
Is it Time to Replace Your Legacy Insurance Billing System?

5 Quick Questions May Help You Decide...

Answering these five questions could help your organization assess the gap between your current capabilities and the efficiencies and customer experience gains possible with modern billing systems.

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For many insurers, billing remains a lower priority in modernization discussions. In some cases, insurers mistakenly think of billing as an administrative process rather than a vital policyholder touchpoint—or simply may not know what to consider when evaluating their billing capabilities.

Though insurers are beginning to prioritize billing as part of their overall digitization and customer experience efforts, policy administration and claims continue to dominate carriers' core legacy system replacement projects.

In recent studies, industry analyst reports broke down core system software deals as 50 percent for policy administration, 17 percent for claims and 13 percent for billing. Although every insurer's circumstances remain unique, many may be missing an opportunity to bring customer-facing capabilities in line with consumer expectations.

It's not enough anymore to think simply in terms of consumers' expectations being influenced by other industries, such as retail or logistics. Today customers live digital lives that set very high expectations for commercial transactions and service. They expect businesses to be able to be responsive to their needs and interact with them via their channels of choice without inconvenience. As the most frequent touch point for most policyholders, billing is an important opportunity for insurers to provide an experience in line with those expectations.

For most insurers, the greatest barrier to providing excellent client engagement is legacy technology environments replete with excessive reliance on manual intervention and batch, as opposed to transactional processing. Modern billing technology simultaneously reduces the inefficiencies associated with legacy systems, while enabling a personalized experience and the kinds of real-time self-service options that consumers increasingly prefer.



The following questions provide a guide for evaluating whether an existing billing system meets current standards of efficiency and customer experience:

1. Can your system issue invoices without manual intervention?

Many insurers' processes require accessing billing information from systems beyond their billing application. A good example is changes in policyholder or partner addresses, or changes in agency/broker/partner information. This leads to uncertainty with regard to the location of data, as well as the potential for human error at the data entry stage. Effectively, the billing system is not integrated with policy and claims systems, making a comprehensive, 360-degree view of the customer impossible. Modern billing systems can automate many manual processes through the use of business rules and workflow technology. This makes manual processing an exception rather than the rule.

2. Can business professionals easily implement changes?

Within legacy billing systems, many customer-facing processes are typically hard-coded—making it impossible for business personnel to make changes. Modern billing systems give carriers greater control over systems with flexible architectures that allow business users to make changes without the need for IT support.

3. Does your system have ready access to pertinent data?

As with many insurers, much of the information relevant to billing is on paper rather than in information systems. Most legacy billing systems behave as simple administrative applications, sending

out bills and processing payments and not necessarily taking into account the needs of individual customers. Modern billing systems integrate with other core systems and provide the means to track customers' issues to resolution.

4. Does your system have robust reporting capabilities?

The scant data access of legacy billing systems alluded to above also manifests itself in the inability to run reports. Carriers with legacy billing environments typically pull reporting data from multiple systems. They then manually assemble the data, introducing the possibility of human error. Modern billing systems provide full reporting capabilities, such as billing statements for monthly reconciliation, in addition to dashboards, pre-defined cubes, standardized reports, and ad-hoc reporting. These also provide important underwriting feedback, such as timeliness of payments, the extent of dishonors, etc.

5. Does your system incorporate both AP and AR?

Often insurers depend on separate systems to process and track payables and receivables, which prevents a complete view of cash flow. Information may be stored in multiple systems or in actual filing cabinets, requiring billing clerks to spend time on administrative tasks rather than serving customers. Modern billing systems give insurers a complete, current view of cash movement and let insurers put their customers, distributors and partners first by providing flexible payment plan methods (credit card, EFT, etc.) as well as self-service customer and business partner portals.



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Your response to these questions illustrate the gap between your current capabilities and the efficiency and customer experience possible with modern billing systems.

Insurers seeking to modernize their billing operations will find modern, rules-based, configurable billing systems have the broad functionality and integration capabilities to significantly increase efficiency. Modern billing systems reduce errors, add financial transparency, and most importantly, provide a competitive advantage by delivering a customer centric approach that will deepen customer engagement.

About OneShield Software

OneShield Software delivers core business software solutions to the global insurance and broader financial services industry, deployed in the cloud or on premise. Our portfolio of standalone, subscription, and cloud-based software products includes enterprise class policy management, billing, claims, illustration, product configuration, business intelligence, and analytics solutions that leverage a tool-based open architecture and single data model platform to streamline your business.

Visit us at OneShield.com or contact us now to learn how we can help simplify your business and get your billing transformation under way.

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