Tower Insurance Phase 1:
Digital Transformation and Fiji Rollout of EIS Suite

Executive Summary

Tower, a 152-year-old New Zealand and Pacific insurance company, adopted EIS Suite™ as a central business platform in its transformation into a digital and data company. The property/casualty insurer covers New Zealand and the Pacific Islands area, supports more than 300k customers, and sells its products through an independent agency network, a call center, distribution partners, and online.

In 2019, the EIS platform enabled Tower to simplify its product portfolio and associated business process, moving from more than 400 different policy types to a handful of simplified products. The platform was also used as the cornerstone of Tower's industry-leading customer digital channel, MyTower. The results have been impressive.

For example, more than 40% of Tower's New Zealand customers registered to the website in the first 12 months from its late 2019 launch and more than three-quarters of a million transactions took place on the website during the year. Having seen the success of the platform in transforming its New Zealand business, Tower then turned its attention to its Pacific customer base, where its digital strategy is a regional first.

> " With EIS Suite in place, we now have digitally enabled products on sale resulting in **improved outcomes for customers**, and **increased efficiency** allowing us to **take advantage of market opportunities**."
>
> **– Greg Moore**
> Chief Digital & Data Officer
> @ Tower Insurance

Impressive Results

On the new all-digital product and service platform, Tower drove a huge increase in business performance

Digital business uptick as a result of the simplified online processes:
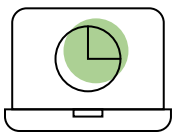
65% new business through online channels

45% approximate claims lodged online

50k customers use the MyTower online sales and service portal

Business results for FY20 (first year following go-live):

2% points loss ratio improved to 46% from 48%

8% DWP growth to $385m

11% growth in new customers

Business efficiency:

90% Tower direct customers on new EIS CloudCore

70% workloads moved to cloud

Challenge

Tower's goal was to simplify its business and position the company as a digital leader. To do that, it had to replace numerous legacy systems that supported personal and commercial policies for quoting, policy administration, billing, claims, customer management, and customer engagement.

Solution

A Single Platform

The single, Azure cloud-based platform of core and digital solutions from EIS replaced the legacy systems and provided Tower's customers with a fast, seamless sales experience and full-lifecycle service experience via the new MyTower customer portal. A key enabler of the transformation is the API gateway and persona-based digital app capabilities in EIS DXP, EIS' digital experience platform. Tower leveraged DXP® to expose headless core business functionality and create apps/portals and an intuitive customer journey that allows users to quickly gain a quote, buy a policy, access policy information, make policy and billing changes, file a claim, and do other tasks.

EIS Suite™ Components: Delivery

| POLICYCORE® | BILLINGCORE® | CLAIMCORE® | CUSTOMERCORE™ | COREVELOCITY™ | EIS DXP® | AZURE |

Outcomes

Embracing Simplification

Simplifying the end-to-end process of insurance included simpler products, simplified policy wordings, and a new, easier customer journey. The new quote-to-buy app enabled customers for the first time to buy up to four different products – auto, home, contents, and landlord – in one quote transaction, with several coverage options for each product available at the time of purchase. Tower has updated its quote process, aiming to have the easiest and fastest quoting experience in the market; it will take eight, nine, and seven questions to obtain a car, home, and contents insurance, respectively.

Empowering Distribution Channels

Growth in revenue from distribution partners, such as banks and other white-label, affinity, and B2B2C partners, including online platform TradeMe, is driven by an improved customer journey and the increased cross-sell opportunities enabled by the single, multi-product quote-to-buy app, which is adapted for each partner branding.

Outcomes pt. 2

An Agile Platform with Speed to Transform and Change

The new platform was rolled out in less than eighteen months. Implementation included a 12-month series of Agile sprints. It enables Tower to offer fully digitally enabled commercial and personal motor, home, content, and landlord products within a simplified and convenient customer journey. Tower adopted EIS' CoreVelocity continuous delivery model, which reduces the risk of software upgrades/changes and makes new functionality accessible more frequently.

Supporting Growth

Tower's new digital and data platform will support expansion. In a first stage, the MyTower quote-to-buy was launched in Fiji. Fiji will now act as a blueprint for expansion of the platform across all Tower's Pacific country markets, creating consistency and long-term business sustainability.

Next Step Success: Pacific Islands Rollout

Tower has supported the Pacific region for 140 years of its 152-year history. Over 35,000 Pacific customers in eight different territories were serviced through Tower's local offices, leveraging a legacy system that was rolled out across the region in the late 1980s, and where most of the customer interactions were paper based and relied on face-to-face interaction.

Given the differences in business processes and the different regulations in each of the Pacific Islands, Tower decided to first attempt a rollout of its EIS platform in Fiji. It was able to adjust its motor insurance within a few months to local requirements and launch the first digital quote-to-buy website in the Pacific.

The success of this initial rollout resulted in Tower doubling down on its migration of Pacific domestic products, which is now expected to be completed (across all product lines and all territories) within the next 18-24 months.

Go further.

Tower Insurance Phase 2: Creating a Better Customer Experience for the Pacific Islands

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