

A Business Solution for the Financial Services Sector

Performance Management Platform Provides Insight to Drive Profitability

IBM Software Group

Insurance Product Profitability Performance Blueprint



Solution Description

The IBM Cognos Insurance Product Profitability Performance Blueprint enables insurers to: receive business segment, product line and brand information; analyze that information to determine targets; plan initiatives to increase profits in the chosen target; and manage and update a P&L and balance sheets.

The Insurance Product Profitability Blueprint provides a hierarchy of dashboards and reporting structures designed to guide the user through increasingly deeper levels of business segment, product line or brand profitability. The first level in the hierarchy provides a view across a business segment (e.g., commercial or personal insurance) product line or brand, which helps the user understand performance measures such as revenue and profitability at a glance.

Features & Benefits

The Insurance Product Profitability Blueprint enables insurers to improve segment profitability by enabling:

- Revenue and expense planning that allows insurers to forecast new and renewal premiums, exposure, cancellations, and lapses. Expenses planning methods capture items such as commissions and net commissions, distribution allowance, total acquisition costs and total expense ratios.
- Claims planning methods that allow insurers to incorporate concepts such as gross and net claims, recoveries, claims handling expense, movements in reserves, gross and net loss ratios, and discount unwind across new and prior year claims.
- Initiative planning that helps managers identify the projects to target for product or service initiatives, based on the impact to the financial plans.
- Business segment reporting, analysis, dashboards and scorecards that are preconfigured to let managers see at-a-glance how the business segment or product is performing across measures such as revenue, claims and segment profitability.

Value Proposition

The Insurance Product Profitability Performance Blueprint enables insurers to create profit and loss statements and balance sheets at the business segment level and by product line, product and brand. The solution allows business analysts, product managers and finance executives to report on and analyze profitability and to plan initiatives to improve business segment results.

Business segment executives, product managers and analysts can evaluate changing market conditions and consider multiple scenarios on a rolling, immediate basis — taking into account the overall impact to business segment, product or brand profitability and enabling the enterprise to act in a coordinated fashion.

IBM Segment

- Cognos

Business Function

- Performance Management

Target Industry

- Insurance

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