them because all they do is drive down price. And there is a lot more direct insurance. In the UK brokers have a big intermediary market but they're pretty

much gone in Australia, at least for the personal lines. The regulation drove them out, which I think is what will happen here. You don't need someone advising you how to insure your car or your home and then whacking their fee on top.
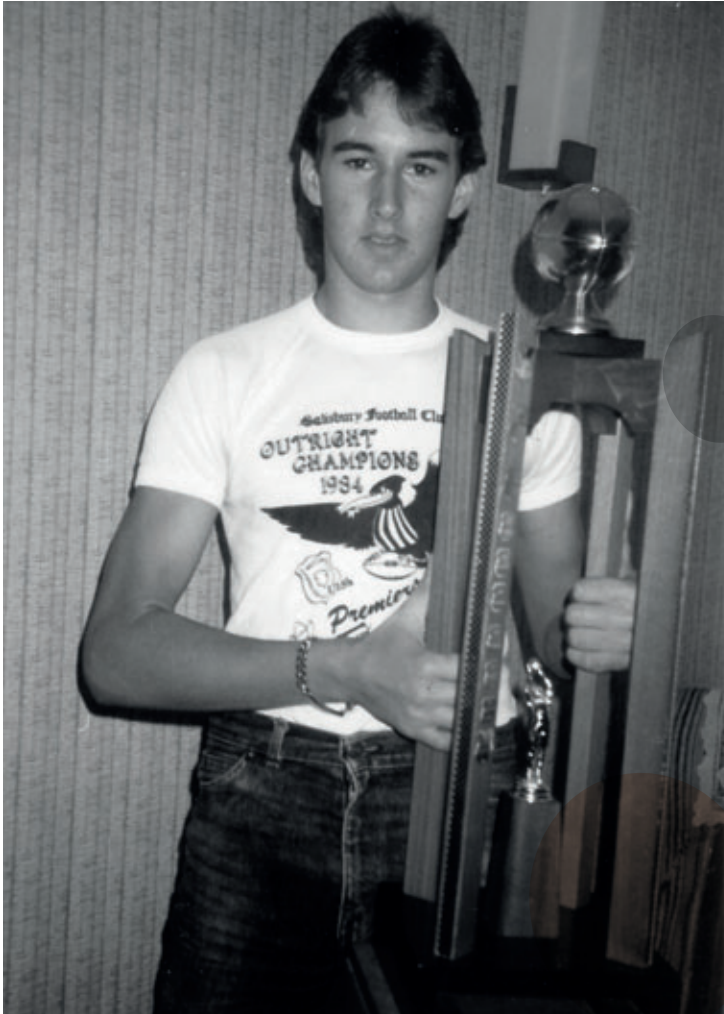
Things like credit hire don't exist in Australia. Australia and the UK both had the 1906 Insurance Act and it hasn't changed in the UK, but Australia has made three attempts at modernising it. So things like, 'it's my right to have a hire car after a claim' don't exist in Australia. You only get a hire car if you've paid extra. But there's a whole sub industry in the UK that doesn't exist in Australia or the States. Here, 15 per cent of everyone's premium goes on credit hire.

Is there anything that Australian insurers could learn from the UK?

Australia could do with using data more. It could certainly learn to focus a bit more on application fraud, which they don't really bother with. And it could do with an FNOL process. Over there you have your accident, stroll into a crash repairer, fill out your form,

Michael Boucher
Group Product Owner

PRIZE POSSESSION: Michael in 1984 at the age of 15 with his Aussie rules 'Most Promising Player' trophy. Three years later a nasty injury meant that he was forced to hang up his football boots for good, learn to write left-handed and knuckle down to business as a junior insurance salesman

a few months ago. Plus we've adopted agile methodology and moved office.

But I think there's been a shift just in the past few months. We've taken the Equator product and started to really see its potential. There are some new modules for it and I think we're starting to understand the power of it.

At the moment I really feel that RDT is about to go like this (*gestures towards the ceiling*). In the 18 months since I've been working here, Equator started off as a big thing, then it kind of went quiet because the industry went quiet, but now it's all seemed to come back to life again. It was as if the industry sort of went away and worked it out. And it's not like any of our competitors have come on leaps and bounds with anything similar.

Saying that, we've only got a small window of opportunity – five months – to get it right. I'd suggest that time is coming now.

How do you predict that insurance will change in the coming years?

I think there'll be a consolidation of the market. We've seen a bit of it already with the big boys buying each other. Legislation will drive it, insurers will have to become more compliant and that will bring in more costs for the little guys who won't be able to afford it.

The other major thing is if Equator takes off. We've seen it with some of our clients, we half-jokingly say to them that if you're not doing this, what's your book going to look like in a couple of years? And they realise that we're only half joking and they go white and say, 'we're going to be out of business'. Because they'll be left with all the bad risks. So I think that will happen as well.

If you're not good underwriters your capacity will be taken away, you'll be swallowed up and that will come through from people picking out the risks using an Equator-like product.

Insurance is built on the law of averages and sharing a risk. But but if some insurers start just taking the good risks – the very good risks – it's no longer insurance, it's risk selection... but I think we're still a long way off from that ●

they send it in, and you never talk to your insurance company. Over here, you have to ring your insurer straight away.

How do Australian consumers differ from British consumers?

They're stickier, or maybe lazier, because there are no aggregators. To change insurer you'd have to go on ten websites and fill out all that information ten times. So retention rates are a lot higher. Plus there's less propensity to change because insurance is cheaper in Australia anyway.

Is the driving experience similar in Australia and the UK?

Well, UK drivers are extremely courteous. You let people in when it's not their right of way, which never happens in Australia. And I've had to slow down on roads lined with parked cars because people can be pulling out from anywhere. You're not allowed to park on the wrong side of the road in Australia but here you can park wherever you like... it can take me by surprise.

I prefer UK motorways to Australian ones but my wife gets annoyed when I try to undertake. I don't see why you have to keep pulling over to the outside to overtake, why can't I go past on the inside?

Because it's illegal and dangerous, probably. So, how do you think RDT has changed since 2010?

Obviously it's loads bigger. There were 38 people here in 2010 but we were up to 110

NEWS IN BRIEF

MARKERSTUDY CONNECTS TO MYLICENCE

MOTOR specialist Markerstudy is one of the first insurers to take advantage of MyLicence, supported by RDT's administration platform Landscape, with Eldon and Canopius quickly following suit.

MyLicence was created jointly by the DVLA, the Department for Transport, the Association of British Insurers and the Motor Insurers' Bureau, and gives insurers instant access to key risk data about drivers who provide their licence number.

While its main purpose is to improve the customer experience, insurers connected to the MyLicence database provide more competitive prices. Early adopters are gaining a competitive advantage with lower application fraud and more accurate pricing. The MyLicence initiative is a big step forward for the motor insurance industry and, thanks to RDT's commitment to innovation and quick response to industry trends, all its customers now have the ability to link to the database.

NAVICLOUD DIRECTOR STRENGTHENS RDT

RDT has deployed NaviCloud Director to underpin its testing and development systems, helping its software engineers focus on creating disruptive solutions for insurers.

NaviCloud Director is produced by NaviSite, a Time Warner Cable company that provides enterprise-class hosting and managed applications, messaging and cloud services. The product is part of NaviSite's public cloud portfolio and offers businesses an infrastructure-as-a-service platform for virtualised applications.

The platform allows RDT to provide on-demand and scalable infrastructure services from virtualised resource pools. This enables RDT to quickly build and develop more complex IT environments and accelerate their time to market.

NEW PEOPLE AND SKILLS

JOE O'CONNOR *joconnor@rdt.co.uk*

RDT'S new sales and marketing director joined us in November. A true sales heavyweight, Joe has more than 20 years of experience in sales and marketing in financial services and technology companies, and will be responsible for promoting Landscape and increasing the customer base of Equator and Skyline. Joe oversaw impressive international growth at previous employers. He joins RDT from Broadridge (formerly ADP Brokerage Services Group), a leading provider of technology-based solutions for capital markets, wealth management and asset management firms.

He joined Broadridge in 2001 and most recently was the company's managing director of major account sales in EMEA, where he led Broadridge's growth in Europe and, in the past two years, helped generate net new revenue contracts valued in excess of US$250million (£163million).

RDT's CEO Mark Bates said: "We are delighted that Joe sees his future with RDT. His experience in sales and the launching and evolution of new products and markets will be invaluable."

MARK DEGENAAR *mdegenaar@rdt.co.uk*

DIGITAL specialist Mark has joined RDT as head of architecture and will be responsible for all aspects of RDT's product architectures, including digital strategies and platform transformations, and will support the delivery of its clients' business strategies and digital transformations. Mark, who reports to our chief technical officer Rob Grigg, said: "As RDT's head of architecture I'm working with a talented, dynamic and driven team. We are delivering the insurance platforms of tomorrow, today."

Before coming to RDT Mark was chief architect at AXA PPP Healthcare, and before that he worked as principal consultant in architecture and strategy for leading European consultancy firm Reply.

DANIEL DERHAM *dderham@rdt.co.uk*

DANIEL has been appointed as a client account manager. He came to RDT in May from Xchanging, where he delivered a large number of projects for international clients, including infrastructure upgrades, application development, product delivery, business change and transformation. Daniel is responsible for service provision and managing relationships and projects for RDT clients who use Landscape and Equator.

There are some 5000 users of RDT software worldwide and clients include Markerstudy, Canopius, Direct Line Group, Towergate Partnership and RAA (the Royal Automobile Association of Australia) in South Australia.