

## Make better underwriting decisions and help reduce loss ratios with efficient, streamlined processes.



### Highlights

- Manage the entire underwriting process from application submission, to rating, to final decision
- Streamline underwriting transactions and help enhance service levels by enabling straight-through processing
- Maximize underwriter productivity and collaboration with personalized, role-based access to underwriting information and data
- Deliver electronic, on demand access to underwriting documents and information
- Enhance risk assessment through advanced information analysis and reporting tools
- Optimize efficiency and flexibility through automation of business processes

### Meet today's insurance challenges with a robust, efficient underwriting process

In today's ever-changing insurance marketplace, companies constantly face conflicting objectives: to increase efficiency, to control costs and to enhance service levels. With these priorities in mind, many insurance organizations choose to implement a streamlined, automated IT infrastructure that offers underwriters a more complete, disciplined and holistic view of the underwriting process.

Property and casualty insurers need to implement straight-through processing, which involves integrating agent and consumer submission information

with their back-end systems, thereby eliminating inefficiencies of manual data entry. Insurers need to create an infrastructure that automates and coordinates processes with agents — from information analysis to the dissemination of important customer data. This infrastructure should leverage existing systems and resources while laying the groundwork for future enhancements. Today's insurers also recognize the need for an underwriter's workbench to provide increased visibility to different types of information from new applications and external distribution channels — including claims history, customer information records and credit histories.



*“The importance of the underwriting function within the insurance industry cannot be overemphasized, and yet some companies have not invested in this area. Absolutely all companies should have one key initiative in progress in the areas of automating the underwriting process and decision process.”*

— Tower Group\*

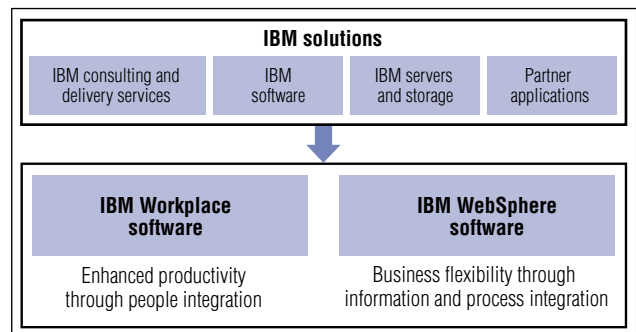
By providing underwriters with fast, efficient access to critical information, effective risk analysis and advanced reporting tools along with the ability to collaborate with other underwriters or agents, insurers will be better equipped to improve productivity, enhance service levels and optimize cost efficiencies.

IBM solutions for insurance bring together IBM’s extensive portfolio of hardware, software and high-value services — and its wide network of partners — to address the most prevalent challenges for clients in the industry. IBM solutions and insurance experience help clients accelerate their progress in becoming an On Demand Business — so they can respond with flexibility and speed to virtually any customer demand, market opportunity or external threat.

IBM Workplace™ and WebSphere® are key software building blocks of the IBM solutions for insurance. IBM Workplace helps transform the way insurance companies work — making people more productive by enabling them to make well-informed decisions and take targeted actions, rapidly. And IBM WebSphere delivers business flexibility through information and process integration, and IT infrastructure optimization.

#### **IBM delivers comprehensive offerings for insurance underwriting**

Created expressly for the needs of today’s underwriters, IBM WebSphere for Property and Casualty Insurance Underwriting uses IBM component-based offerings to enable insurers to implement a robust and automated straight-through processing model to optimize productivity, cost containment, service levels and responsiveness. Leveraging its powerful,



IBM software is a key building block of IBM solutions.

proven software portfolio and extensive experience with insurance clients, IBM has tailored combinations of its software products with industry-specific expertise and deployment accelerators — such as reference architectures, adapters, portlets, management agents, and data and process models — to help clients swiftly deploy underwriting projects and attain a fast return on investment. WebSphere for underwriting can be deployed as a fully integrated, end-to-end underwriting offering or implemented incrementally to address business needs.

WebSphere for underwriting enables carriers to:

- Access multiple information sources to help effectively assess risk and optimize service levels.
- Maximize underwriting effectiveness and efficiency with advanced management tools.
- Optimize IT and underwriting processes to help ensure alignment with business objectives.
- Help meet security challenges and maintain compliance with industry standards.

#### **Access multiple information sources to help effectively assess risk and optimize service levels**

Today, customers, prospects and agents want fast answers. But to provide a high level of customer service — and make the correct risk-assessment decisions — insurers need to access information from a variety of sources. Included with the IBM software is a set of tools that enable the underwriting team to manage, store, access and share information — thereby delivering quick results and high-quality service.

Workplace for Property and Casualty Insurance Underwriting provides a single-interface desktop that integrates information-rich applications, tools, resources and data to support the underwriting team's day-to-day activities — from submission to quote, bind and issue. As a result, underwriters can manage the complete underwriting process within a single, convenient, role-based interface or underwriter's workbench. Workplace for underwriting enables insurers to:

- Support a variety of partner-developed portlets that allow the construction and modification of the underwriter's workbench as business needs change.
- Facilitate cross-organization collaboration among underwriters, as well as with agents, through productivity tools such as e-mail, e-meetings, team rooms and instant messaging.
- Provide collaborative learning capabilities to help ensure effective skills development wherever and whenever it is needed.

Another key component, IBM DB2® Content Manager is an information management platform that helps insurers effectively manage and store a variety of documentation — including claim forms, digital photos, spread sheets, audio and video files, e-mail messages and Web content. Leveraging additional IBM software capabilities, underwriting staff can also quickly and securely search for and access information from a variety of locations — including the underwriter's workbench, mobile devices or over the Internet using a simple browser. Even complex searches with multiple underlying information sources, such as repositories containing customer risk data, can be performed and delivered to the underwriting staff as a single source.

### **Maximize underwriting effectiveness and efficiency with advanced management tools**

With an increasing workload and a greater need for collaboration, managing the status of underwriting requests has become a major issue. To effectively manage workloads, insurers need the ability to view information — such as the status of submissions, work items, renewals, endorsements and cancellation requests — in a user-friendly working environment.

WebSphere and Workplace for underwriting provide an arsenal of work management tools to ensure that underwriters can efficiently streamline processing and operation management. At the same time, managers can view essential performance data on branches, units or product lines, and empower the underwriting team to make smart, well-informed decisions that help maximize efficiency and speed to market. In addition to viewing the status of requests, work management also includes:

- Book management — gives underwriting, management or home office staff the ability to sort, filter and list transactions within a book of business.
- Analytic management — helps underwriters analyze risk with tools such as catastrophic modeling, GIS/spatial analysis and IBM Research's Underwriting Profitability Analysis.
- Collaboration management — enables the underwriting team to communicate both internally and externally, further expediting the underwriting process.

To successfully implement new On Demand Business initiatives — such as work management tools for underwriters — companies need to leverage their current investment in systems and information technology. Today, starting from scratch is just not an option. With the IBM Software Development Platform, insurers can extend the capabilities of WebSphere and Workplace for underwriting, allowing their staff to modernize existing underwriting applications and extending previous investments to support new requirements and business processes.

### **Optimize IT and underwriting processes to help ensure alignment with business objectives**

IT and underwriting teams need fast and accurate access to information to quickly assess the performance of IT and underwriting processes — and, when necessary, take corrective action.

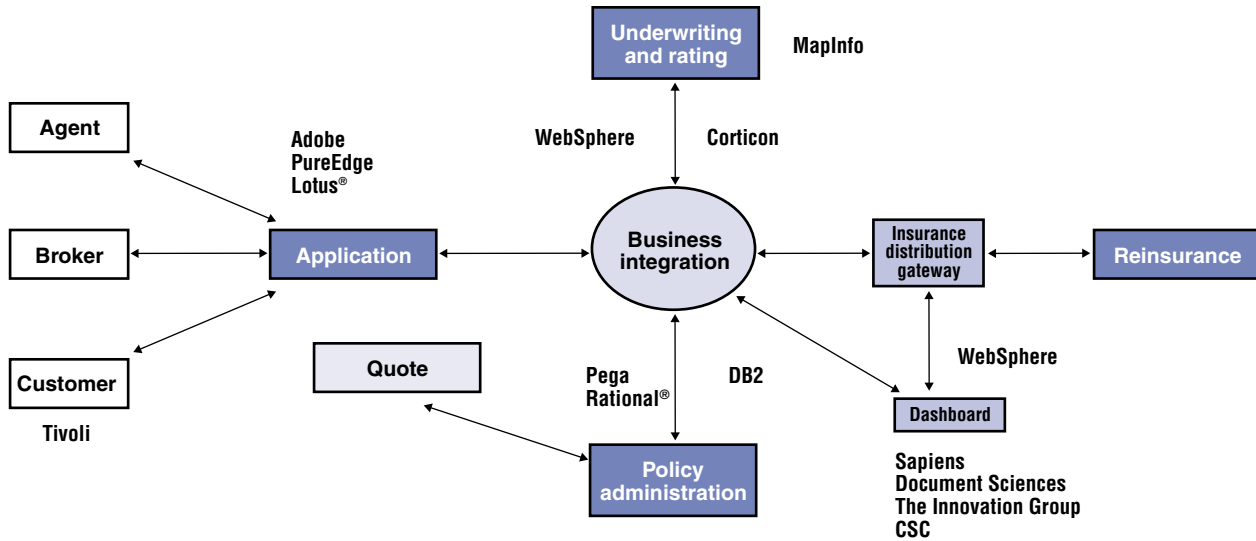
WebSphere for underwriting offers insurers the tools needed to optimize the management of resources and rapidly redeploy assets according to changes in demand. For example, if a certain event triggers a surge in underwriting processing, IBM Tivoli® Provisioning Manager can repurpose existing, underutilized resources to help support the underwriting process and then “unwind” the provisioning once the demand spike has abated. In addition, IBM also offers IBM Tivoli Business Systems Manager — a software tool that gives insurance companies a top-down view of the IT environment, enabling companies to identify problems and proactively implement solutions before business is adversely impacted.

The Business Innovation and Optimization (BIO) capabilities of WebSphere for underwriting enable executives to align management and operational strategies with industry best practices and quickly assess performance through highly customizable executive dashboards. Using BIO, executives can monitor critical business metrics, track key transactions, optimize workflow and ensure that IT resources effectively support business needs. And, by extending the capabilities of BIO, IBM Tivoli Monitoring for Transaction Performance allows IT executives to measure and monitor the performance of underwriting applications from the perspective of the underwriter and deliver that information through the executive dashboard.

Another component of WebSphere for underwriting, IBM WebSphere Business Integration Modeler allows insurers to design new business processes along with the proven integration and workflow capabilities of WebSphere Business Integration. This enables insurance companies to create a

*“We needed to increase integration to support underwriting workflow processes, Web front ends for customers and employees, and a host of other enterprise systems. We wanted to be more responsive to our employees and customers by integrating these applications.”*

— **Gerald Shields, vice president, AFLAC**



*WebSphere for underwriting supports end-to-end requirements of the underwriting staff.*

powerful infrastructure that maximizes the efficiency and resilience of underwriting processes. In addition, WebSphere Business Integration Modeler enables managers to:

- Implement straight-through processing.
- Enhance integration between carrier and agent systems.
- Work collaboratively to model, simulate and deploy the new business processes.

### **Maintain compliance with industry standards and meet security challenges**

Insurance carriers face a variety of challenges that go beyond the day-to-day task of improving underwriting performance, service-level efficiency and overall cost effectiveness — including the management of security and compliance issues. To help insurers meet today's security demands and maintain compliance with industry standards, IBM offers a number of solutions.

Most companies recognize the inherent value of complying with industry standards. Standards-based applications can be quickly integrated into standards-compliant IT environments, which leads to more rapid responses to changing marketplace conditions. The insurance distribution gateway, an optional component of WebSphere for underwriting, supports integration and transformation of multiple transactions — including AL3, ACORD XML P&C 1.x, ACORD XML Life 2.X and ACORD Reinsurance. It enables insurers to integrate their new business processes, including application submission with third-party external data, using insurance industry standards. These industry standards are further enhanced with the capabilities of IBM Insurance Application Architecture (IAA), which provides accelerators to model and deploy insurance processes.

In addition, WebSphere for underwriting enables firms to implement a unified security policy that enables personalization and single sign-on (SSO) access to secure information. Leveraging the access and identity management capabilities of the Tivoli security offerings, companies can integrate role-based authorization and access to applications, databases and other resources — to help ensure that security policies are adequately enforced.

### **IBM services help address insurance underwriting requirements**

In addition to proven software solutions, IBM offers an unsurpassed breadth of service capabilities along with thousands of financial service practitioners to help with:

- Business strategy.
- Integration services.
- Business process re-engineering and operations strategy.
- Component business modeling.
- Application management.
- Legacy transformation.
- Business transformation outsourcing.

### **Complement the offering with IBM Business Partner applications**

IBM has developed an extensive network of partners, including independent software vendors (ISVs) and systems integrators, who focus on solving the distinct needs of the property and casualty insurance market. To learn more, visit [ibm.com/isv](http://ibm.com/isv) and click on insurance.

### **For more information**

To learn more about WebSphere and Workplace for underwriting and other insurance industry offerings, including case studies and more detailed information about offering components, contact your IBM representative or IBM Business Partner, or visit [ibm.com/software/industries/insurance](http://ibm.com/software/industries/insurance)



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\*TowerGroup. "Insurance P&C Underwriting: Positioning for Competitive Survival or Advantage," October 2004.