

CASE STUDY

BLUE COD TECHNOLOGIES, INC.

HomeWise Insurance Makes Wise Choice for Business Process Outsourcing with Blue Cod Technologies, Inc.

Even in the best of economic times, the Florida insurance market presents challenges in terms of a unique governance model and frequent losses due to natural disasters. Not surprisingly, following the especially volatile storm seasons of 2004 and 2005 many insurance companies stopped writing homeowners insurance in Florida creating a void in the insured market and demand for homeowners and wind insurance.

For start-ups like HomeWise Insurance, this situation was a golden opportunity to acquire some policies from state-run Citizens Assumption and provide reliable wind coverage to Florida homeowners.

ABOUT US

Blue Cod Technologies, Inc. delivers innovative software solutions and services for organizations in the property and casualty industry. Through our specialized products and services, we provide insurance companies with systems strategy and architecture, custom-application development, enterprise systems integration, and web-extension of enterprise systems. Our hosted policy administration solution and BPO services offer a broad array of options to start-up carriers and companies considering venturing into new markets.

When HomeWise entered the market in 2006, demand was high for experienced, financially-sound insurance companies offering homeowners coverage. Strategically, moving rapidly to handle this new business made sense, but since the company was starting out with a small, strategic staff, HomeWise executives knew ramping up in time to take advantage of the market opportunity would be difficult.

Finding a way to quickly process the new business was critical to HomeWise's potential success, so outsourcing core business processes instead of taking time to build in-house staff levels seemed a logical course of action. HomeWise had a system in place for wind insurance but felt it needed a different solution when entering the homeowners market.

Blue Cod Technologies, Inc. (Blue Cod) had been processing business for insurance companies serving the Florida market for several years with great success, and after recommendations and deep due diligence, HomeWise decided to consider Blue Cod as the company's primary business process outsourcing (BPO) provider.

In a meeting with HomeWise executives, Jeff Brown, president and CEO of Blue Cod, along with other Blue Cod executives, provided details

HomeWise™

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President and CEO of HomeWise Insurance*

about successfully supporting and managing the existing homeowners book of business for an insurance company now exiting the market. Blue

Cod's obvious BPO expertise, knowledge of the Florida insurance market and commitment of the company's management team made an impact on HomeWise.

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UP AND RUNNING

From the time the contract was signed, Blue Cod set about creating electronic interfaces with HomeWise, developing clear, common sense-driven processes and clearly communicating collaborative definitions of what is expected from the relationship in terms of strategic goals.

Blue Cod currently handles all of the day-to-day processing work load for HomeWise's new business, plus endorsements, renewals and cancellations.



Blue Cod also handles first notice of loss (FNOL), claims processing, and billing.

Further, Blue Cod's dedicated Product Support Services Team, which includes licensed property & casualty underwriter assistants, has the expertise to contract review situations to manage more complex issues, and handle higher limit authority, thereby decreasing the need for manual review and input by HomeWise.

"We try to automate as much work as possible," said Jon Hughes, director of BPO for Blue Cod. "We are focused on delivering quality and are proud of exceeding our set standards. We feel like a true partner with HomeWise and are passionate about understanding and delivering on our clients' needs."

To that end, Blue Cod has implemented a stringent quality process during which 10 percent of all transactions are randomly pulled and reviewed for accuracy. Blue Cod also operates on a one-day turnaround basis for cancellations, and a two-and-a-half day turnaround basis for endorsement processing. Other quality measures Blue Cod has enforced ensure 100 percent of all incoming HomeWise calls are answered by a human being, and 98 percent of those calls are answered in 30 seconds or less.

By working collaboratively, it took only three months to get HomeWise's new book of business up and running, and through the BPO agreement with Blue Cod, HomeWise was able to rate and issue policies, send out bills and provide customer service quickly and efficiently.

FORGING A FUTURE TOGETHER

While there is always a certain amount of risk involved in making any BPO decision, HomeWise's only real concern was the physical distance between the two companies' main offices in Florida and Massachusetts for HomeWise and Blue Cod respectively.

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For Blue Cod, this was an obstacle they were determined to work hard to overcome. The company established an office in Tampa, Florida with seasoned insurance industry professionals who would play an active role in supporting HomeWise policies. Recently, the Florida Blue Cod team has been given primary responsibility for supporting all HomeWise processing. In fact, some Blue Cod employees now operate from the HomeWise office and are helping to take on additional local support functions.

Due to the success of the relationship so far and the extended capabilities Blue Cod provides, HomeWise plans to expand the relationship and is looking forward to forging even stronger ties for the future. Blue Cod is in the process of building a new "front-end" for HomeWise, which will go live in conjunction with HomeWise beginning to write new business in South Carolina this Spring. Blue Cod is also developing a new claim module which will go live this Summer.

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In a little over two years since the original "go live" date with Blue Cod, HomeWise has gone from 0 policies to over 119,000 policies in force, and in 2008, the company increased volume in most areas over 2007 results by more than 200 percent. HomeWise has moved over all of its business to Blue Cod, including wind, which had previously run on another system. As a result, today Blue Cod is considered an integral part of HomeWise's business success and is a key partner.



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