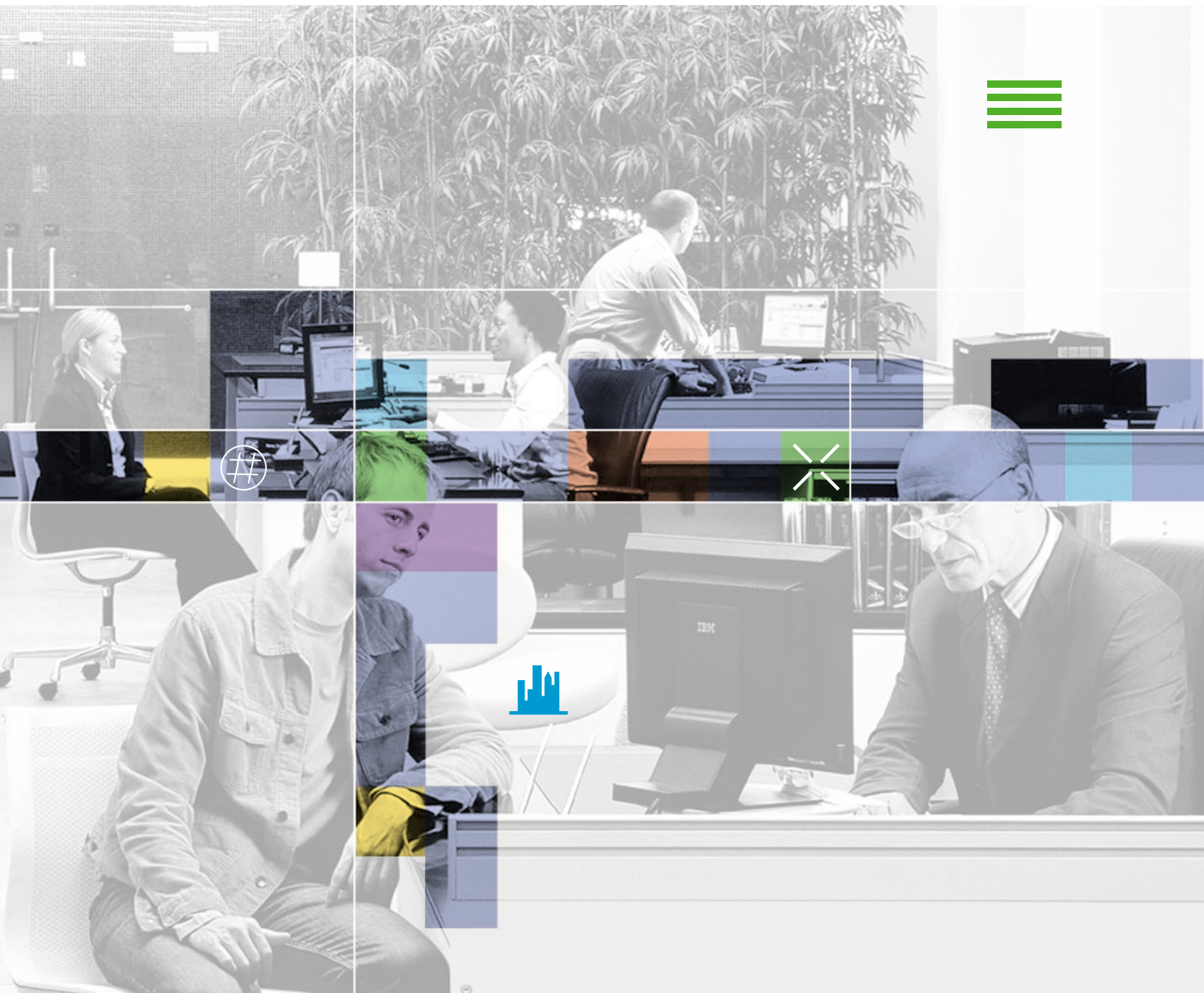


Create a real-time insurance enterprise to grow your policy base and drive customer satisfaction.



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Executive summary

While insurance companies today must reduce costs and streamline operations, they simultaneously need to deliver services that can attract and retain customers. Customers want an agent and insurer that respond quickly. For example, when customers make claims, they want the insurance company to rapidly send the adjuster, assess the situation on the spot and initiate the appropriate next steps right away. Delivering these services quickly requires an insurer to integrate customer information across its extended enterprise and with content from outside parties to deliver information on demand when and where it is needed.

Enabling independent, captive agents and brokers, as well as direct agents, to obtain customer information—or to compare quotes and prices with those of other insurers—is one way to better manage the lead and contact management processes. But sharing company information with sales individuals must be properly controlled, managed and secured across the various routes of access that independent agents commonly employ. Additionally, this requires your solutions to have a range of integrated capabilities such as collaboration, process, information and security that can be delivered across the various points of access.

Providing access for real-time information to field agents also gives new advantages to insurers. Typically, insurers run their processes in batch mode and, as a result, agents lack access to up-to-date data. But offering access to real-time data requires an insurance company to have a business and technology environment that can provide highly secure, scalable and reliable remote access across different networks and protocols and from various devices.

IBM Middleware Solutions for Insurance help you build just such an infrastructure—one that can leverage and derive increased value from your business information, support your business demands and priorities and flexibly respond in real time. A portfolio of integrated solutions enables an insurance company to address a specific insurance process in a way that facilitates optimized operations, minimizes costs and supports customer-satisfaction initiatives.

These solutions can help you integrate information and resources throughout your organization to derive maximum value from your existing systems, manage your

business processes to drive efficiency, streamline regulatory compliance and help your employees, agents and brokers optimize efficiency and effectiveness while optimizing customer satisfaction.

IBM Middleware Solutions for Insurance leverage IBM knowledge and expertise in insurance and insurance industry-specific middleware from IBM. Together, these elements provide

a world-class foundation for your solution—a technology framework that helps you build the flexibility, responsiveness and efficiency that your insurance company requires to become an on demand business. IBM services capabilities and hardware and the extensive IBM network of industry-focused independent software vendors (ISVs) complement this foundation.

“By using IBM software, we’ve seen a total turn-around with our agents. I hear from these people, ‘I used to do business with Guardian in spite of their technology. Now I do business with them because of it.’”

– Marc Linder, Second Vice President of Information Technology,
Guardian Life Insurance Company of America

IBM Middleware Solutions for Insurance give you tools that can help your company become flexible, responsive and resilient—an insurer at the ready, an on demand business.

Challenge: balancing cost reduction and customer satisfaction

As today’s insurance industry starts to emerge from an incredibly challenging financial market, the pressure to reduce costs and streamline operations seems to compete with the need to offer alternative sales and service channels that can drive customer satisfaction and retention.

Maximizing customer retention is important because it is significantly less expensive than acquiring new customers. Most of today’s insurers lack fully integrated views of their customers—views that would help them find opportunities to enhance customer satisfaction. Organizations, processes and systems often become isolated silos with limited integration. These silos make it difficult to respond efficiently to changing demands, such as regulatory requirements, or to get new products to market quickly to meet customer needs.



Consequently, an insurance company needs a business and IT strategy that enables it to simultaneously manage costs and drive customer satisfaction. This approach builds the company's flexibility and resiliency to withstand future changes and anticipate and adapt to future demands.

Insurers have long recognized the benefits of closely integrating key areas of the value chain. Nonlife (property and casualty) insurers closely align their underwriting and claims processes to facilitate identifying and pricing risks. Life carriers invest heavily in product development and distribution processes to increase product and service relevancy, speed to market and new business growth.

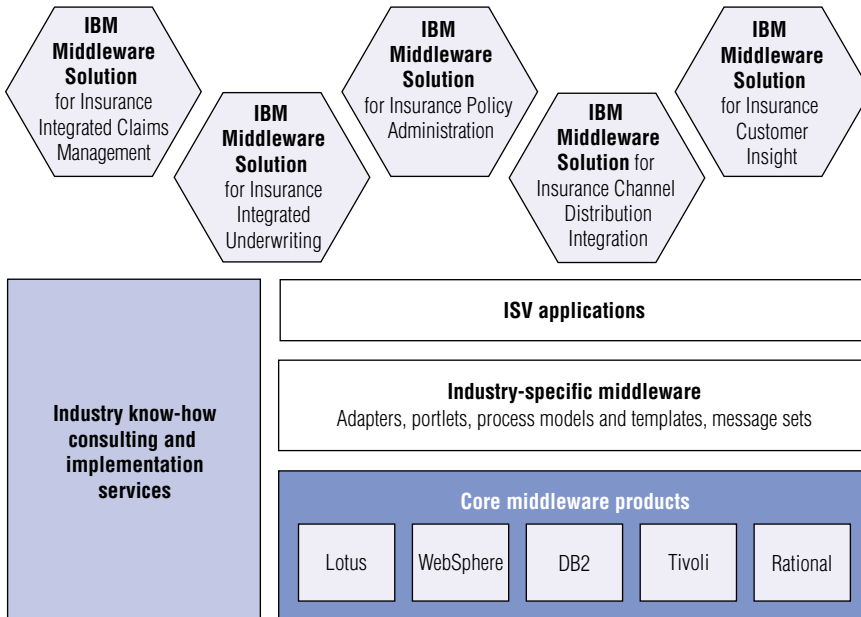
Many insurers face inflexible systems and rising maintenance costs; instead they need high levels of agility and low operating costs. Many existing core insurance systems cannot meet these needs because of longstanding patchworks of maintenance and tightly coupled system designs. Optimizing, modernizing and opening up individual legacy applications for more general access and use helps enable system flexibility, minimize maintenance expenses and increase responsiveness to business needs.

Ultimately, these system capabilities can be made into flexible components that the company can use at will and where appropriate—to deliver services customers demand. An on demand insurance company derives full value from its resources, driving productivity and innovation, which can differentiate the company from its competitors to capture new value.

IBM Middleware Solutions for Insurance target industry challenges

IBM Middleware Solutions are customized combinations of IBM core middleware and industry-specific middleware that when combined with application software from IBM's network of independent software vendor partners and industry-specific services, deliver an on demand operating environment. IBM uses the term "on demand operating environment" to refer to an IT infrastructure that specifically supports the business goals of driving customer satisfaction and revenues. IBM Middleware Solutions for Insurance drive the on demand business for insurers because they help deliver the on demand operating environment.

Each IBM Middleware Solution for Insurance offering delivers capabilities focused on a particular business process. Together these solutions share common benefits that support your overriding business objectives and help you:



Overview of a middleware solution

- *Integrate and streamline the management and delivery of information across applications and to end users.*
- *Derive value from your existing resources.*
- *Manage business processes to drive efficiency.*
- *Give employees, agents and customers productivity tools.*
- *Provide easy, integrated uniform access to information across multiple applications.*

IBM Middleware Solutions for Insurance provide the capability to integrate business processes, information and resources throughout your organization to help drive customer-satisfaction

efforts. By federating enterprise-wide data, the solutions provide a foundation you can use to integrate processes, data and content currently isolated in silos. In particular, when you integrate customer account information across multiple product lines and operating units, you can leverage the resulting visibility of your customers to locate opportunities to retain customers and achieve sustainable growth.

When you leverage IBM Middleware Solutions for Insurance to minimize the time and expense of integrating new information and resources into your existing infrastructure, you can rapidly bring new products and services to market. Because the solutions help you integrate with agencies, external service providers and other third parties, you can use the solutions to help you manage entire processes and minimize cycle times.

Optimizing your existing resources is the first step to migrate from your legacy systems to updated processes that can transform the way you do business. IBM Middleware Solutions for Insurance help you:

- *Avoid redundant processes and stores of information that represent a drain on your underwriting and claims efficiency.*
- *Monitor your IT resources, identify potential problems and automatically execute desirable responses.*
- *Minimize the time and resources you spend to maintain a highly secure, available and reliable infrastructure.*
- *Drive down costs by implementing open and modular solutions that integrate within an existing environment.*

Another overall benefit of IBM Middleware Solutions for Insurance is that they enable you to implement business process management to help you maximize efficiency. They provide you with the foundation for extensive insight into your organization—how work flows through your enterprise, where your resources are concentrated and much more. Then you can use the business performance management capabilities of IBM Middleware Solutions for Insurance to align your business process and IT resources so that they best deliver customer satisfaction. You can monitor processes and resources to adapt and provision them to meet your primary business goal. The solutions can help you model and assess business processes before making changes.

Finally, IBM Middleware Solutions for Insurance include productivity tools that help your employees, agents and customers do more with fewer resources. They enable you to:

- *Route responsibilities to employees with the best skills for handling them, while balancing workloads.*
- *Empower mobile employees to access and input time-critical information anytime, anywhere and from a wide variety of devices—by extending your business applications in a highly secure fashion.*
- *Provide self-service personalization of content and access from multiple devices to give your agents and customers flexible access and customized service that can build loyalty and keep support costs low.*
- *Provide tools to collaborate across diverse applications, business processes and geographic boundaries.*

Select IBM solutions that address your pressing challenges

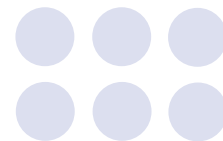
Individual offerings of IBM Middleware Solutions for Insurance address specific insurance processes in ways that impact your entire enterprise, including your customers, trusted partners and external suppliers.

The *IBM Middleware Solution for Insurance Integrated Claims Management* includes wireless mobility, content integration and management, automation and process-integration components that help you:

The proven IBM track record in insurance

- *IBM data-management products handle more than 1 billion insurance transactions per day.*
- *IBM customers enable component-based development by leveraging the IBM Insurance Application Architecture (IAA), a leading process function model and framework for the industry that IBM developed and has enhanced for more than 10 years.*
- *IBM is a leader in open standards development; IBM insurance solutions incorporate ACORD and FIPS 140 insurance standards.*
- *IBM has obtained more than 25 insurance-specific patents since 1999.*
- *IBM offers a global scale ideal for insurers worldwide who prefer the efficiency of partnering with a single vendor.*

- *Drive customer service levels and control processing costs by enabling rapid low- and no-touch processing.*
- *Leverage content to effectively serve your customers and enable your claims adjusters to focus on effective claims adjudication.*
- *Limit losses associated with fraud and leakage by automating error-prone processes.*
- *Maximize adjuster productivity by balancing workloads, routing claims to appropriate adjusters and providing highly secure access to views personalized for each user's responsibilities.*
- *Optimize customer service and productivity by providing a single view of content from multiple sources.*
- *Speed claims processing through single access and optimized productivity with best-practices business performance management of core processes.*



The *IBM Middleware Solution for Insurance Integrated Underwriting* helps create a highly secure, role-based, collaborative workplace that gives employees tools to assess risk, track key performance indicators and manage policy submission, renewals, issuance and documents. The solution helps you:

- *Automate routine application processing and minimize error correction by underwriters.*
- *Establish a disciplined approach to underwriting, enabling your underwriters to focus on the underwriting discipline.*
- *Integrate with agencies.*
- *Respond effectively to business environment changes.*

The *IBM Middleware Solution for Insurance Policy Administration* helps provide a flexible, highly secure, integrated workplace for managing documents and processes such as endorsements, system entry, payment collection and commission payment anyplace, anytime. The solution helps you:

“We [wanted] to provide differentiated services by quickly responding to the needs of customers and changes in the insurance environment. We also wanted to create a resilient system architecture capable of supporting various customer-centric products, and to maintain our competitiveness by having a Web-based technical architecture for the Internet environment of the 21st century. We’ve succeeded on all counts.”

– Joo-hyun Hwang, CIO and Director of Information Systems,
Kyobo Life Insurance.

With the new system based on IBM Software, Kyobo Life has seen a \$20 million annual savings.

- *Integrate multiple supporting applications and external service provider information for convenient case management.*
- *Manage business processes to respond to changes such as regulatory requirements and help design, develop and introduce new products—driving customer satisfaction.*
- *Achieve highly efficient business processes by consistently implementing (and automating) workflows.*
- *Leverage existing legacy systems to provide relevant-time status and policy updates.*
- *Consolidate information in diverse formats for enterprise management and retrieval.*

The *IBM Middleware Solution for Insurance Channel Distribution Integration* delivers portal and mobility solutions that provide agents, insurers, reinsurers and back-end financial management tools with one interface for accessing insured information in a highly secure environment using a desired method or device. The solution helps you:

- *Maximize transaction efficiencies and agent productivity and retention, while you minimize operational costs.*
- *Seamlessly integrate and provide uniform access to manage channels and service areas including agents, call centers, contact centers and Internet sales.*
- *Minimize information redundancy across your back-end systems.*

The *IBM Middleware Solution for Insurance Customer Insight* includes technology that supports campaign management, sales automation, single-view-of-customer information and customer analysis, enabling you to establish a customer-focused strategy. The solution helps you:

- *Drive profitability with organizational strategy and analytical modeling tools that include customer lifetime value, propensity scores, wallet share and producer metrics.*
- *Achieve substantial insight into customer desires and needs, while focusing on sustainable growth.*

Insurance solutions leverage capabilities of core IBM software product portfolios

Core elements of IBM Middleware Solutions for Insurance include selected capabilities from DB2®, Lotus®, Rational®, Tivoli® and WebSphere® product portfolios, which have been integrated and tested to help you create an on demand operating environment that aligns your IT with your business objectives. These product portfolios include:

- *DB2 software provides a robust information-management infrastructure to support integrating resources across a wide variety of business functions.*
- *Lotus collaborative software enables employees, customers, agencies, external service providers and other third parties to communicate, interact, learn and leverage their collective knowledge.*
- *Tivoli software monitors IT resources and business processes and provides automated responses to help deliver a highly available, reliable and secure infrastructure that aligns your business processes and IT resources.*

- *WebSphere software integrates people, business processes and information to help employees, customers and partners execute, connect and collaborate anytime, anywhere, using a wide variety of devices—helping you achieve flexibility, enhanced productivity and minimized costs.*
- *The IBM Software Development Platform, which can extend IBM Middleware Solutions for Insurance with a comprehensive, proven, open and modular set of tools, helps you build, integrate, extend, modernize and deploy software systems. The IBM Software Development Platform includes Rational and IBM WebSphere Studio software, a shared set of proven best practices and industry-leading services.*

IBM services complement solutions for the insurance industry

IBM offers an unsurpassed breadth of service capabilities that enhance IBM Middleware Solutions for Insurance. Resources include:

- *IBM Business Consulting Services, with approximately 1,400 insurance practitioners*
 - *Business strategy*
 - *Integration services*
 - *Business process re-engineering and operations strategy*
 - *Component business modeling*
- *IBM Financial Services Solution Centre*
- *IBM Software Services*
- *IBM Global Services Business Transformation Outsourcing*

IBM Business Partners enhance insurance solutions

IBM Middleware Solutions for Insurance provide a world-class foundation for your solutions, and applications provided by our extensive network of industry-focused ISVs—combined with IBM consulting services and hardware—complement the full solution. IBM ISV Business Partners provide industry-specific business applications that run on IBM middleware platforms. Examples include applications for enterprise resource planning, natural language search and fraud detection.

For more information

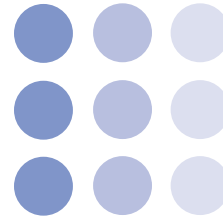
For middleware solutions that help you effectively balance cost reduction and customer satisfaction, count on IBM. To learn more about IBM Middleware Solutions for Insurance, call your sales representative or visit ibm.com/software/industries/insurance

For additional information on IBM's complementary offerings for other insurance capabilities and insurance-industry applications offered by IBM Business Partners, visit ibm.com/industries/insurance

“Our staff simply couldn’t do it all—cost-effectively deliver reliable services to both customers and internal staff— without leveraging predictive and automated solutions that strengthen the resiliency of our services and increase our flexibility to meet evolving business needs

– René Schon, Tivoli Senior Administrator,
NÜRNBERGER Lebensversicherung AG (NLV)

Using the automated software distribution capabilities of IBM Software, NLV has reduced the number of staff involved in deploying new services by 60 percent and enabled the company to reassign personnel to other business-critical functions.





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