



IBM Software Group

Portal & Collaboration in Insurance: An Introduction

Simply a better way for people to connect with business

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Agenda



- **Insurance Challenges**
- **Roles and Business Processes**
- **The Value of WebSphere Portal & IBM Lotus Collaboration to the Insurance Sector**
- **Portal & Collaboration Insurance References**

Insurance Drivers For Productivity Solutions

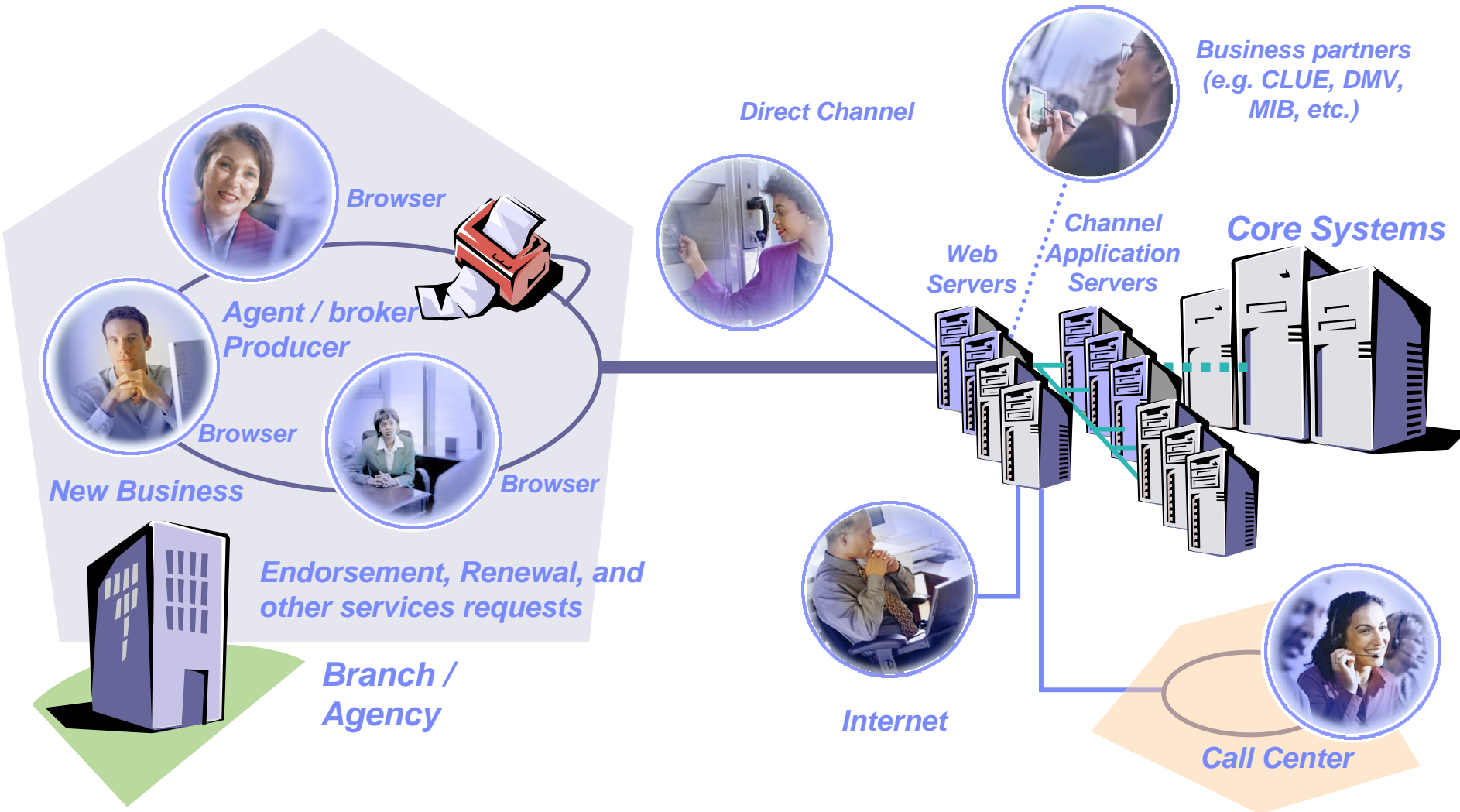
Market Challenges:

- Increasing competitiveness in all segments of the market
 - P&C markets are seeing pricing softening
 - Life markets are seeing flat or dropping premium volume
- Customers are more demanding
- Profitable growth: scale, consolidation, globalization
- Spitzer effect: pending regulations and risk management
- Fear of being left behind
- Talks of 'leapfrog'
- Focus on core and differentiators
- Leverage technological innovation for ago-old business problems

Source: TowerGroup, "Taking a pulse on Insurance, 2005



An open standards-based Web/centralized model provides the ideal base to address a number of insurance challenges.



IT Dimensions To Business Value

Blurs the boundaries between thin and rich application

1. Reach

- Independent / captive channels
- Direct channel / consumers
- Institutions / risk managers



Easy access through any browser

2. High Performance

- Agent / brokers
- Underwriting / claims staff
- Business partners (e.g. TPA)



Demands rich experience to boost productivity

3. Sometimes Connected

- Insurance Agent
- Financial Advisor (Mobile)
- Underwriters / claim adjustors



Need local data and applications

4. Self Service

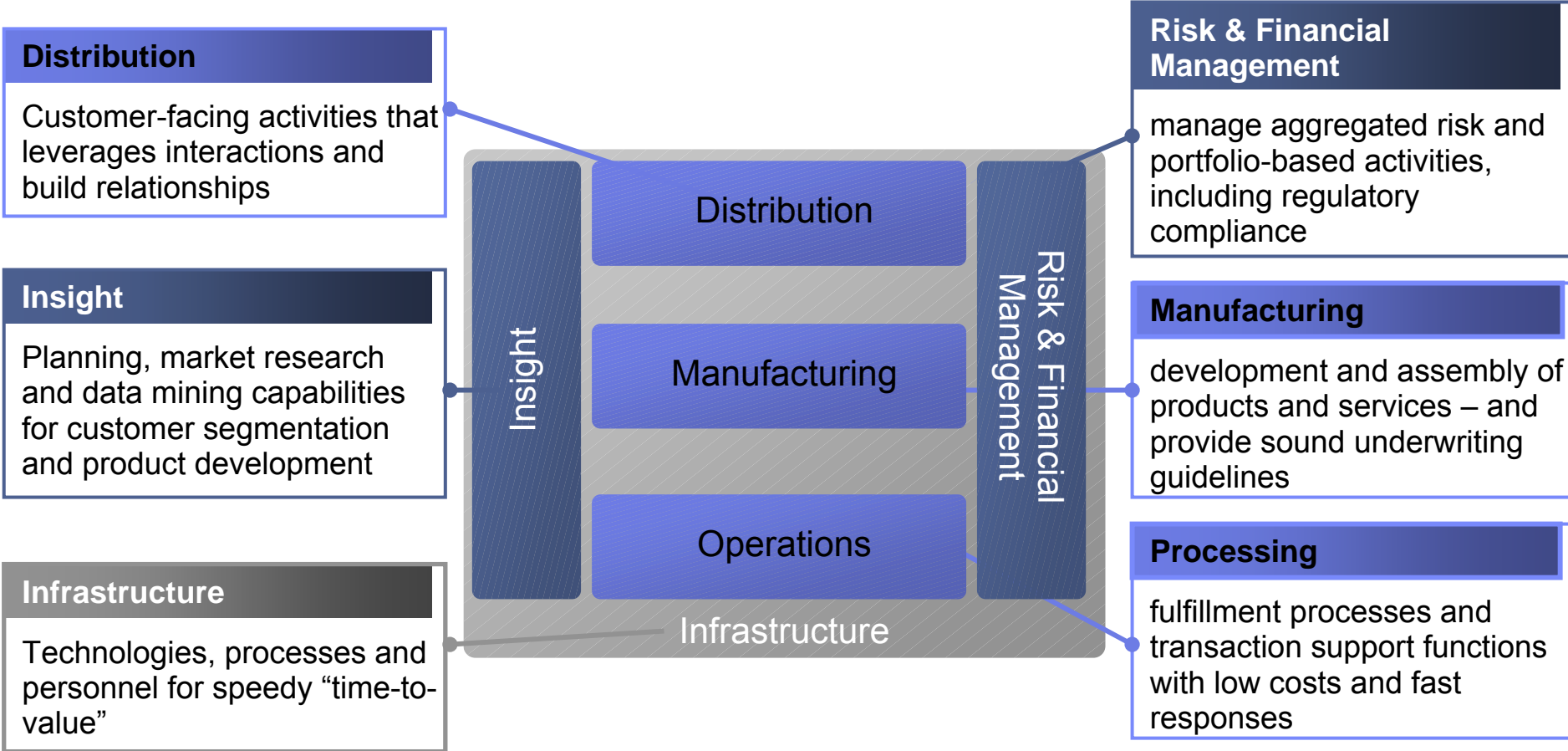
- Worksite
- Web Access



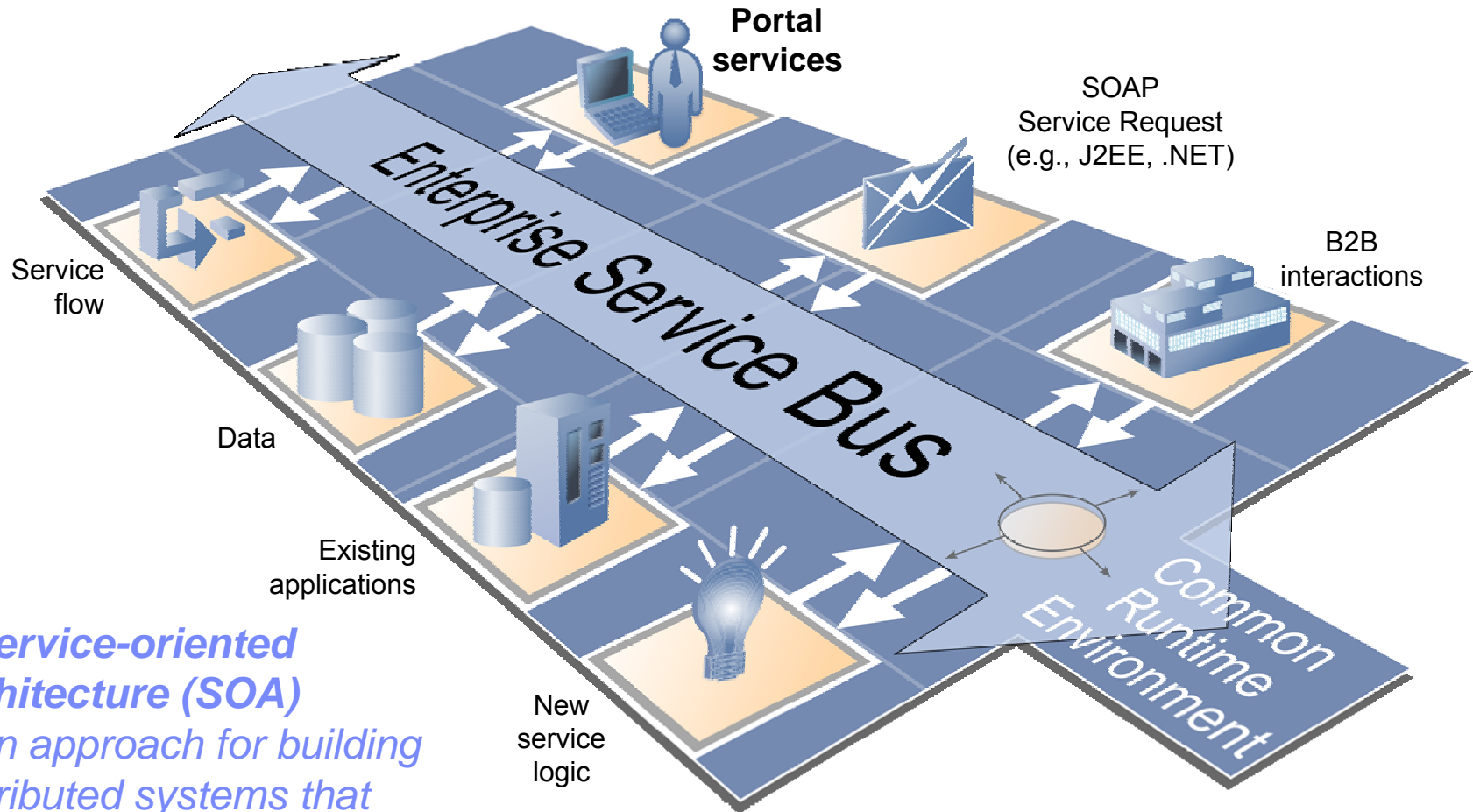
Minimize latency

Six Insurance Services Competencies

Insurance companies compete and excel across six common competencies, striving to deliver them **faster**, at **lower cost**, and with **higher quality** than the competition.

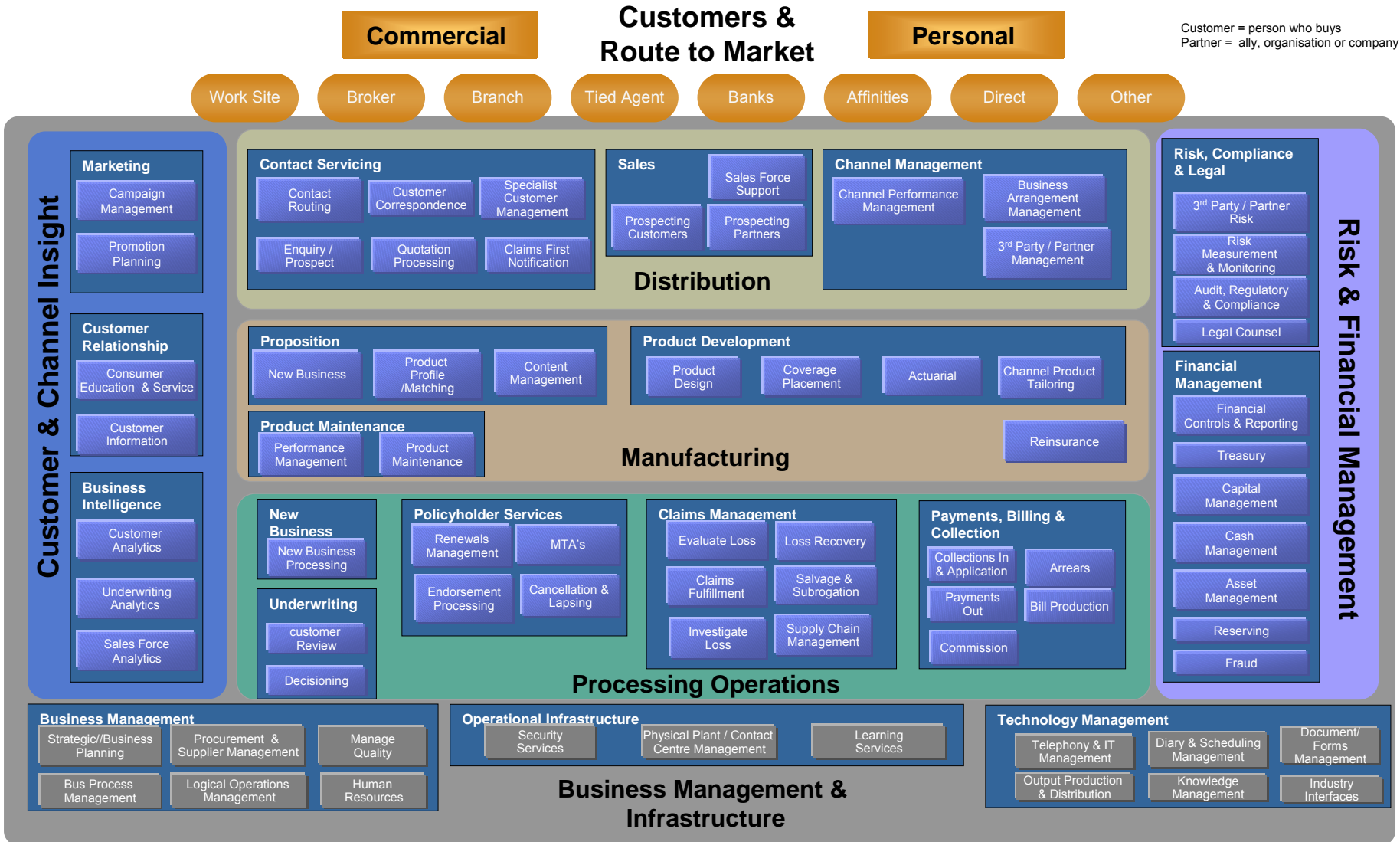


Source: IBM Institute for Business Value analysis



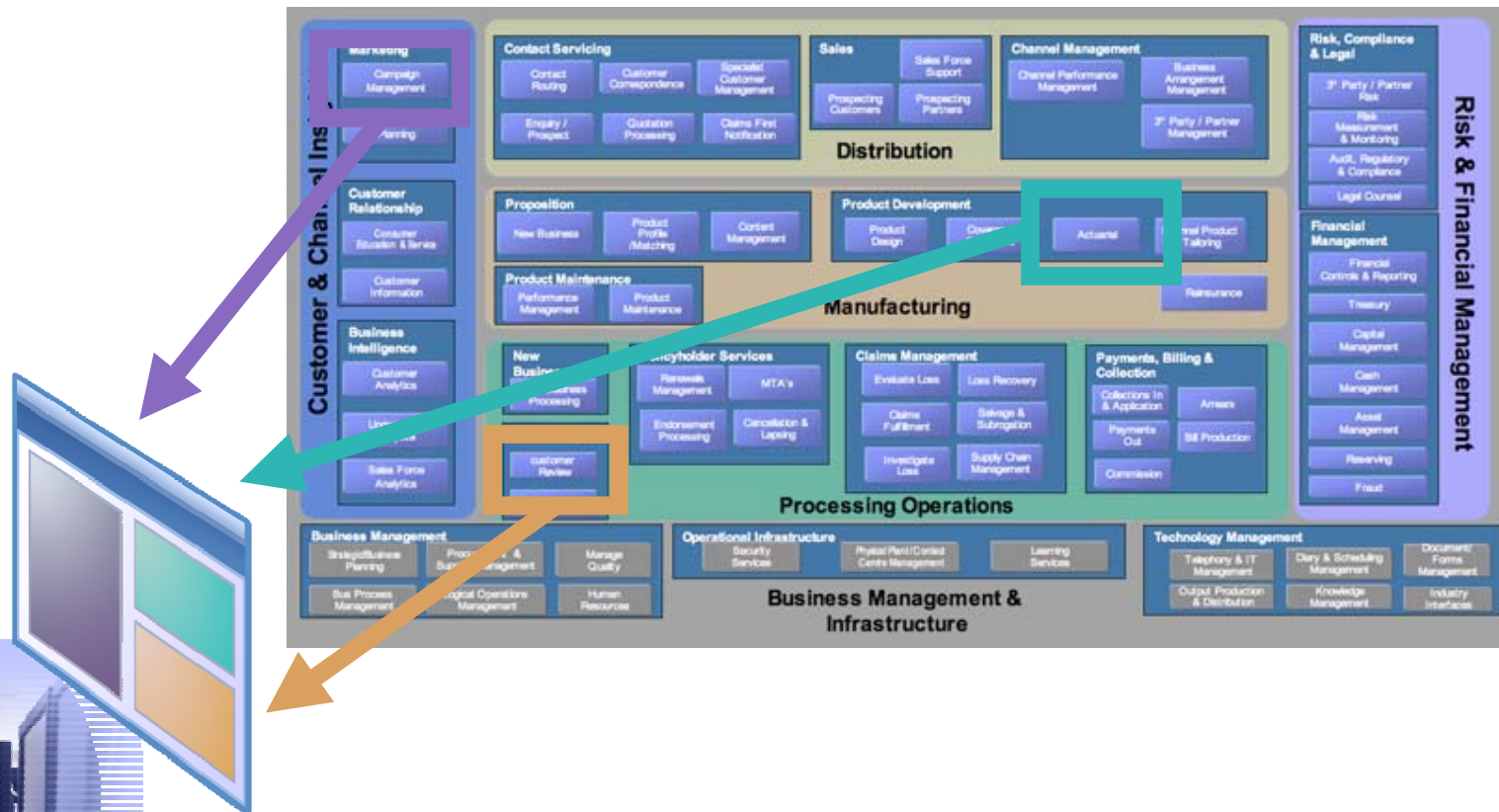
A service-oriented architecture (SOA) is an approach for building distributed systems that enables flexible connectivity of applications/resources

The Insurance Component Model (P&C example)



Insurance Portal

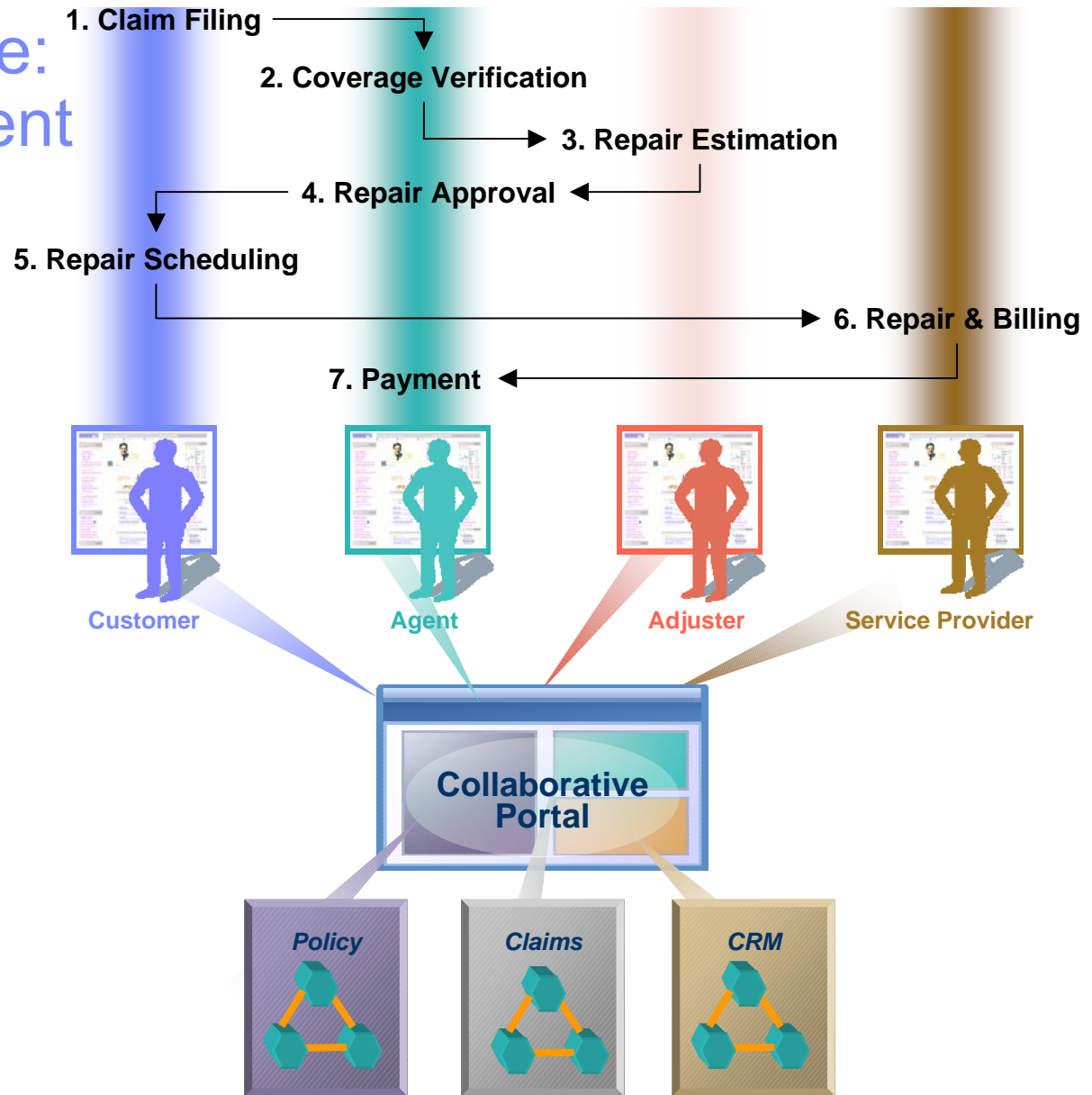
To generate new business, an Agent portal page might assemble Campaign information, Customer Rating information, and Actuarial data to competitively price renewal offers.

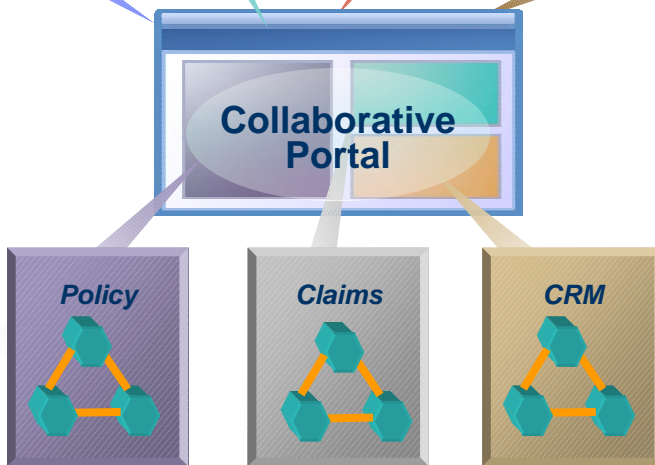
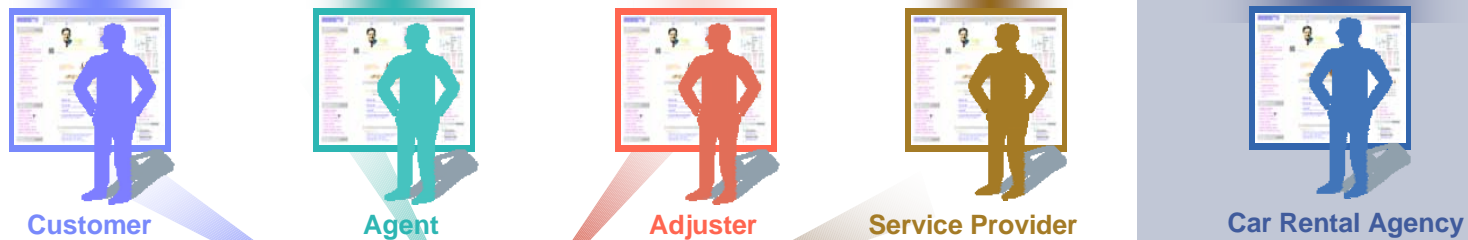
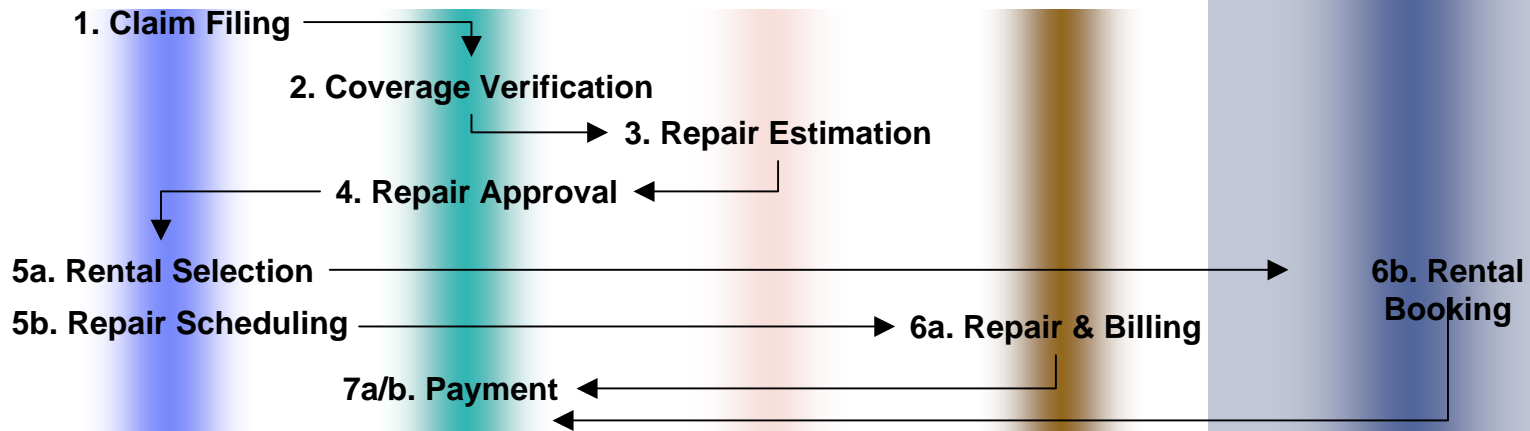


Insurance Example: Claims Management

Common insurance processes can be understood as a sequence of coordinated activities wherein different users interact to execute specific tasks.

Each user has a portal that surfaces a collection of people, applications, and process to facilitate the execution of the process.





The componentized model is extensible such that new roles and capabilities can be dynamically introduced when and where it differentiates the process.

Keep the Agent Involved

- **Highlight the customer's agent team within the customer Portal**
 - Expose that the Agent, Claims Adjuster, etc. are also online
 - Facilitate real-time access

- **Notify the Agent about the Customer's online activity**
 - Advise them of transaction (e.g. address update) as a "Reason for Call"
 - Summarize key documents accessed as an indicator of potential interest

The screenshot displays the InsCo customer portal for Seymour Business. The interface includes a top navigation bar with the InsCo logo, a welcome message, and a search bar. Below this is a secondary navigation bar with tabs for 'My Home', 'My Agency', 'My Workplace', and 'Product Information'. The main content area is divided into several sections:

- Quicklinks:** A list of links including 'Risk Appetite by State', 'D2+ Electronic Manual', 'Bond Forms', 'Electronic Commission Payment', 'Comparative Rater Pre-fill', 'Find an Auto Body Repair Shop', 'Claims', 'Agency Billing Services', 'Marketing Support Materials', 'Order Citizens/Hanover Logo', and 'Feedback'.
- Quick Start:** A section titled 'Seymour, This your personal Online Agent Services Webpage. It provides important about our company products, programs and services.' It includes a sub-section 'What can we do for you?' with buttons for 'quote, issue, endorse' and 'customer inquiry'.
- InsCo News:** A section with three news items:
 - InsCo Name Cynthia Young President, Personal Lines Division:** RALEIGH, NC. (May 17, 2004) - The InsCo Insurance Companies today announced that Cynthia H. Young has been named president of the companies' personal lines divisions, effective June 1. As president, she will be responsible for all aspects of personal lines operations and will be a member of the companies' operating committee. [Press Release] [read]
 - InsCo Financial Names Marita Zuraitis President of Property And Casualty Companies:** RALEIGH, NC. (April 7, 2004) - InsCoFinancial Corporation (NYSE:INS) announced today that Marita Zuraitis has been named president of Allmerica's property and casualty companies, effective April 19th. [Press Release] [read]
 - InsCo Financial Corporation's Financial Profiles Accelerates Data Acquisition and Consolidation Strategy with StatiaFX Purchase:** RALEIGH, NC. (June 04, 2003) - Financial Profiles Inc., a subsidiary of InsCo Financial...
- Alerts!** A section showing 'New Alerts: 3' with three attention items: 'New Information for Commercial Lines', 'New Incentive Program', and 'New Regulation'.
- Instant Messaging:** A sidebar section titled 'I am Active' showing a list of users. A red box highlights the 'InsCo Insurance' group, which includes 'Evan Keel' and 'Maya Valentine'. Other users listed include 'Don Taylor', 'Joe Smith', 'Robin Luna', 'Maxine Powers', 'Harold Quick', and 'Sam Laski'.
- Search:** A search bar at the bottom right with radio buttons for 'Policy Pro' and 'Product'.

Business Case View – Return On Productivity (ROP)

- Build and deploy applications and services faster
- Consolidate procurement of hardware and software
- Reduce back-office staff and administrative costs

- Communicate via one channel, not 1500+ websites
- Link event based cross functional processes
- Increase data accuracy and speed decision making



- Provide revenue protection and cross selling opportunities
- Collaborate and learn from collective experience
- Expand market share and move into new markets

- Improvements in customer retention
- Productivity increases as frustration decreases
- Gain competitive distinction

- Share single infrastructure
- Focus on content and services, not technology
- Streamline operational support

ROP Example

Average Salary per Employee	\$	20,000
Total Employees		2,000
Total Salary Expense	\$	40,000,000
Project Investment		
Software	\$	100,000
Services	\$	75,000
Hardware	\$	25,000
Total	\$	200,000
Productivity Factor		0.50%
(Ratio of Total Project Cost to Total Salary Expense)		
Weekly Work Minutes		2,400
(40 hours x 60 minutes)		
Productivity Breakeven		12
(In minutes, average weekly savings to breakeven)		
Productivity Gain		20
ROI		67%

- **People are the greatest source of competitive advantage**
- **Example productivity drivers:**
 - Faster Business Process execution
 - Clarity of responsibility through task assignment
 - Faster response time in process sequence
 - Real-time expertise location
 - Enterprise Search (Efficient location of information)
 - Single Sign On (Simplified access to key applications)
- **Improving productivity increases competitive advantage**

Prudential Insurance

Challenge

Build e-relationship with customers and agents to deliver more responsive customer service, while also lowering operational costs



Solution

WebSphere Portal was selected to provide a single platform for the deployment of integrated Java-based & non-Java applications. Insurance policyholders can access their updated account information in real-time and across products, learn about various 10 applications from 9 departments have been brought together through this portal.

Value

Currently supporting 300,000 registered users, as well as 400 new registrants and 8,000 unique visits a day, the portal is easing the burden on call center staff, enabling service representatives to focus their attention on value-added tasks. And customers are pleased to be able to find answers to routine queries on their own, when they need them. Today, 15 percent of exchanges and 5 percent of redemptions are processed online.

Customer Quote

“Insurance customers are enjoying a much richer experience with Prudential. From our highly available Web portal, they can tap an array of information resources to plan their finances. And the big payback for Prudential is moving transactions out of the call center and to the Web site--resulting in a significant year-on-year reduction in call volumes.” - David Kennington, Prudential , VP of IS

Cathay Finance (Taiwan)



Challenge
 Taiwan Cathay Finance Holding, the largest Financial Services company in Greater China, with 100 Bank branches, 340 Insurance strongholds & 36K financial consultants, needed to drive additional revenue, integrate various subsidiaries, and provide clients with fast, complete services

Solution
 WebSphere Portal, Tivoli Access Manager, Tivoli Storage Manager, WebSphere MQ 5.3, IBM DB2 Universal Database

- Value**
- Decreased time of “Letter of Consent”
 - Standardized enterprise infrastructure, greatly reducing the complexity of system integration
 - No need to develop integration interface, reducing costs and time to market

About the Customer
 The flagship company of the Lin-Yuan Group, Cathay Life Insurance Co. leads the industry in terms of the number of policies in force, total assets and total premium. Cathay Life Insurance has received the highest satisfaction rating among policyholders and provides customers with a broad range of insurance products and services.

MACIF

Challenge

To better serve its health insurance customers, MACIF needed to implement a portal that would provide value-added services to its customers, including access to account information, policy details and benefits.



Solution

MACIF engaged IBM Business Consulting Services to implement its new portal. The new infrastructure was built using IBM WebSphere middleware that uses open-standards-based technology, meaning that the infrastructure can incorporate various backend systems and can be customized to meet MACIF's specific requirements.

Value

This solution allows MACIF to offer its customers value-added services while reducing the company's costs. The portal has enabled the company to attract new customers, because the portal is a strong selling point; to e-mail bills and statements that previously had to be sent via postal mail; and to cross-sell, by presenting all of its products on a single Web site. In the three months since deployment, the portal has processed approximately 800 transactions.

About the Customer

Specializing in auto, home, individual, third-party responsibility and life insurance, MACIF has approximately eight million customers throughout France. In 2002, MACIF began offering health insurance contracts, and it hopes to increase its customer base by offering new services via the Internet.

Citizens and Hanover



Challenge

Citizens and Hanover needed to support growth through a Web portal based on rapid development of easy to use applications.

Solution

IBM WebSphere Portal and IBM DB2 Universal Database, CICS software, IBM eServer zSeries, Bowstreet Portlet Factory and Linux operating system

Value

- Transaction times up to 75 percent shorter
- Speed of development of new portal applications at least twice that of old system
- Productivity of agencies' customer service operations through new portal is up to 15 to 20 percent
- Unique log ins per day on new agent portal is up more than 100 percent since its launch

Customer Quote

"It would typically take 45 minutes to an hour for an agent to conduct a transaction...Now it's around 15 minutes." - Brad Scott, independent agent with Spence & Matthews agency, Berwick, Maine

More Quotes

“There was ample scope for us to be more proactive in the way we serviced our clients. Plus, growing profit in a mature business such as insurance requires reducing costs.”



— David Kennington,
VP of Information Systems,
Prudential

“We hope to enhance the integration of information among subsidiaries, so we can improve on "time-to-market" and our response to the customer needs and market demands.”



— Chia-Sheng Chang,
Chief Information Officer,
Cathay Life Insurance,
a subsidiary of Cathay Financial

“Now, managers come in every morning and see what kind of business was closed the previous night.”



— Dick Lavey,
VP of operations,
Citizens and Hanover



धन्यवाद
Hindi

多謝
Traditional Chinese

ขอบคุณ
Thai

Спасибо
Russian

Gracias
Spanish

Thank You
English

Dziękuję
Polish

شكراً
Arabic

Obrigado
Brazilian Portuguese

Grazie
Italian

多谢
Simplified Chinese

Danke
German

Merci
French

நன்றி
Tamil

ありがとうございました
Japanese

감사합니다
Korean

For More Information: ibm.com/websphere/portal