IBM

LIVIA's Java-based pension calculator helps Swedes plan for the future

Every day, thousands of people throughout the world dream of a comfortable retirement filled with leisurely days and exotic vacations. The question is: can these dreams become a reality? For many Swedes, Stockholm-based LIVIA Insurance Company believes it can provide the answer. It has developed an interactive pension calculator that helps individuals find out how much they need to save each month to meet their retirement goals.

"They did exactly what we wanted, in the time we needed, and at the cost we had agreed upon. What more could you ask for?"

–Lars Gustavsson, IT Manager, LIVIA Insurance Company

Seeking a way to make this unique tool available to the public through the Internet, LIVIA turned to IBM. Network computing experts at IBM Global Services transformed the pension calculator into a Java-based online application and packaged it within an attractive Web site, hosted by IBM Global Network. By adding e-mail capability to the Web site, LIVIA now has the power not only to boost market awareness of its services, but also to improve communications with its existing clientele.

Changing times demand new services

Sweden's premier low-cost insurance and pension company, LIVIA is a wholly-owned subsidiary of the Swedish bank Nordbanken. The company's 23-person staff specializes in selling high-quality, low-cost policies to its 250,000 individual and corporate customers. Until recently, representatives in Nordbanken bank branches provided an effective sales channel for LIVIA. But new limitations to the state pension system meant Swedish citizens would have to be more reliant on private pensions. As more Swedes began looking to private pension plans as solutions for a secure retirement, LIVIA discovered that it needed a way to make services more widely available to this growing market.

In developing a strategy to increase awareness of LIVIA and of its products, the company chose to take advantage of the Internet's increasing popularity among young Web-savvy Swedes. A Web site, LIVIA reasoned, would

Application	Informational Web site with an interactive online pension calculator; online contribution to pension funds and purchase of health insurance policies (future)
Business Benefits	Increased market awareness, improved customer service
Software	IBM Firewall Custom-built Java application
Hardware	IBM® AS/400® IBM RS/6000™
Services	IBM Global Services IBM Global Network™

LIVIA's Web-based, interactive service helps make comfortable, carefree retirement a reality.

e-business

serve as a low-cost sales channel, offering a place where both current and potential customers could access information about the company's pension programs.

LIVIA designed a unique interactive pension calculator to be the main attraction of the Web site. The company's programmers wrote the calculator program, which determines the rate of contributions required to generate a particular retirement income. Users simply need to input their date of birth, monthly salary, and age at which they started to work. The program then performs the calculations automatically.

IBM provides an online solution and services

To secure the expertise required to design, build and host a fully functional Web site, LIVIA turned to IBM. "IBM was an obvious choice" says Lars Gustavsson, IT Manager at LIVIA, "because we've relied on IBM hardware, software, and project management for years. We look to IBM as a business partner. We trust them."

Network computing experts from IBM Global Services were brought in to implement a multi-phased solution. Because LIVIA's parent company, Nordbanken, has very strict security policies, IBM set up the Web site on a standalone IBM RS/6000 server, protected by IBM Firewall software to prohibit unauthorized access to LIVIA's data. IBM Global Services information design specialists created the Web pages, which provide information about the company and its products. They also wrote the Java™ code that activates LIVIA's pension calculator and displays the results in graphs and charts. The Web site is hosted by IBM Global Network in Stockholm, which posts updates supplied by LIVIA and handles all aspects of more extensive alterations.

LIVIA experiences immediate results

In just two months from its conception, the Web site was up and running, and LIVIA became the first commercial insurance company in Sweden to use Java to provide an interactive sales tool. This Internet-based approach helps LIVIA market a complex product in a way that the public can understand. With information available in Swedish only, LIVIA's site currently receives 5,000 visitors per day. Gustavsson also notes the advantage of having an e-mail link at the site: "Many current and prospective

customers have taken advantage of the e-mail link to contact our company. It allows us to better understand their needs, so we can improve our services." Most of the e-mail LIVIA has received up to now has been positive feedback from customers who commend LIVIA's new approach to customer service and innovative use of interactivity on the Internet.

LIVIA credits IBM for enabling this new level of service. "IBM did exactly what we wanted, in the time we needed, and at the cost we had agreed upon," explains Gustavsson. "What more could you ask for?"

IBM partners with LIVIA for the future

Currently, LIVIA customers can make contributions to their accounts at a Nordbanken location, through their own bank, or at a post office. In the next phase of the project, IBM will implement a password-protected system that enables customers to make these contributions online. Confirmation letters will be sent automatically.
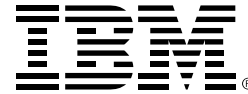
These additional services will require LIVIA to connect its AS/400 server to the Web site. Although LIVIA's AS/400 resides at the Nordbanken data center, it is connected to the same Token Ring network as the RS/6000 Web server. IBM MQSeries® will be used to enable secure communications between the two systems. For such a project, Gustavsson appreciates IBM's experience with the legacy systems that are in place at many banks and insurance companies: "When we connect our Web site to our legacy system, it's good to know that IBM is familiar with all of the platforms and is proficient at enabling communications between them."

Gustavsson also praises IBM's full-service solution, which included professional photography for the site and full project management. It is this type of service that this small company has come to rely on. "If I had another project to do," Gustavsson says. "I would turn to IBM again."

Indeed, LIVIA is planning to work with IBM to enhance its Web site to offer additional services, such as enabling customers to purchase health insurance policies and check the performance of stocks in their pension funds. Nordbanken is also considering tying its mainframe DB2 databases that contain general account information to the Web site so customers can make changes to their accounts online.

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G325-0754-00