IBM

Lincoln Life boosts efficiencies, slashes risk with IBM e-business technology.

Overview

■ **Challenge**
Increase staff efficiency, improve customer service and reduce risk to insurer by obtaining comprehensive information about insurance applicants from more than a dozen legacy systems

■ **Solution: Integrating Stage**
Integrated Client Search 2 (ICS2), an integrated Web-based client search application

■ **Why IBM?**
Technological superiority; most comprehensive, cost-effective solution from a single vendor; IBM and WebSphere® software endorsed by industry experts

■ **Key Business Benefits**
Enhanced staff productivity and improved customer service due to reduction in search time
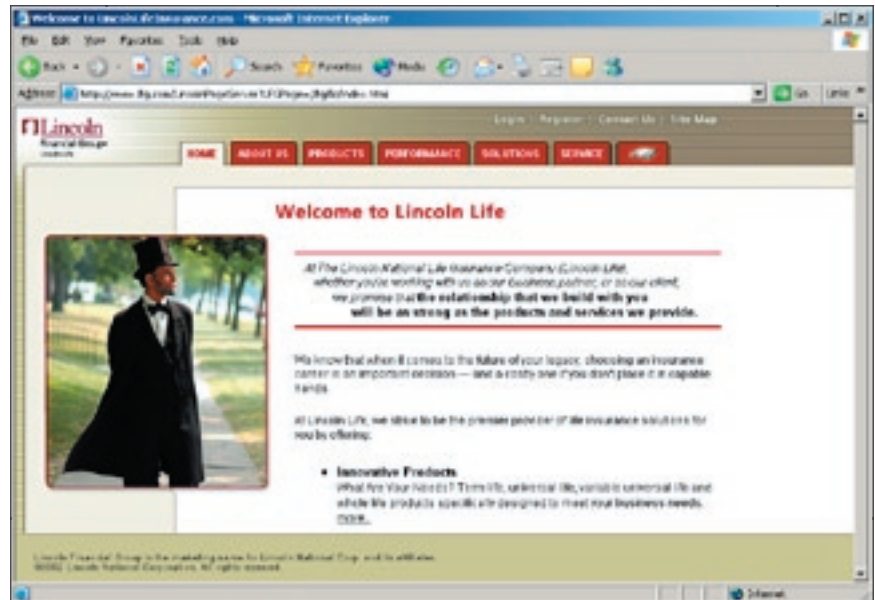
Formed nearly 100 years ago, Lincoln Life is the flagship company of the Lincoln Financial Group family of businesses.

While many enterprises strive for lifelong connections with their customers, one of the few business sectors that does so by definition is life insurance. In the life insurance industry, business ties often outlive the customers themselves, since life insurance products can continue to serve the policyholder's heirs for many years. Throughout these long-term relationships, leading insurers must be able to verify customers' current, pending and historical insurance policies before issuing a new policy, in order to avoid exceeding their risk retention limits.

"We had recently acquired 2 businesses with 10 policy writing systems and 13 policy databases. An exhaustive search was impossible. Underwriting customers without knowing about their existing policies would mean incurring significant risk."

– Maureen Muganda, Director of Architecture and Strategy, Lincoln Life

*e*business

e-business success — blending new technologies with established strengths

"With our IBM solution, underwriting is more efficient, so we can serve customers more quickly and effectively.

– Maureen Muganda

Avoiding such risk is essential for leading insurers such as the life arm of Lincoln Financial Group[1], (*www.lincolnlifeinsurance.com*) regularly ranked among the top life insurers nationwide.

Considering its growth, The Lincoln National Life Insurance Company (Lincoln Life) knows all too well the challenges of retaining records for decades, while record-keeping technologies rapidly evolve. Insurers are often forced to retain multiple unconnected and incompatible information systems to search crucial files. To make matters worse, mergers and acquisitions are commonplace. When insurance companies unite, so do their already cumbersome assortments of information systems, forming an even larger and more unwieldy array.

Maureen Muganda, director of architecture and strategy at Lincoln Life, recalls the company's challenge: "We had recently acquired two major life insurance businesses. We inherited 3 system platforms, with 10 policy writing systems, 2 underwriting engines and 2 customer interface information files and 13 policy databases. One customer name might be associated with multiple policies on disparate systems; some might be valid while others might have been canceled. An exhaustive search was simply impossible. Underwriting customers without knowing about their existing policies could mean taking on significant risk."

Lincoln Life required an integrated solution that would enable its underwriters to search legacy systems and provide a single, consolidated view of customers' accounts. The solution would need to be accessed over the company's intranet using standard Web browsers. It would have to support Java technology to enable rapid, cost-effective development and enhancement of Web-enabled applications. And the key components — Web server, application development tools and middleware — would have to come from a single vendor, to allow maximum interoperability, simplify support and leverage economies of scale.

Lincoln Life briefly evaluated solutions from Microsoft, TIBCO and Mercado, then selected a solution based on WebSphere software from IBM.

Increased satisfaction, reduced risk

The new system, Integrated Client Search 2 (ICS2), has brought Lincoln Life far-reaching business benefits. According to one MQ Developer at Lincoln Life, "Our search time is significantly shorter and there is less need to order hard-copy files, so back-office staff can work more efficiently and focus on more productive tasks. With our IBM solution, underwriting is more efficient, so we can serve customers more quickly and effectively."

But the most powerful benefit is the reduction of risk, Muganda adds. "Lincoln Life is among the industry leaders in average size of policy sold, with new business at well over a million dollars per policy. Our WebSphere software-based client search solution has enabled more accurate risk assessment and significantly reduced the risk of exceeding established policy retention limits."

Experts agree — IBM is the choice

Lincoln Life chose IBM for a variety of reasons. "In our due diligence, we relied strongly on independent experts," explained another MQ Developer at Lincoln Life. "InfoWorld had just named IBM VisualAge for Java Enterprise Edition 'Best Product of the Year'. EAI Journal had declared IBM 'Vendor of the Year'. And we already knew that WebSphere software was the best available to support a Web-based system with backend integration to enterprise systems and data. Finally, we realized that no vendor but IBM could provide us with the comprehensive, cost-effective solution and proven support we required."

Lincoln Life's ICS2 system relies on WebSphere MQ to integrate with more than a dozen data sources, distribute multiple requests for policy information and transport responses back to the originating Web-based front end, powered by WebSphere Application Server. Custom applications—based on Java technology and developed by Lincoln Life using WebSphere Studio and VisualAge for Java—allow users to define the parameters for their search.

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Lincoln Life's Web-based client search application, based on IBM e-business technology, is used by new business and underwriting staff, as well as by personal service agents at the insurer's call center.

As the database underlying WebSphere Application Server, Lincoln Life chose IBM DB2 Universal Database. "We have been using DB2 on our mainframe for many years, and chose it for the ICS2 solution because of its unmatched performance and scalability," Muganda says. "Lincoln Life also created a new local DB2 database as a staging database housing data that is hosted in flat files on some outsourced systems."

Lincoln Life's previous workflow process forced users to log on to numerous systems, key their queries into each system, manually record and print results and interpret the respective outputs—each of which was presented and formatted differently. With ICS2, underwriters quickly fill out a simple Web form. The ICS2 application then performs a preliminary search of three databases and returns a screen containing summary results for the parameters that were queried. In the second and final step, the user selects the relevant policyholders from the summary screen, and ICS2 searches up to 12 more legacy data sources and produces a detailed, easy-to-read report containing the required policy information, such as policy number and status, premium class, smoker status, issuing insurance company and product type.

Leveraging IBM e-business technology

Lincoln Life's broader strategic mission involves even greater use of IBM e-business technologies enterprisewide. "We are now working on a consumer portal that will enable our policyholders to access information from their policies over the Web," says an MQ Developer. "To develop the portal, we'll reuse some of the Java code in the ICS2 applications and will leverage WebSphere Application Server, WebSphere MQ Integrator and DB2." IBM WebSphere MQ provides an open, scalable messaging backbone for the enterprise by connecting any commercial systems in business today.

Muganda concludes, "We have established an integration hub housing the reusable components created with IBM development tools. We are striving to develop experts in specific IBM products throughout our IT operation. We see tremendous opportunity for leveraging IBM e-business products throughout our strategic platform at Lincoln Life."

For more information

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