



## Improving customer satisfaction and operational efficiencies with a proven portal solution.



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**Executive summary**

Increasing market competition, heightened customer service expectations and the need to build competencies that stand out from the competition are some of the key challenges facing the insurance industry today. In response, insurance companies are expanding and enhancing offerings, and searching for new customer segments. They're focusing on better servicing of existing customers by improving response times and improving the exchange of information. All of these efforts require that insurance companies do a better job of sharing information across business units that traditionally have been isolated.

This executive brief shares how IBM's portal solution, IBM WebSphere® Portal software, when built on a service-oriented architecture (SOA), provides the integrated user environment that insurers need to address the unique challenges facing their industry. With an integrated environment customized by user role, insurance companies can help to improve employee productivity—thereby enhancing customer satisfaction, increasing business responsiveness and driving new revenue opportunities.

**Insurance trends**

Insurance companies today are facing stiff competition due to a softening property and casualty market and a flat life insurance market. Insurance premiums only rose by 2.3 percent from 2003 to 2004.<sup>1</sup> To maintain profits and provide shareholder value in this environment, insurance companies are more aggressively trying to acquire competitors' customers.

At the same time that demand has slowed, insurance customers have increasingly higher expectations for service. Other industries have raised the bar by providing customers with greater responsiveness (in large part because of Web-based options), more highly personalized interactions and customized or targeted offers for products and services.

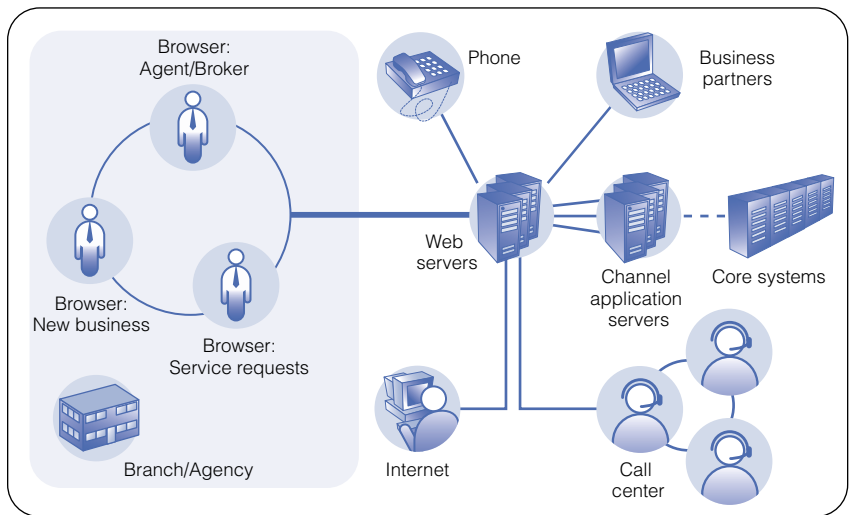
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*“...growing profit in a mature business such as insurance requires reducing costs.”*

—David Kennington, vice president of Information Systems, Prudential

To separate themselves from the competition, some insurance companies have responded by changing the game. They're improving their core processes to extend their capabilities. They are providing customers with instant online and comparative quotes, Web-based documentation and faster claims processing, and are bundling products according to customers' needs.

The key to bringing in more business, improving the service to the business you already have and improving your core capabilities is to bring people, departments and systems together that were previously disconnected. Insurance companies need to help providers, underwriters, business partners and agents share information and capitalize on opportunities to better serve customers. Products must be flexible and interchangeable, the processes necessary to deliver them must be integrated, and the technologies that support both must support the free flow of information.



*Portals provide a centralized repository of information that can be customized for each user and accessible from a Web browser.*

*“Insurance customers are enjoying a much richer experience with Prudential. From our highly available Web portal, they can tap an array of information resources to plan their finances.”*

—David Kennington, vice president of Information Systems, Prudential

### **Portals help address the challenges of the insurance industry**

To meet the challenges facing the insurance industry, many companies are turning to the flexibility and varied capabilities of portals. A portal is a single, personalized interface that integrates people, processes, applications and information. Personalized portals can help customers, employees, agents, brokers, vendors and partners gain easy access to information. Portals can also help employees gain access to data crucial to performing their particular jobs, thereby helping to improve overall productivity, increase customer satisfaction, enhance business responsiveness and maintain a competitive edge.

To address these challenges, IBM has developed IBM WebSphere Portal software, a member of the IBM® Workplace™ family.<sup>2</sup> IBM WebSphere Portal software provides the framework insurers can use to build and deploy portals personalized for a user's role, preferences and profile, and the security needs of the enterprise. With IBM WebSphere Portal software, organizations can integrate business applications, workflow, content and presence awareness in a single, role-based environment, enabling users to gain easy access to information and resources, collaborate with other portal users inside and outside the company, and respond more quickly to customer needs.

You know that your ability to increase revenues and reduce costs is directly related to your ability to make the right decisions. To collect relevant information for better decision making, WebSphere Portal software brings together highly customized views, using a single infrastructure to collect applications and information, and to support your business decisions. The collaborative capabilities of the portal, such as instant messaging, can also improve the decision-making process by putting users in touch quickly with the people most able to help them make a decision.

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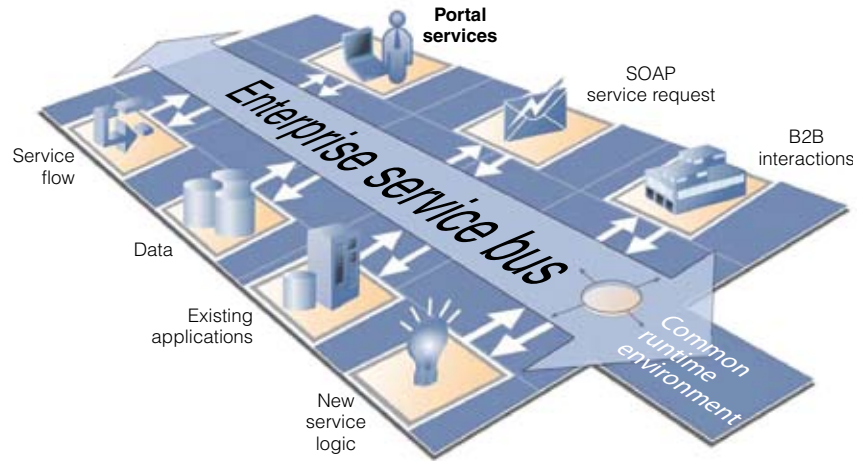
Portals also offer increased competitiveness through operational efficiencies. You can actually increase levels of customer service while simultaneously reducing costs and gaining potential for greater return on your technology investments. In a customer service scenario, static, commonly requested information or account management tasks, such as change of address, claim forms and beneficiary changes, are easier to access and process by customers themselves through a portal—at lower cost to you. The portal also assembles information that traditionally has been kept separate, such as policyholder information for disparate policies—property, life, auto—giving agents a clearer picture of their customers.

What a portal is *not* is a replacement for any channel: portals are an enhancement of all channels. They support integration with your customer relationship management systems and your call center activities. Because it connects systems and processes, the portal provides your agents with lead generation and other activity triggers that might otherwise fall through the cracks. Portals also give insurance companies a vehicle for delivering tiered offerings to aggregators and independent underwriters according to volume or other criteria.

Before implementing an IBM portal solution, Prudential Insurance presented its policyholders with a different Web site for each line of business, and account access was not consolidated. There wasn't a common look and feel or any personalization capabilities. Today, an IBM WebSphere Portal solution provides a single platform for deployment of integrated Java™ technology-based and non-Java applications. Now Prudential policyholders can access their updated account information in real time and across products, learn about various Prudential offerings, find market information and read commentaries from Prudential analysts. There's also a transactional component to the site that allows policyholders to pay bills, saving customers time and saving Prudential money.

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*A service-oriented approach offers faster and more responsive integration of applications and business processes.*

**Creating the ideal infrastructure for portals**

To employ a portal solution effectively, insurance companies must have the proper infrastructure. An SOA is the ideal foundation for an insurance portal. An SOA is a technical architecture that takes everyday business applications, such as customer relationship management (CRM) systems or claims processing, and breaks them down into individual business functions and processes, called *services*.

After an insurance company defines its competencies, each one can be executed as a service and then combined and recombined to support the different activities and changing needs of the insurer. A service could be a business function such as *confirm policy* or a system capability such as *log in user*. The role of the portal is to act as the delivery mechanism for services, aggregating them and exposing them to each unique audience in a highly secure and personalized way.

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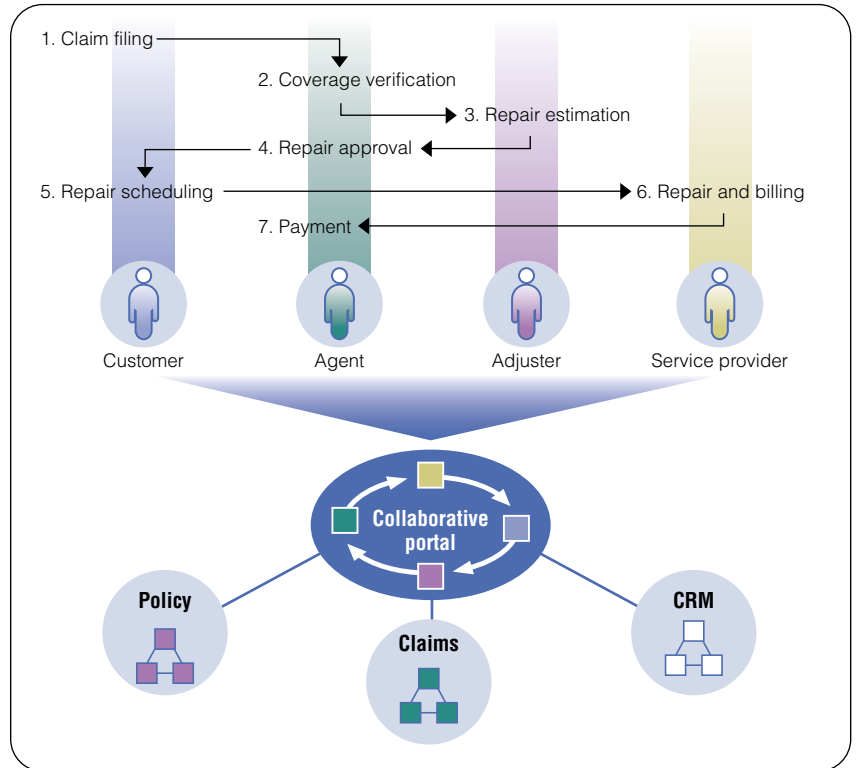
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*An example of an insurance agent's portal, where customer histories, sales activities, corporate messages, product information and other relevant information are assembled in one place*

A common function of an insurance portal is to customize an agent's view of his or her business. The portal can provide quick access to the applications most needed to do each job, such as filing claims, pursuing new business, sharing application information with underwriters and checking the status of payments. Just as important, the portal filters out information that is not relevant, such as products not offered by the agent because of licensing or prohibited by law in a particular state or country.

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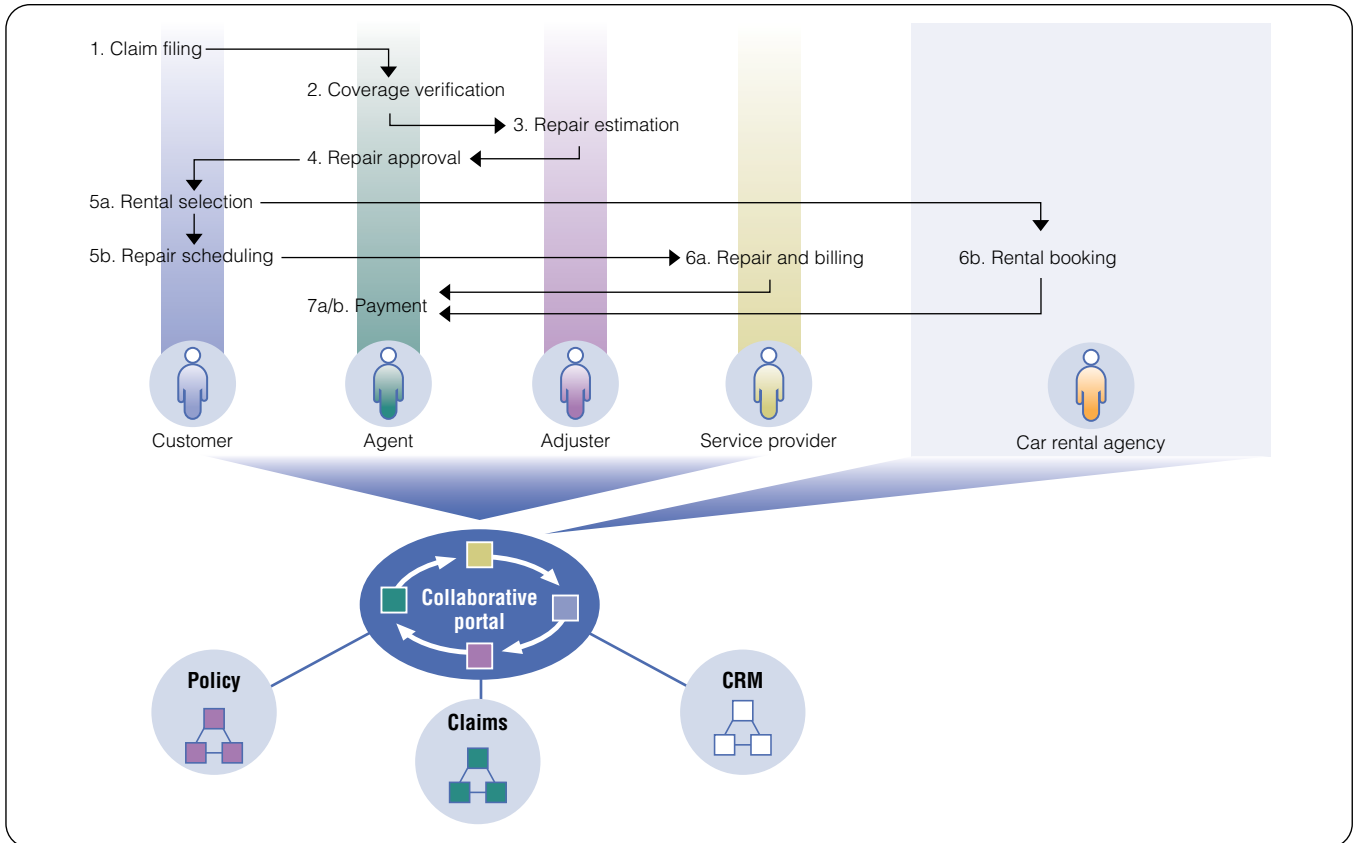
*Each audience requires unique information throughout the claims process. The portal gathers the necessary information from back-end systems or third-party services, and creates customized front-end views.*

To further improve productivity and streamline business processes, multiple portal applications, or portlets, can be choreographed to facilitate the execution of an end-to-end process (which can be especially useful when multiple people are involved in a single business process).

In the case of an auto claim, for example, different portlets and personalized portal pages can be created for the individual users in the process: the customer, the agent, the adjuster and the service provider. The seemingly simple act of filing a claim for an auto accident initiates a sequence of coordinated activities, wherein different users interact to execute specific tasks. To perform these tasks efficiently and make quick, accurate decisions requires access to key information.



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*Users are provided with information based on their roles and according to their responsibilities in a process. In this case, the policyholder's need for a rental car triggers a connection to an external rental car agency.*

The customer must file a claim with access to forms and policy information, such as coverage and deductibles. The agent may then need to perform policy verification and confirm payment status. Adjusters need to be assigned to claims according to their territories and workloads, and they need access to information about preferred service providers, such as body shops. Finally, service providers need access to billing processes and reimbursement resources.

Each audience can then use the portal for a variety of purposes, yet the portal captures and delivers information relevant for each user.

The componentization of business processes allows insurers to extend those processes (in the form of services) to customers, partners and suppliers as warranted, or recombine them as new market opportunities arise.

### **The business value of portals**

Portals can deliver significant business benefits that go beyond improved productivity. The productive and collaborative environment enabled by portals can help an insurance company achieve greater business flexibility and agility, hallmarks of an On Demand Business. As defined by IBM, an On Demand Business is an enterprise whose business processes—integrated end to end across the company and with key partners, suppliers and customers—can respond with flexibility and speed to any customer demand, market opportunity or external threat. IBM WebSphere Portal software provides dynamic access to information and applications, thereby enhancing collaboration between users and enabling insurers to respond in real time to changing market conditions.

An integrated portal solution can help insurers realize the following business benefits:

- *Cost savings—build and deploy applications and services faster; consolidate the procurement of hardware and software; and reduce back-office staff and administration costs*
- *Operational efficiency—enable internal employees and external partners to communicate through one channel; link event-based, cross-functional business processes; increase data accuracy; and speed decision making*
- *Revenue generation—provide more cross-selling opportunities to employees; leverage knowledge experts through enhanced collaboration and learning; expand market share; and move into new markets*
- *User satisfaction—increase customer retention through enhanced service capabilities; improve productivity with easier access to information; and gain a competitive distinction by enabling superior customer service*

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**A trusted provider of technology in insurance solutions**

In today's highly dynamic market, insurers need to improve their productivity as a means to enhance customer satisfaction and increase business responsiveness, and optimally leverage their human and IT assets to differentiate themselves and maintain a competitive edge. With IBM WebSphere Portal software, insurance companies can integrate their electronic user environment to become a single, cohesive interface and provide employees with easier access to the information and resources they need to be more productive. Insurers can feel confident that IBM can help them achieve their business initiatives with integrated and proven portal solutions.

**For more information**

To find out more about IBM WebSphere Portal software, visit:

**[ibm.com/websphere/portal](http://ibm.com/websphere/portal)**



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<sup>1</sup> Deborah M. Smallwood, "Taking a Pulse on Insurance" 2004, TowerGroup.

<sup>2</sup> IBM WebSphere Portal software is a single component of the IBM Workplace family of offerings.