

IMSG Web services help insurance companies boost agent loyalty.

Overview

■ Challenge

Help insurance carriers attract more business from independent insurance agents by facilitating access to quoting, policy management and reporting applications; meet complex Federal reporting requirements for flood policies

■ Solution

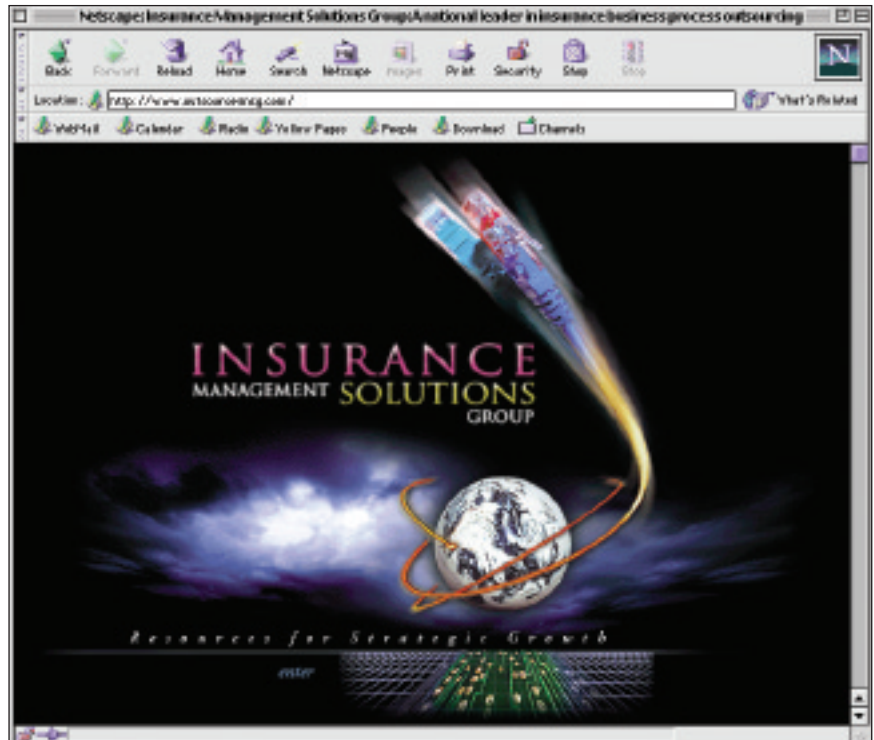
A Java™ technology-based Web portal to IMSG's legacy applications, based on the IBM WebSphere® software platform for e-business

■ Why IBM?

IBM offered a better-integrated server-side Java solution

■ Key Business Benefits

100% ROI and 75% agent adoption expected within 1 year; approximately \$200,000 saving in customer support costs; \$75,000 saving in development costs; 1,000-hour reduction in development time



By helping insurers avoid major IT costs, IMSG is tapping an outsourcing market that is expected to grow to \$5 billion by 2003.

We all know that time is money—and no one brings this adage to life more than independent insurance agents working on commission. When working with potential customers on the phone or in their offices, these agents need to generate quotes and process each new policy quickly—so they can move on to the next sale. But independent agents can't do it alone. They need fast access to policy applications from the insurance companies they serve and, these days, the fastest access comes through the Web.

“Our goal was to keep our clients competitive with the most cutting-edge Internet solutions available. Using WebSphere technology and DB2 Universal Database, we've been able to make our clients far more effective.”

—David Howard, President and CEO, IMSG

e-business—accelerating the pace of business and the pace of change



IMSG's policy administration services assist agents by automatically sending correspondence to obtain missing or additional information. They can also cancel a policy if requested information is not received.

“The data models and the ability to quickly construct any set of reporting rules within WebSphere Application Server make it easy to report in any format or structure required. As a matter of fact, one of our competitors asked us to run their data through our system—that’s how strong it is.”

—David Howard

Focused on their core insurance business, many insurance companies out-source technology and other needs to experts like the Insurance Management Solutions Group (IMSG). Since 1997, IMSG has kept many of the largest U.S. insurance carriers on the cutting edge through its IT, policy administration, accounting, and state and Federal regulatory compliance services. Today, the St. Petersburg, Florida-based company processes nearly 800,000 policies and 30,000 claims annually for its client insurance companies nationwide.

IMSG knew that the key to retaining the loyalty of its carriers was to help them retain the loyalty of their independent insurance agents. And that meant quickly becoming an e-business—enabling carriers to deliver IMSG’s services to agents through Web browsers and low-cost Internet connections.

IMSG’s services are driven by its legacy RPG-based applications, which weren’t built for open environments like the Internet. However, since IMSG had a significant investment in these applications, it wanted to leave as much of them intact as possible. Integrating the applications with a new Java technology-based front end would be vital to IMSG’s e-business success.

With little Java programming experience in-house, IMSG researched the market for a competent e-business solution provider. After studying proposals from multiple vendors, IMSG concluded that IBM offered the most complete solution, with components from the IBM WebSphere software platform for e-business. IMSG perceived that the seamless integration between the chosen components—IBM WebSphere Application Server, Standard Edition and IBM DB2® Universal Database™ for AS/400®—would provide better performance than they could expect from heterogeneous solutions. And leveraging the experience of a veteran e-business solution provider like IBM would help IMSG eliminate costly periods of trial and error.

Working with the IBM AIM Services group, IMSG created a Web portal that provides access to its legacy applications. Through this portal, independent insurance agents can check customer policy information in realtime and process new flood insurance policies for any of the insurance carriers IMSG serves. By retaining 80 percent of its legacy technology, IMSG was able to launch its Web application quickly—saving its staff more than 1,000 hours of development time—a cost saving estimated at \$75,000.

With 75 percent of its clients' agents expected to be on the system within the year, IMSG is anticipating a significant increase in revenue from new business. Some agents already report that they are able to process their flood business twice as quickly as before using the new solution.

"Our goal was to keep our clients competitive with the most cutting-edge Internet solutions available," says David Howard, president and CEO, IMSG. "Using WebSphere technology and DB2 Universal Database, we've been able to make our clients far more effective in attracting and retaining agents."

e-business is better business

The first two applications IMSG has made available to its clients' agents are a policy look-up module and a flood policy processing system. The latter is a new area of business for many insurance carriers, and the ability to support these types of policies will help IMSG and its carriers expand their businesses significantly.

For policy inquiries, an agent enters the policyholder's information on a Web page that appears to be on the insurance carrier's Web site but is actually located on the IMSG server. Data beans contained in WebSphere Application Server residing on IMSG's AS/400 server use the request to invoke a legacy application that initiates a crosscheck of the submitted data against the user's profile stored in DB2. Based on the cross-check, the system either authorizes or denies the request to query the policy data.

Through the entire process, agents never know that they have left their insurance carrier's site. Using IBM WebSphere Studio, IMSG and the AIM Services Group constructed a set of JavaServer™ Pages (JSP™) that retrieve the carrier's logos and graphics from the Integrated File System (IFS) on the AS/400 server and present the IMSG application in a Web page that looks like it comes from the carrier's site.

For independent insurance agents, realtime access to policy information is a true asset. When they are working with customers—in person or on the phone—they need to know the latest information about that customer's policy. Before the Web self-service application was launched, agents found that they often had to call IMSG for information they didn't have. As a result, IMSG's representatives were tied up for hours responding to agents. With the e-business solution, IMSG has been able to utilize its customer service resources more efficiently, reducing customer support costs by approximately \$200,000.

B2B e-business Solution Components

Software

- IBM WebSphere Application Server, Standard Edition
- IBM DB2 Universal Database for AS/400
- IBM WebSphere Studio

Servers

- IBM AS/400

Services

- IBM AIM Services Group
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"IBM helped us develop a solution that will almost certainly be emulated by other companies. Right now, I don't know of anyone else out there doing what we're doing."

– Tim Fellabaum, Vice President of Systems Development, IMSG

Expanding to new markets

Not many carriers offer flood policies—the terms of which are determined by the Federal government—because carriers must present high-quality policy and customer data back to the government under strict, complex reporting rules. If a problem comes up, this reporting process must be repeated—adding to the labor costs and quickly eliminating any profits generated.

But the strength of IMSG's system eliminates this obstacle. "The data models and the ability to quickly construct any set of reporting rules within WebSphere Application Server make it easy to report in any format or structure required," says Howard. "As a matter of fact, one of our competitors actually asked us to run their data through our system—that's how strong it is."

This is only the beginning

Putting a Web presentation layer on its legacy system was only the first step in IMSG's e-business plan. Within five years, IMSG plans to have all of its applications written in Java technology and running through WebSphere Application Server. Future Java development efforts should be much easier for IMSG, with the experience its developers have gained from the initial project with IBM.

Comments Tim Fellabaum, vice president of systems development, IMSG, "Working with the AIM Group was amazing. We were worried that with our lack of Java skills, our first project would take a year and a half, but the group taught us how to use this technology in no time. IBM helped us develop a solution that will almost certainly be emulated by other companies. Right now, I don't know of anyone else out there doing what we're doing."

For more information

Please contact your IBM marketing representative or IBM Business Partner.

Visit us at:

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For more information about IMSG, visit:
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