



America's Premier Insurance Administrator

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### Our Vision...

To be the Premier Insurance Administrative Service Provider in the United States

## UTG's Approach to BPO Conversions... the "Dream-Team"

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Successful BPO requires a connecting strategy, enabling an integrated, yet distributed process. Though some view it as controversial and others consider it mandatory business strategy, outsourcing is here to stay. And it is no longer strictly about reducing costs, it's about doing things better, quicker and more efficiently.

At UTG, we have recognized that even after the decision has been made that BPO makes economic and business sense, management is often resistant to taking the plunge when faced with the issues of converting administrative systems. UTG has successfully completed over 30 conversions.

We have learned to front-end load the process by conducting in depth implementation studies reviewing all aspects of product and processes.

UTG has developed a "Dream-team" concept to minimize risk and maximum benefit to our client companies. The team has four major goals:

1. Reduce the pain for the client company
2. Maintain transparency to the client company's customers, at a minimum maintaining the current relationship and ultimately improving the relationship between the client company and its customers
3. On time
4. On budget



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Each of our BPO Implementations is coordinated by a model office team that includes Business/Administrative Analysts, Programmer Analysts and Senior Administrators. One important concept we have used is to include our senior administrators early so that they are extremely familiar with the products, implementation process and administrative procedures. These administrators stay with the business when it is transferred from our implementation environment.

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# The Independent Order of Vikings Uses BPO to Regain Control and Extend Fraternal Activities

## BPO brings new life to an ailing fraternal

The Independent Order of Vikings is a fraternal benefit society with twenty-seven lodges in 9 states. Insurance is just one of the many fraternal benefits managed for its members. Funds raised by the Order support Burn Camps, a Swedish Language Camp and annual scholarships to deserving students among other fraternal activities.

*"Having the regulatory and administrative burden of the insurance operation lifted from us has been a blessing and allowed the IOV to focus on our true purpose of making a difference in our communities."*

*Ray Knutson, Past Grand Chief, Independent Order of Vikings.*

IOV has been providing member benefits for more than 100 years. The future of the Order came to a critical juncture when the growing cost of managing its insurance offerings threatened the organization's solvency. Systems and processes were inadequate and the budget didn't allow for sweeping updates. According to past Grand Chief Ray Knutson, many were required. "Walking into the office felt like stepping back in time," he notes. "While some of our processes had become computerized, many were still manual and nothing was integrated."

The Order was actively exploring merger options when they were introduced to an alternative solution; the third party administration services provided by UTG.

## Using Business Process Outsourcing to regain control

The IOV Executive Council felt a deep sense of loss as it faced the need for change. A merger would, clearly, compromise their mission and, indeed their very identity. At the same time, there was a considerable fear that outsourcing the fraternal's administrative function would mean a loss of control.

In the interest of preserving the services they provided their members, The Council decided to take a serious look at business process outsourcing. They found a provider with the experience and quality commitment that matched their needs. UTG was administering policies for more than 30 acquired companies and serving as a third party administrator for several others. Their "We Care" philosophy was pervasive and the preserved character of the client companies readily apparent.

IOV found a partner and a system that would provide the information needed to make good decisions and regain control. Knutson, Vice Grand Chief during the transition, observed that, "UTG has been a true business professional by providing advice but leaving the decision to the IOV."

## The system behind the service

The pressures leading to the IOV decision to embrace BPO are common to many insurers. Keeping systems up to date is a critical part of staying competitive and profitable. The ability to make policyholder information visible to those providing service is a key factor in managing both customer relations and costs.

In 2002, these industry pressures lead

to the alliance between UTG and Fiserv. "We were seeking an experienced business partner that could offer the dependable and predictable service our clients demand," said Fiserv's Mike Key. "UTG's experience and philosophy made them the perfect partner."

The Fiserv ID<sup>3</sup> life, annuity and health insurance administration system allows UTG to deliver complete insurance administration and operational support. The ID<sup>3</sup> system is fully integrated to support electronic application submission, automated underwriting and issue, reinsurance management, client relationship management and processing, billing and premium processing, agency management claims payment and tracking as well as imaging and document management. UTG implements ID<sup>3</sup> capabilities in an on-line, real-time environment.

"The unique value of this alliance is its ability to deliver mission-critical support on multiple levels with many types of organizations," said Jim Rousey, Executive Vice President of UTG. "With the technology and experience that Fiserv brings, we are able to create a win/win opportunity for all."

## IOV scores impressive results

In 1998, the IOV was forced to shift attention from the fraternal activities that define its mission. The IOV was facing a solvency issue and receiving pressure from the Insurance Department. By choosing BPO, they found a solution that delivered gratifying results.

In assessing the value of BPO, Knutson states, "Having the regulatory and administrative burden of the insurance operation lifted from us has been a blessing. It allows the IOV to focus on our true purpose of making a difference in our communities. Our financial turnaround is remarkable achievement and much of the credit belongs to