

## ACUITY keeps its heritage intact while transforming into an IBM e-business.

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### Overview

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#### ■ Challenge

Revitalize antiquated DOS-based rating application to enable realtime B2B interaction

#### ■ Solution

Online policy rating and new business submission system integrated with XML-based third-party rating network

#### ■ Why IBM

The IBM WebSphere® platform for e-business provides a high-quality infrastructure with a clear migration path for future development; IBM has years of proven e-business experience

#### ■ Key Business Benefits

A record \$93 million in new business; elimination of software upgrade costs; 97% customer satisfaction rating; 35% increase in premiums per independent agency

#### ■ Business Partner

nVISIA provided training and mentoring through assessment, architecture design, implementation and ongoing support



Through the dedicated work of its professional independent agents, ACUITY has acquired more than \$600 million in assets and nearly \$400 million in written premiums.

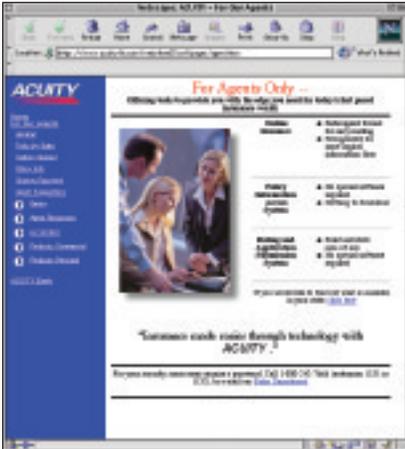
A famous Shakespearean character once asked, 'What's in a name?' In business, a corporate name represents what a company stands for and the value it can bring to its customers. That's why earlier this year, Heritage Mutual Insurance was re-branded as ACUITY—a name that means keenness of perception or sharpness of vision—and a name that reflects the innovation taking place within the 75-year-old, 600-employee company. Based in Sheboygan, Wisconsin, ACUITY offers property and casualty insurance to over 170,000 commercial and personal customers in 11 states.

*“In this business, there are leaders and followers. Along with IBM, ACUITY is setting the industry’s standards by using today’s most cutting-edge technology to propel past competition and serve our agents like never before.”*

—Neal Ruffalo, Vice President of Information Technology, ACUITY

*“VisualAge, WebSphere and DB2 software provide an extremely intuitive and flexible development environment. With nVISIA’s support and assistance, ACUITY was able to develop a leading-edge Web-based application in just eight months.”*

*—Mark Panthofer, Vice President of Professional Services, nVISIA*



*ACUITY draws agents to its new rating and application submission system with a Web browser interface and a fast and easy submission process.*

To remain competitive in a fierce market, ACUITY began an aggressive, proactive course of action to cut costs and boost productivity. The first project was the implementation of an IBM Content Manager solution, which is saving the company millions of dollars a year by digitizing and streamlining numerous internal processes. (See sidebar: “ACUITY ventures into e-business early on with Content Manager.”) Next, ACUITY, which writes all of its business exclusively through independent agents, turned to its distribution process. Under this process, carriers compete for the attention of independent insurance agents who write policies for the companies and generate new business.

To retain agent loyalty, carriers need to help maximize agent productivity, so they can generate as much business as possible. And productivity depends, to a great extent, on the applications the agents use. One of the key applications is the policy rating system, which some carriers provide to the agents. ACUITY was concerned since its rating system used a DOS-based client interface, making it slow and difficult to navigate. It was also expensive to distribute diskettes every time there was a change to the rating rules. To retain a leading position in the market and please its agents, ACUITY turned to e-business—offering the rating capability over the Internet.

Working with IBM Business Partner nVISIA, a Chicago-based software developer, consultant and systems integrator, ACUITY developed a solution based on key IBM e-business offerings, including IBM WebSphere Application Server, Advanced Edition, IBM DB2 Universal Database and Lotus Domino. ACUITY had reviewed technologies from multiple vendors, including Microsoft, but chose IBM because of the quality of the WebSphere platform and the fact that the IBM e-business infrastructure had a long, proven history of success. In addition, the IBM solution could provide a clear, flexible migration path for ACUITY to expand its business in the future.

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## B2B e-business Solution Components

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### Software

- IBM WebSphere Application Server, Advanced Edition
- Lotus® Domino™
- IBM DB2® Universal Database™ for AIX®
- IBM VisualAge® for Java™
- IBM CICS® Transaction Gateway

### Servers

- IBM RS/6000®
  - IBM S/390® Parallel Enterprise Server™
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Since migrating to e-business, *ACUITY* broke its all-time record for new business, which topped \$93 million in 2000. *ACUITY* has also boosted premiums at each agency by an average of 35 percent. The application allows *ACUITY* to process 98 percent of its new personal applications within 24 hours—versus 60 days for competitors. As a result, 97 percent of *ACUITY*'s customers rate the system as “above average.”

“IBM's e-business development tools have empowered *ACUITY* to continue our long tradition of building innovative business solutions for our agents,” says Doug Thayer, *ACUITY*'s director of IT. “These agents are the ultimate distribution channel of our business.”

### Formula for success: reuse and reach out

As *ACUITY* began to reform its distribution process, it recognized the need to consolidate its desktop and backend systems processes to eliminate redundancy. However, the closed architecture of *ACUITY*'s legacy desktop technology made this difficult. To overcome this hurdle, nVISA tapped into its ten years of experience developing integrated applications to mentor *ACUITY* developers in the use of the CICS integration framework components in IBM VisualAge for Java, as well as the IBM CICS Transaction Gateway. Together, nVISA and *ACUITY* designed a hybrid solution that allows *ACUITY* to eliminate its desktop rating process and extend the functionality of its corporate rating application—residing on its IBM S/390 Parallel Enterprise Server—to Web browsers (See Figure 1).

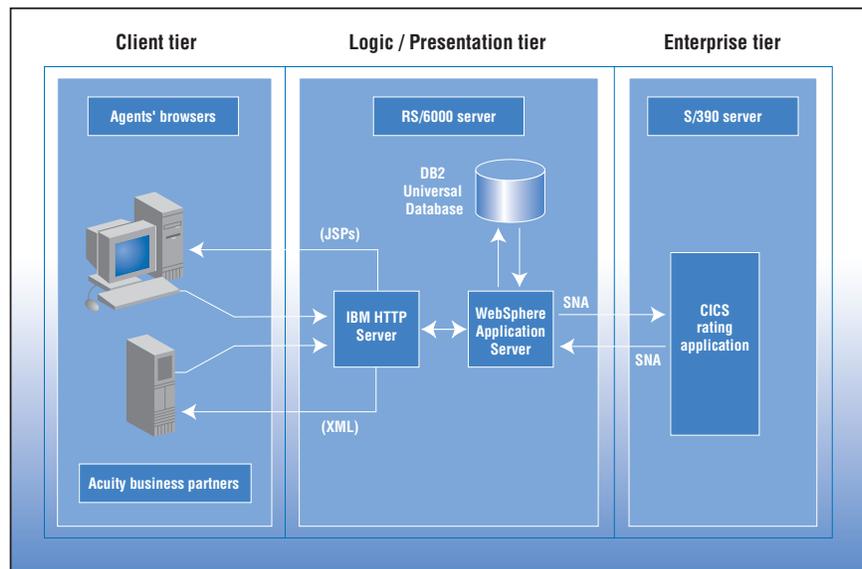
Within DB2 Universal Database, nVISA helped *ACUITY* develop a flexible object-oriented data model that represents *ACUITY*'s business. For example, to accommodate multicar families, a household object may be associated with multiple automobile objects. This allows the system to quickly retrieve information pertaining to a specific automobile—not the entire household—and manipulate the data as needed.

“VisualAge, WebSphere and DB2 software provide an extremely intuitive and flexible development environment,” says Mark Panthofer, nVISIA's vice president of professional services. “With nVISIA's support and assistance, *ACUITY* was able to develop a leading-edge Web-based application in just eight months. Also, using DB2 provides a very scalable foundation, as it can be ported to just about any platform on the market with very little effort. While this should be true with all databases, it's actually not.”

**Lucrative business depends on integration**

Providing online access to its IBM CICS rating system was only half of the solution *ACUITY* had in mind. Many agencies use an online management system to conduct their business and find the best rates from multiple insurance carriers. Of course, such a system can only feature insurance carriers that have provided access to their rating engines, so carriers who aren't featured stand to miss significant business opportunities. That's why, soon after implementation of its new component-based architecture, *ACUITY* partnered with Applied Systems (Applied), one of the best known insurance agency automation solution providers. Through a joint development initiative, *ACUITY* and Applied were able to easily implement XML-based B2B integration with the Applied system.

**Figure 1.** Integrating seamlessly with backend CICS applications and with *ACUITY* Business Partners such as Applied Systems through XML, the WebSphere and DB2 solution has enabled a more efficient and cost-effective B2B quoting and application submission process. JavaServer™ Pages (JSP™) help lend a more personal feel to *ACUITY*'s interaction with agents by delivering customized content based on the agent's past transactions and other information stored in DB2.



An XML layer built on top of *ACUITY*'s new e-business architecture enables the system to automatically accept requests from Applied, calculate rates and send the information back to Applied in an industry-standard format. The open Java technology-based infrastructure allowed *ACUITY* to reuse 80 percent of its new architecture to integrate with Applied's system.

### **Agents enjoy swift, secure application processing**

*ACUITY*'s new e-business platform provides services that agents need through the 'For Our Agents' section of its Web site. Once logged in, agents can create, store and retrieve realtime quotes for prospective customers. If the customer agrees to the terms, an easy click of the button will submit the application directly to *ACUITY*'s realtime paperless policy processing system. The process allows agents to handle more new business. And since the workload is processed on *ACUITY*'s server rather than the agent's desktop, it is completed considerably faster than before.

## ***ACUITY* ventures into e-business early on with Content Manager**

### **Automated workflow system based on Content Manager saves \$6 million a year**

*ACUITY* (then Heritage Mutual Insurance) began its foray into e-business in the early 1990s with an IBM Content Manager solution designed to purge the paper out of its policy processes. Since then, the company has evolved this solution into a streamlined, automated workflow system that is saving *ACUITY* millions and boosting staff productivity to new levels.

Previously, *ACUITY* stored all its policy and claims information in paper folders, which were manually routed between the various departments. By creating images of these documents—and indexing them with Content Manager—*ACUITY* has enabled all 600 of its employees to gain simultaneous electronic access to policy documents, police reports, photographs, prior carrier information, motor vehicle reports, account summaries and more. Policy applications, both personal and commercial, along with all other documents, are captured into the system using ImageCap, a high-speed indexing and capture system from IBM Business Partner VIP Limited. Data entry staff can input policy information for both commercial and personal lines directly from an electronic image of the application. Content Manager also allows underwriters to view an application electronically to make an underwriting decision. This automated and digitized solution has turned *ACUITY* into a lean, efficient e-business. Internal employees access documents through a Content Manager client and those out in the field use IBM Enterprise Information Portal (EIP). *ACUITY* worked with VIP Limited to install the system on three IBM Netfinity servers.

The system has saved *ACUITY* \$6 million every year in paper overhead and physical resources. *ACUITY* achieved a full return on investment within one year. And processing new commercial business is 33 percent less expensive with this system. But customers are the big winners when it comes to time saved getting their claims filed.

## **Content Management Application Solution Components**

### *Software*

- IBM Content Manager

### *Servers*

- IBM RS/6000
- IBM Netfinity®

### *Business Partner*

- VIP Limited

Integration between Lotus Domino and WebSphere Application Server helps ensure system security. Acting as the HTTP server, Domino first checks incoming requests against identifications stored in its registry. Domino then hands the request to WebSphere Application Server, which pulls out further agent information from DB2 through a Java Database Connectivity (JDBC™) driver. Once the user has been authorized for access, WebSphere Application Server makes the user profile object persistent, so the session can continue securely.

**ACUITY wins multiple awards for its IBM solution**

ACUITY's efforts are being recognized throughout the industry for their level of innovation. ACORD, the industry's top non-profit standards organization, presented ACUITY the Early Adopter of XML award and the Implementation Champion award. And Applied Systems recognized ACUITY for becoming the first regional carrier to integrate its system with that of Applied's.

But perhaps the most important recognition comes from its agents. The National Professional Insurance Agents organization presented ACUITY with a certificate of excellence award for its easy-to-use Internet business tools. Also, the ASCnet Applied Systems Client Network honored ACUITY as the Upload Vendor of the Year.

"In this business, there are leaders and followers," says Neal Ruffalo, ACUITY's vice president of Information Technology. "Along with IBM, ACUITY is setting the industry's standards by using today's most cutting-edge technology to propel past competition and serve our agents like never before."

For more information about ACUITY and nVISIA, visit:  
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[www.nvisia.com](http://www.nvisia.com)

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