WebSphere Business Integration for Insurance

Insurance today: So many challenges, so little time

It used to be enough to manage your basic processes: product development, underwriting, administration, claims and investment management, among others. Not today. The industry is changing from a highly regulated market to a competitive and increasingly deregulated one. Today's companies need to write and support more policies, and they are doing so in a low-margin environment where the products are rapidly commoditized. Because products are so similar, raising premiums means risking losing market share to competitors.

To build scale and market share, companies need to expand globally and integrate mergers and acquisitions (M&As). Such global expansion depends on disparate systems for its success. Likewise, expanding to a global scale increases the scale and cost of claims processing. And if claims are not processed quickly, customer satisfaction can drop. Insurance companies need integrated systems to expedite claims and maintain customer loyalty.

Insurance companies today face an alarming trend of paying out more in claims than they bring in from premiums. To keep from writing unprofitable policies, they need to microanalyze their profitability by customer, product and channel. With integrated data, they can make better decisions about:

- How to price policies

- Which customers are good risks for underwriting policies

- Which customers carry less-than-acceptable risk … and whose policies should not be renewed

The key is obtaining better information, which means better risk management. To manage the complexity, insurance industry leaders need a unified view of corporate data and processes, which can be achieved by integrating their packaged, custom and legacy applications. To do business with each other electronically, companies must develop and support systems and business processes that conform to industry standards.

Strategies for success

These changes may seem complex and threatening. Can you increase the scale of your business without increasing costs proportionately? You can take several actions to be successful … most of which come under the heading of business integration, in which applications and processes are integrated seamlessly. Here are just a few examples of what business integration can accomplish. It can:

- Create a more responsive infrastructure to address marketplace changes quickly and reduce cost

- Extend and enhance the capabilities of your existing infrastructure to better serve customers

- Improve information connectivity so that IT can handle different administrative systems obtained from M&A activities

- Establish new electronic channels for selling and servicing insurance products

- Provide premium services and support that attract and retain prime channels

Can one solution answer several business challenges?

Yes, there is an answer. One that can help you cut costs … be ultra-responsive to your customers … and maximize your flexibility while reducing time to market. IBM WebSphere® Business Integration (WBI) for Insurance incorporates WebSphere technology, which has already become a corporate integration standard for many enterprise and e-business initiatives. WebSphere Business Integration for Insurance can help you:

- Streamline claims processing and reduce costs through its prepackaged business process modules

- Achieve better integration with agent networks, resulting in rapid return on investment (ROI) and reduced time to market

- Reduce the risks of new system integration projects through its prebuilt connectivity

- Manage M&A activity and implement infrastructure improvements and updates

- Manage channel re-intermediation

- Facilitate Web integration for improved customer relationship management (CRM)

IBM WebSphere Business Integration for Insurance incorporates WebSphere technology … a corporate integration standard for many enterprise and e-business initiatives.

Based on the IBM CrossWorlds InterChange Server technology

WebSphere Business Integration for Insurance, which includes the IBM CrossWorlds® InterChange Server technology, MQ Workflow, and WebSphere MQ Integrator Broker, is a solution that extends and unifies your business processes. Its prebuilt integration components enable swift integration at an extremely low cost. And the IBM CrossWorlds InterChange Server (ICS)—the foundation of the solution—is a scalable, reliable and secure environment for business integration with all the "nuts and bolts" functionality for business process automation. What does this mean for you? Simply stated, ICS offers mission-critical reliability and availability, enterprise-level scalability and performance, and centralized system and configuration management. A few of the benefits of the ICS are:

One centralized and common view of enterprise-wide data and processes

A comprehensive set of technical services, including:

- System management

- Event management

- Repository services

- Error handling

- Transaction management

- Data transformation and messaging

Consider the advantages that this process-integration architecture offers:

- Logical, distributed hub-and-spoke architecture for rapidly scalable, Plug and Play integration

- Data and messaging format independence for integration flexibility and reduced system implementation and management costs

- Easy-to-use, powerful and effective WebSphere tools for data mapping, relationship management and process design—which provide highly flexible integration management

The CrossWorlds technology gives you enterprise scalability, reliability, availability and performance that meet your mission-critical requirements. What's more, the process integration solution is compatible with the IBM middleware portfolio, so you can choose the exact software you need to accomplish your company's goals.

This comprehensive approach allows for message transformation, message routing and message delivery. It coordinates workflows for closed-loop and secure business processes. Our solution also provides back-end and legacy integration for true business process management without writing changes to existing data and application environments.

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IBM CrossWorlds Collaborations for Insurance

WebSphere Business Integration for Insurance contains prebuilt, insurance industry-specific solutions for business process automation. Application-independent collaborations (or integration modules) graphically define end-to-end processes and encapsulate basic integration and business rules for common business processes. All IBM CrossWorlds Collaborations use the IBM Common Object Model, a superset of data models used by widely deployed packaged applications. These help reduce initial and ongoing maintenance costs. Additional advantages of prebuilt process modules include:

• Business flows are configurable without coding

• Common rules and routing for information sharing are defined

• Predetermined default conditional flows and paths allow you to create data on the fly

• Data retrieval is definable from target systems or from other applications

• Error handling is built into the process at multiple points, enabling configurable notification (e-mail, pager, write to log)

• Best-practice functionality is provided right out of the box

There are four insurance industry-specific collaborations:

• IBM CrossWorlds Collaboration for Traditional Life Policy Addition

• IBM CrossWorlds Collaboration for Partial Withdrawal Surrender Quote

• IBM CrossWorlds Collaboration for Homeowner First Loss

• IBM CrossWorlds Collaboration for Personal Articles Coverage Quote

WebSphere Business Integration delivers value for Insurance

Role	Executive pain points	Benefits
VP Policy Administration	**Increasing costs and declining budgets**	**Provides an integration platform that:** • Delivers prebuilt industry-specific collaborations and application/ technology connectors • Enables quicker competitive responses to market changes • Equips enterprises with the ability to quickly add new services, which can result in increased revenue and market share
VP Claims Management	**Must elevate system reengineering for claims processing**	**Enterprise scale workflow allows:** • Entire claims processes to be integrated and reengineered
VP Underwriting	**Speed to market**	**Provides transformation tools and package adapters which:** • Help reduce costs and integration time • Allow for reusable product components that are specific by line-of-business
CFO	**Declining profits**	**Simplifies processes to help reduce IT costs and improve service**

The first two collaborations are targeted at the insurance industry's Life segment and help automate the process of altering a customer's policy coverage. The latter two are geared to the Non Life and Property and Casualty segments; these collaborations manage the submitted claim information and automate the business process. This allows insurance companies to have start-to-finish transparency for the entire claims process. It helps reduce overall development time and implementation, allowing insurers to reduce costs and speed the implementation of their integration solution.

Implementation support for Health Insurance Portability and Accountability Act Readiness:
Health insurers are seeking solutions that improve their bottom line through simplified data management and streamlined business processes. The Health Insurance Portability and Accountability Act (HIPAA) mandates are accelerating the selection, adoption and implementation of solutions to achieve the minimum standards for integration.

IBM offers software and services that meet the organization's HIPAA needs and deliver improved results through an expeditious implementation of a proven, reusable and supportable integration topology. The solutions leverage IBM's mature methodologies and experienced staff. IBM can work collaboratively with your existing employees or provide a total turnkey solution based on your specific needs and requirements.

The HIPAA solution software components include:

- Trading Partner Interchange to establish a solid chain of trust for the exchange of transactions over multiple communication protocols

- WebSphere Data Interchange to accept and translate electronic data interchange (EDI) and proprietary formats

- Interchange Server to manage routing, process complex transactions, and institute any-to-any integration across legacy, Web and industry applications

- Static code set reference tables and dynamic run-time cross-reference tables

The HIPAA solution includes:

- HIPAA templates with reusable and easily extended and maintained data models

- Online support for the ANSI compliant X12 EDI transactions

- HIPAA template and testing data generation tools

- Batch, real-time and online EDI transaction capacity

- Prebuilt connections into several major front-end enterprise systems plus a host of technology connectors and adapters

- Functional acknowledgements with SNIP Level 5 data validation (HIPAA and standard code sets)

- A standards-based repository for the storage and management of long-running HIPAA transactions

- Consultative services for program management offices, assessments, solution design, implementation and remediation

IBM CrossWorlds Connectors

IBM WebSphere Business Process Integration connectivity options help you pull information from packaged and legacy applications, databases, trading partners' systems and even from public information stores on the Web. Our Connectors support:

- Event-driven, real-time synchronous connections

- Asynchronous loosely coupled trading partner connections

- Synchronous on-demand customer connections

- Synchronous tightly coupled trading partner connections

- Synchronous Common Object Request Broker Architecture (CORBA)-based remote invocation mechanism (Access Interface), allowing you to connect audiences to your systems and applications through browser-based interactions

- Sophisticated business object integration and management capabilities to unite and extend business processes and IT resources inside and outside the company

The following IBM CrossWorlds Connectors are available as part of this product offering:

- IBM CrossWorlds Connector for MQ
- IBM CrossWorlds Connector for MQ Workflow
- IBM CrossWorlds Connector for MQSIV2
- IBM CrossWorlds XML Data Handler

IBM CrossWorlds tools
This is a full set of intuitive, visual and easy-to-use tools to provide customers with administrative and development support for system management, application connectivity and business process modeling. Some of the key tools include:

IBM CrossWorlds System Manager, which provides a visual interface for system administrators to monitor, control and analyze the entire IBM solution in a single user interface.

IBM CrossWorlds Process Designer, which enables users to graphically sketch and refine the logical flow of business processes

IBM CrossWorlds Business Object Designer, providing a graphical tool for generating and maintaining business objects.

IBM CrossWorlds Map Designer, a virtual tool that shares object repository definitions and is tightly integrated with the CrossWorlds environment to support high volumes of transformations.

IBM CrossWorlds Relationship Designer, which maintains cross-references between integrated data that resides in disparate areas.

IBM CrossWorlds Relationship Manager, which helps provide information about each relationship and the participants (applications) within it—and allows management of—the attributes that define the nature of each participant's relationship with others.

IBM CrossWorlds Connector Development Kit, which provides uniform framework for Connector development and allows users to easily build reusable components.

Get started today!

IBM's integration architecture is business driven and based on the open-standard Eclipse platform. The solution features market-leading technology of the WebSphere Application Server, MQ and CrossWorlds middleware. The IBM CrossWorlds patented Common Object Model features insurance industry templates and collaborations, extensive connectivity and an object-management runtime environment—enabling faster and easier integration while helping to reduce implementation and maintenance costs.

To learn more and get started, contact:

Worldwide Business Integration Sales
1 888 685-0947 bisales@us.ibm.com
Or go to our Web site at
ibm.com/websphere/integration/insurance.com

The IBM CrossWorlds InterChange Server offers mission-critical reliability and availability, enterprise-level scalability and performance, and centralized system and configuration management.
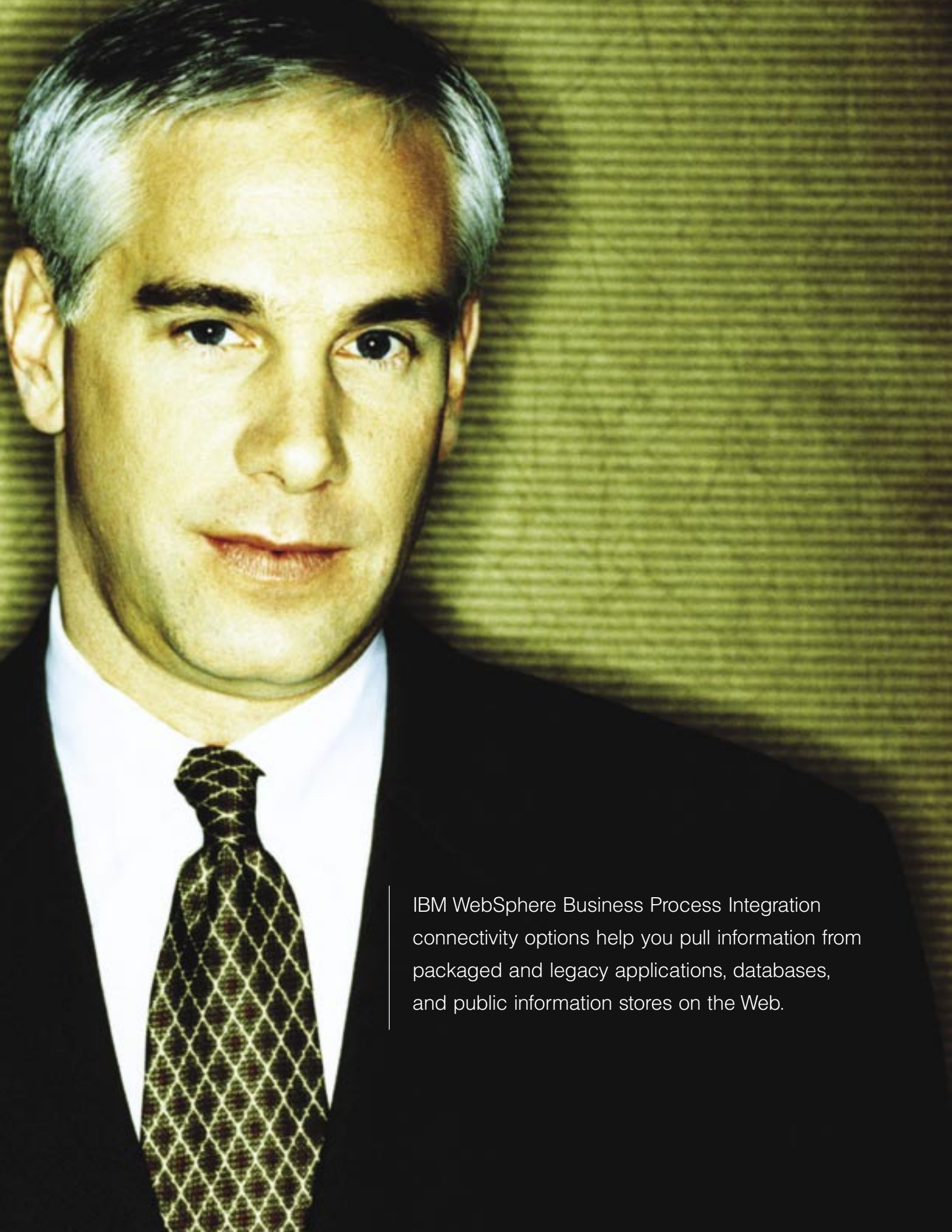
IBM WebSphere Business Process Integration
connectivity options help you pull information from
packaged and legacy applications, databases,
and public information stores on the Web.

How WebSphere software can help you

There are many ways in which WebSphere Business Integration for Insurance can help streamline your business, cut costs and save time and effort. Here are some examples of how our industry-specific software can help your business:

For the VP of Policy Administration who needs to control costs with declining budgets, IBM WebSphere Business Integration for Insurance can help streamline business processes through automation and effective reengineering. Its integration platform features prebuilt industry-specific collaborations and application or technology connectors. These enable quicker competitive responses to market changes and allow the quick addition of new services. The WebSphere package also provides accelerated customer claim resolutions and faster policy information delivery to outside channels. The result? Increased revenues and market share.

For the VP of Claims Management who must elevate system reengineering for claims processing, WebSphere Business Integration for Insurance helps simplify claims processes. This may reduce cost and improve service through enterprise-scale workflows, which allow entire business processes to be integrated and reengineered. Perhaps most importantly, it allows upgrading of infrastructure elements to better serve customers.

For the VP of Underwriting who is concerned with speed to market of new product introduction, WebSphere Business Integration for Insurance can help reduce the time and cost of implementing packages and integrating within existing IT systems. WebSphere Business Integration for Insurance provides transformation tools and package adapters to reduce the cost and time for integration, and allows insurance companies to easily integrate with their agent networks—giving agents rapid access to quote and policy information.

For the CIO who is struggling with layers of legacy networks and individual product silos, IBM offers Business Integration for Insurance to help integrate across systems. This offers a customer-centric view of services and shares customer-specific data across organizations. The prebuilt process collaborations and connectors address different lines of businesses, reducing total response time and the investment needed to introduce new services. Additionally, the Plug and Play architecture allows for the quick and inexpensive deployment of services.

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