

Application innovation in the insurance industry

High on the insurance industry's list of IT concerns seems to be legacy application modernization. Many of the industry's policy administration systems originate from the late 1980s and cannot provide the agility, responsiveness and analytics that the highly competitive insurance industry requires today. Most insurers have gigabytes of data and millions of dollars invested in their legacy systems and need to carefully analyze the risk/reward equation when deciding how to tackle modernization. A growing number of insurers have already gone through that process and are now reaping the rewards.

This showcase provides examples of both end user companies and solution vendors in the insurance industry who used LANSA to extend and modernize existing systems, or to develop entirely new systems.

Common New Developments

We found that the most common extensions and new developments in the IBM i-based insurance community are in the area of:

- Providing Web self-service to policyholders and brokers, as well as quote-and-buy Web sites to prospective clients.
- Web services integration for automated data exchange with brokers and other parties. The same Web services are also used for moving to a Service Oriented Architecture (SOA).
- Workflow and document management integration. This often starts in the area of quotes, which may not have been properly automated or measured

previously. Workflow and document management are then typically expanded to the policy and claims areas.

- Workflow, document management and CRM integration also allow insurers to get a corporate wide view of its customers, allowing process management over multiple divisions or products.
- General application modernization by providing better navigation between applications and a more productive GUI. Modernization typically also includes gradual replacement of legacy applications, starting with the most frequently used programs.

Most companies opt for a blended



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modernize/replace approach. The entries below have been significantly shortened to make this article fit in 4 pages. If you would like to find out more, please visit the full version of this article at: www.lansa.com/casestudies/insurance.htm

Europe

AllClear Insurance Services Limited, based in Essex in the U.K., is a market leader with their AllClear Travel insurance, which provides medical travel insurance for people with pre-existing medical conditions who find difficulty in getting travel insurance elsewhere. The company used LANSA to take their insurance product to the Web and to develop and run branded travel insurance sites for a growing number of well-known insurance companies. AllClear is now hosting nearly 100 branded travel insurance sites. AllClear also used LANSA to launch the UK's first specialist travel insurance comparison Web site in December 2010.

www.allcleartravel.co.uk has been ranked for several years in a row as one of the top 10 most popular UK Web sites in the Medical and Health Insurance industry by Experian Hitwise, a leading global online competitive intelligence service.

Allianz Ireland, one of Ireland's largest multi-line general insurance companies, is part of the Allianz Group, one of the leading global insurers and financial services providers with over 75 million customers and 150,000 staff worldwide. Allianz's back-end policy administration solution is Insure/90.

In April 2000, Allianz was the first in its field to provide private motor insurance quotes on the Internet. The Web solution was based on MDC's LANSA-developed InsureIT eCommerce framework modules (see MDC) and was soon followed by Web solutions for household insurance, pet insurance and more. After the success of these consumer Web solutions, Allianz chose LANSA as its strategic Web development tool for B2C and B2B projects.

In addition to using LANSA's Web development tool, Allianz uses LANSA's



Integration tool to extend its broker communication with Web services. LANSA Integrator is also used as part of an in-house developed smart phone quotation system that directly accesses the InsureIT rating engines for quotes.

AlphaLife Insurance Company S.A., based in Greece, is a new, rapidly growing insurance company specializing in savings and pension plans. AlphaLife promotes its products exclusively via the 600 branch office network of the Alpha Bank. AlphaLife uses aXes to provide the branch offices and HQ with Web access to its Linsys back-end system that manages the term-life products. The aXes solution provides Alpha staff with intuitive and productive browser-based access to update proposals, issue policies and manage the entire policy cycle. This was achieved without having to install anything on the thousands of PCs at the 600 branch offices and without having to change any Linsys code. The solution was implemented with support from LANSA business partner QSYS.

Chaucer Insurance, based in the U.K. and a division of Chaucer Holdings PLC, provides high quality motor and commercial insurance solutions via a nationwide broker network. Insure/90 has been underpinning Chaucer's growth since 1994, however the legacy 5250 user interface and unproductive RPG development environment became a limiting factor.

Chaucer selected RAMP and Visual LANSA to modernize and re-engineer their heavily customized Insure/90 system, as it provided a balanced approach for delivering innovation, while minimizing risk and costs. In a first step, the claims module was 'RAMP-ed' (modernized using RAMP). A second step, using Visual LANSA, was to start building new applications to support Chaucer's business strategy and deliver them in the same navigation framework as the RAMP-ed claims. In a third step, also using Visual LANSA, Chaucer will provide Web self-service access to claims for policyholders and brokers. Future steps may include modernizing the entire insurance and document management system and getting everything into a common and consistent LANSA framework.

The Groupama Group, headquartered in France, is a major European insurance and banking group with over 39,000 employees worldwide, serving over 16 million customers in 14 countries.

Groupama Assurance Credit in France uses an insurance system that is a heavily customized and extended implementation of BIS, a COBOL-based insurance solution from Practis in Belgium. Groupama AC is using RAMP to modernize this core system. The first



modernized module, for managing quotation requests and engagement of buyers, is already in production. The policy management module is next to be modernized. LANSA is also used for specific system extensions. For example, for an alert management and workflow solution for processing new policy requests and for an electronic document management system.

Groupama in the U.K. is a highly respected general insurer and the U.K.'s 8th largest specialist health insurer. Groupama U.K. uses a LANSA-based custom insurance solution. The company also uses LANSA for Web service integration with imarket, the U.K.'s general insurance e-trading industry portal, managed by Polaris on behalf of its members.

Groupama Seguros in Portugal is a general insurance company and a longtime Swiss Life Network representative. In an ever changing environment requiring flexible application development, LANSA has been the company's preferred supplier for over 20 years.

Legal & General Nederland N.V. is the Dutch arm of the global Legal & General Group, a leading provider of risk, savings and investment management products, headquartered in the UK, that manages over Euro 400 billion for 6 million clients. L&G's core system was originally RPG-based and has gradually been extended with LANSA-based functionality.

In 2001, L&G was one of the first companies in the Netherlands to offer its clients and intermediaries Web access. The LANSA WAM based solution, which has been continuously enhanced, allows clients

to manage their policy details and change their investment options over the Web. Intermediaries can submit their applications, view the status of policy requests, their historical production and they can drill down to details in their portfolio.

L&G also used Visual LANSA to improve productivity for internal users, such as with a workflow system, creating, accepting and distributing electronic documents and LANSA Integrator for their supply chain management.

Francis Vanoni, ICT Manager at L&G, explains, "LANSA's technology plays a crucial role in our ability to provide top quality customer service. It allows us to provide Windows and Web solutions that integrate well with the IBM i, without locking us in."

Marsh in the U.K. provides clients with the full spectrum of risk and insurance products and solutions and is a wholly owned subsidiary of Marsh, the world's leading insurance broker and risk advisor, with over 24,000 employees and clients in over 100 countries. Marsh is a member of Marsh & McLennan Companies. Marsh uses a custom developed RPG-based system to support its business in the U.K. and is using aXes to enable Web access by third party brokers to its client management and financial applications.

aXes provided a robust solution in an environment where Marsh could save cost by combining on a single server its external facing Web services with new WebSphere-based services.

MDC, a LANSA business partner in Ireland, offers InsureIT, a LANSA-based and

INDUSTRY SHOWCASE

table-driven policy administration system and eCommerce framework developed specifically for the general insurance industry. The eCommerce framework module provides a fast and easy way of building Web-enabled insurance products and allows for real-time integration with any IBM i or Windows-based back-end policy administration system already in place, if not used in combination with Insure IT's own back-end system. Insurers and brokers who use MDC's eCommerce framework modules include **Allianz Ireland** and **TopQuote**.

Glennon Brokers has implemented the Windows-based back office InsureIT system, built using the Visual LANSa Framework, with full cycle policy, renewals and claims management. The back office system returns rates via the Polaris and InsureIT rating engines, using Web services. Glennon's own Web sites integrate with the InsureIT back office system using Web services. All Web services are developed with LANSa Integrator. InsureIT can be deployed on Windows or IBM i servers.

Several insurance companies in the Czech Republic use VERiS, a general insurance system developed by LANSa partner **BIZ Data**. Originally designed for 5250 deployment, VERiS has recently been redeveloped with the Visual LANSa Framework for Windows client/server deployment. VERiS includes Web self-service access for brokers and policyholders plus automated data exchange via Web services with brokers, regulatory authorities and other third parties. Customers include **Hasiccka Vzájemna Pojistovna Insurance** (HVP), **Slavia Insurance**, **Chartis Europe** (the

non-life insurance arm of AIG) and **Halali Insurance**. BIZ Data also uses LANSa for providing software services, for example at the Czech, Slovakian and Croatian branches of the **UNIQA Group**, one of the biggest non-life insurers in Eastern Europe.

Asia Pacific

Catholic Church Insurances Limited (CCI), based in Melbourne, Australia, has been helping to protect the interests of the Catholic Church in Australia since 1911. CCI provides insurance products to church and religious institutions and uses Insure/90 as its policy administration system.

As part of its front office operation, CCI has implemented Pivotal CRM, a Windows and SQL Server-based CRM system. LANSa Integrator is used to integrate the CRM and Insure/90 in real-time via Web services published from Insure/90.

Julian Ryan, Manager Applications & Business Analysis, says "LANSa Integrator helped us to streamline and automate processes that go across multiple systems and open up the Insure/90 platform by using SOAP Web services. LANSa is part of our plan whenever we need to integrate with Insure/90."

CGU Insurance is the largest provider of general insurance to Australia's regional and rural communities, a leading workers' compensation provider and one of Australia's leading commercial insurers.

For internal users, CGU uses aXes to provide a browser interface to its Insure/90 core policy administration system. aXes is also used to provide CGU's Home Warranty brokers with Web access for historical inquiries

into traditional 5250 Insure/90 programs. CGU selected aXes because it allows for easy maintenance as there is no need to install additional software on the user machines, or to provide users with access to Citrix servers.

Manulife Malaysia is a member of Manulife Financial Corporation, a leading financial services group headquartered in Canada and serving millions of customers worldwide. Manulife Malaysia has extended its in-house developed IBM i-based core life insurance system with LANSa-developed Web portals for agents and policyholders and, in 2000, was one of the first insurance companies in the region to do so. The agent Web portal has been continuously enhanced and offers extensive functionality to the company's 2,000 independent agents.

Agents can follow the status of a policy request or claim, view statistics on new business and retention of existing business, drill down for current and historical details, view which of their customers have or haven't paid their premiums, and so on.

Ooi Sze Chuan, General Manager, Manulife Technology & Services Sdn Bhd, says "The level of detail that agents can zoom into and the amount of history that we keep is unique. LANSa was in 2000 one of the very few tools that could do the job, especially in an AS/400 environment, and has evolved ever since, still meeting today's productivity requirements."

Over 70 insurance brokerage companies in Japan use Sompomate, a LANSa and client/server-based solution for the insurance brokers from Sompomate Japan System Solutions Inc. Sompomate provides administration of policies and claims and includes EDI facilities for exchanging details between broker and principal. Sompomate supports the administration of all the broker's insurance business, independently of whether Sompomate Japan is the insurer.

QBE Insurance Group, Australia's largest international general insurance and reinsurance group, is one of the top 25 insurers and reinsurers worldwide. QBE Reinsurance has deployed a LANSa-based financial management solution and uses LANSa for in-house development.

The Americas

The Argus Group, the largest local insurance company in Bermuda, has used LANSa to redevelop and integrate its previously separate core systems for group insurance including health, life and disability, pensions and property.

More recent development has been with the Visual LANSa Framework and LANSa Integrator. Applications include a treasury



system for the recording of customer payments which integrates with other systems and credit card gateways. LANSA was also used for an international life policy application, which automates the generation and email distribution of policy statements and payment requests to customers and brokers, again integrating with third party applications.

The Beacon Insurance Company Ltd, headquartered in Port of Spain, Trinidad, and with branch offices throughout the southern Caribbean, offers a full range of insurance products and financial services. Beacon has streamlined its procedures and modernized its Insure/90 core policy administration system, using a combination of the LANSA Workflow Framework, RAMP and LANSA Integrator tools.

Christopher Woodhams, VP Information Systems, says, "We now have complete visibility and control of how documents and work progress through the organization, regardless of divisions and locations. Turnaround times are consistently fast and competitive and we can offer our clients a one window view of their business with us. The system is opening up new opportunities, allowing us to reassess how we utilize our real estate and resources. Our business strategy and LANSA system allow us to focus on winning new business."

HMS Insurance Associates, Inc., a leading independent insurance agency based in Baltimore, specializes in risk management, surety and financial services for individuals and businesses. HMS has a team of 135 dedicated insurance professionals. HMS' core policy administration system is a custom developed RPG-based solution. With the help of LANSA business partner BDK Inc, the solution has been extended with a LANSA and Windows-based solution for managing proposals. The solution retrieves data from the core IBM i system and merges information into MS Word templates for proposal generation and distribution.

Merchants Insurance Group, headquartered in Buffalo, New York, provides tailored property and casualty insurance products to businesses and individuals through a network of 650 independent insurance agents. Merchants uses WINS, an IBM i and COBOL-based insurance solution and LANSA for all Web extensions. Agents can get quotes, issue and endorse policies, enquire on policies and claims and view different aspects of billing. Agents also have various reporting functions available and can access electronic manuals. Policyholders can view their policies and bills and pay online.

Merchants uses LANSA's Integrator for publishing and consuming Web services with



third parties. For example to exchange data with the Department of Motor Vehicles to allow the instantaneous approval of commercial automobile insurance applications. Other examples include automatically obtaining underwriting reports and credit scores from outside sources, and integration with various service providers in the insurance industry.

Clark Sykes, Vice President Information Technology at Merchants, explains, "One of the main reasons to use LANSA is its versatility and ability to deploy to different platforms. Also, LANSA integrates well with WINS data and functionality, without the need for data conversion."

Western Financial Group Insurance Solutions (WES), one of the largest insurance brokers in Canada, specializes in providing unique and cost-effective insurance and risk management solutions. WES has a mixture of LANSA and .NET systems and Web sites, as well as legacy RPG applications, running on multiple Windows and IBM i servers. WES uses LANSA to fuse these heterogeneous systems in its move towards a SOA environment.

After having successfully redeveloped the front-end processes of several of its IBM i-based insurance systems with Visual LANSA, WES used the Visual LANSA Framework to develop a Windows rich-client CRM solution to keep track of prospect and customer activity. The CRM solution integrates with MS Word, MS Outlook, RightFax and several third-party Web sites, for example for address validation and mapping.

WES is going through the structured process

of rebuilding many functional workflows from the legacy RPG environment into the Visual LANSA Framework architecture.

Integration between WES' .NET SQL server-based self administration Web site and the TotalGUARD quoting engine is handled with Web services developed with LANSA Integrator.

Brian Hynes, Vice President of Business Systems at WES, says, "Tight integration between our IBM i systems, Microsoft Office and our .NET-based Web sites helps to eliminate many redundant tasks, increase productivity and improve system performance. We are now looking at our systems from a holistic perspective. Our RPG and .NET developers are integrated with my LANSA team and we are all moving towards an object-oriented mindset."

Conclusion

Application modernization in the insurance industry has gone far beyond providing quote-and-buy Web access. Web service integration of the core insurance solution with CRM, document management, workflow and other internal systems is crucial. Real-time data exchange with brokers, authorities and other third parties is essential as well. Web extending to policyholders and brokers offers a level of efficiency that can be provided by no other means. And general application modernization, including gradual or partial replacement of legacy code, is on most insurers's agendas as well. LANSA can be the cornerstone in all these modernization projects. ■