

# Tenfold Growth in Two Years

## ***R.E. Moulton's Underwriting Business Soars With the Help of Software Design and Development Expertise from Alexander Associates***



R.E. Moulton, Inc. (REM), with premiums of over \$150 million annually, is the leader in underwriting *Employer Stop Loss* insurance for U.S. companies. Stop loss insurance makes self-funded employee benefit plans possible by minimizing the risk that *one* employee's medical expenses will swamp an employer's ability to fund medical benefits for *all* employees. As a managing general underwriter (MGU), REM helps insurance company clients reduce their self-funding costs by providing underwriting, policy administration, and claims adjudication for the TPAs that administer these programs.

### **Project History**

In 1998, REM management determined that its existing underwriting, policy administration and claims processing systems would not support Company growth plans. A major goal was to link current and planned sales offices with the corporate systems in the Marblehead, Massachusetts headquarters.

Additionally, the headquarters systems were manually intensive, not integrated, and hard to use. This caused REM's expert underwriting and claims support professionals to spend too much time performing clerical tasks in order to provide quotes or render service. At the same time, the volume of underwriting requests for proposal being received by the Company was growing at a fast pace.

It was clear that new productivity-enhancing applications and a corporate-wide intranet were needed to more fully leverage REM's unique expertise and to exploit market opportunities. After meeting with several outside consulting firms, REM chose Alexander Associates to assess needs, then to design and develop new custom software systems.

Barbara Voigt, REM's VP of Operations recalls:

*"We chose Alexander Associates because they so strongly emphasized the value of a thorough needs assessment. They took the time to listen and to sort through many rather complex issues. After completing the assessment they developed a plan to get us where we needed to be."*

The relationship with Alexander Associates began in mid-1998. By late 1999, new systems had been implemented to support the underwriting and premium collection functions. Data was successfully converted from the legacy system and users were trained.

#### **Client**

R.E. Moulton, Inc.  
Marblehead, MA

#### **Mission**

Provide a range of specialized insurance products and services to insurance companies, brokers, and third party administrators that enable these entities to provide better, more cost-effective service to their clients: smaller companies that self-fund their employee benefit programs.

#### **Challenge**

Assess needs, then design and develop more automated systems for underwriting stop loss insurance and processing claims.

#### **Solution**

In 1998 Alexander Associates was engaged to consult, design, develop and deploy a new stop loss underwriting system serving R.E. Moulton's corporate headquarters and regional offices. The new system enabled revenues from this underwriting business to meet the growing demand for R.E. Moulton products and expertise. Within two years, revenues had grown tenfold.

#### **Current tools/platforms**

Oracle, Powerbuilder, IIS, ASP, Java, HTML, EA Studio, Active-X

Barbara Voigt recalls the dramatic changeover to the new system:

*“When the new system went live, it was an uplift to the whole Company. User interfaces were logical and easy to use. Remote offices were able to access the same information as was available at headquarters. Accuracy improved. Our professionals were able to trust the numbers. There was a substantial increase in productivity, so much so, that we were able to grow our underwriting business by a factor of ten in two years without having to increase staff.”*

### **Today**

Today, the underwriting staff is able to process as many as 3,000 RFPs a month, an unimaginable burden under the previous system.

Through their partnership with Alexander Associates, R.E. Moulton, Inc. was able to realize increased productivity and profitability, and to further strengthen their leadership position in the stop loss market.

As the REM's former CFO, Fred Eichler put it,

*“Alexander Associates has developed for Moulton what is probably the best system of its kind in the industry today.”*

The partnership between Alexander Associates and R.E. Moulton continues today as Alexander supports and continues to enhance each of the REM systems.



**R. E. Moulton, Inc. (REM)** is one of the U.S. insurance industry's premier managing general underwriters (MGU). As a full-service MGU, REM provides marketing support, product development, underwriting, claims management, and premium and commission administration. REM serves the needs of TPAs, brokers, and insurance companies by managing, underwriting and delivering top quality, innovative group insurance products to them and to their clients. REM's insurance company clients reduce their costs by using REM's experienced staff of professionals and by delegating certain responsibilities and functions to R. E. Moulton, Inc. REM's services are provided at a lower cost and with more personal involvement than the insurance company itself can directly provide because REM is a specialist and the premier company in its industry.

R.E. Moulton employs over 100 underwriters and administrative support staffers and underwrites Excess Loss Coverage for numerous carriers. Total current premiums exceed \$150 million.

**Alexander Associates** is a consulting firm specializing in the design, development and support of customized database applications. Founded in 1983, we help businesses, government and not-for-profits achieve "fit-for-mission" status through state-of-the-art back-office, intranet and internet applications.