



Achieving Profitable Growth in Insurance

BENEFITS

Increased operational efficiency

- End to end process automation, integration and management
- Improving the productivity of people and system resources

Reduced costs

- Lower policy and claims servicing costs
- Minimized claims leakage

Improved customer service

- Faster processing cycles for new business, claims and other activities
- Self-servicing for agents, distributors and customers
- Greater visibility and understanding of the customer via a single, real-time customer view

Greater business agility

- Increased process flexibility to react promptly to changing business and market conditions
- Faster time to market for new products and services through improved re-use of existing IT assets

Increased customer value

- Leveraging inbound customer interactions to cross-sell additional products and services



The economic realities of today's insurance market make it harder than ever to achieve profitable growth. Among the challenges insurers face are increasingly complex distribution channels; IT systems that are aging, complicated and often incompatible with their business; inefficient business processes that require too much manual intervention; and competitive pressures—particularly from new market entrants.

With these challenges comes the need for insurers to reduce costs while growing their business. However, focusing solely on financial goals is an incomplete strategy. To ensure long-term success, forward-thinking insurers recognize the need to adopt a more customer-centric approach: getting to know their customers better, improving customer service, and optimizing customer value through targeted cross-sell opportunities. All of this needs to be addressed in an ever-changing regulatory environment where insurers face increased scrutiny and must strive to meet profitability goals while operating in a transparent manner.

Five Steps to Profitable Growth

Achieving profitable growth requires insurers to focus on five key areas:

- 1 Effective Distribution
- 2 Faster Policy Issuance
- 3 Cost-Efficient Policy Servicing
- 4 Streamlined Claims Servicing
- 5 Intelligent Real-Time Cross-Selling

TIBCO offers solutions that enable insurers to achieve these goals while leveraging existing assets and skill sets.

The Role of TIBCO in the Five-Step Approach to Profitable Growth

To manage distribution more effectively, TIBCO's SOA software helps insurers to speed time to market of products and services by enabling them to build new applications through the re-use of discrete, operationally independent components or services.

To speed up policy issuance, TIBCO's BPM software streamlines, automates and integrates the new business process – eliminating the need for re-keying data, minimizing manual intervention and setting deadlines to ensure certain tasks are completed within stated timeframes.

To service policies more cost-efficiently, TIBCO's BPM software bridges automation gaps in the process and enables insurers to standardize on best-in-class practices across different channels and product lines. TIBCO's SOA software helps to improve access to policy data by reconfiguring policy applications and data into discrete, reusable services.

To streamline claims servicing, TIBCO's BPM software automates the end-to-end claims management process – shortening claims settlement cycles and improving the consistency of claims outcomes.

To increase customer value, TIBCO's SOA and business optimization software enables intelligent real-time cross-selling – creating a single real-time view of the customer across the different lines of business and detecting opportunities in real-time to cross-sell additional products only if they are relevant to the customer.

“At the outset, we realized we needed to achieve a reduction in operating costs, improve sales and provide a tool for predicting customer case volumes to better compete in this sector. This [BPM system] has dramatically reduced cycle times and helped us to manage a growing volume of customer cases.”

Helen Fagerheim, Director, Nordea Life

Effective Distribution

While agent-based sales continue to dominate the insurance market, distribution channels have proliferated and become complex, particularly in the life sector. To effectively leverage their distribution channels, insurers need to become easier to work with for agents and distributors. For this to happen, carriers must make agents and distributors an integral part of the business and overcome the complexities of multiple channels serving the market.

In order to manage distribution more effectively, insurers need to become “plug and play” operations. However, this is difficult due to the inflexibility of their legacy systems. By adopting a service oriented architecture (SOA) approach, insurers can improve business agility and offer distributors fast, real-time access to policy and claims data by breaking down applications into individual business functions and making them available as re-usable components or services. This componentized platform leverages existing IT assets, reduces costs and speeds time-to-market by enabling new applications to be built through the re-use of these services. An SOA also establishes a foundation for the future – offering insurers a way to not only extend their legacy assets but also to decouple and replace them with new applications over time, should they wish to.

Faster Policy Issuance

The increasingly fragmented nature of the insurance value chain requires better orchestration between different steps of the customer acquisition process to provide a seamless experience to the customer. Incomplete data, inaccurate data, multiple hand-offs, and the re-keying of data are just some of the challenges insurers face when issuing new policies—all of which can often lead to lengthy new business processing cycles and a lack of control and visibility as to who's doing what in the process.

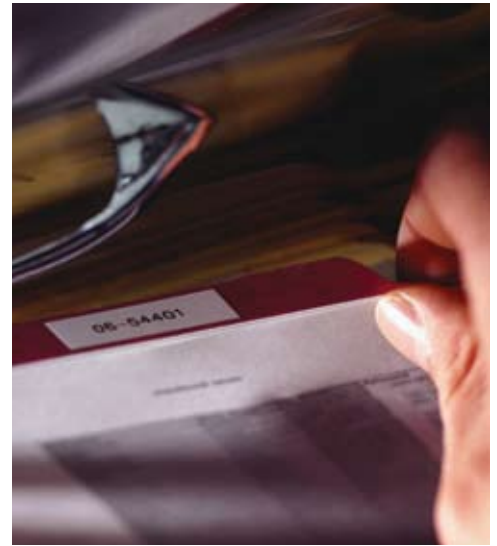
To address these challenges, insurers can leverage business process management (BPM) technology to streamline, automate and integrate new business processes to achieve faster policy issuance times.

By enabling parallel processing, BPM helps to improve the insurer's responsiveness by allowing non-dependent processes or sub-processes to execute simultaneously and setting deadlines to ensure that certain tasks, activities or processes are completed within required timeframes. By providing self-servicing capabilities, BPM also ensures that agents, distributors and customers become an integral part of the process. New applications can be submitted online and agents can track the progress of existing ones.

From a regulatory perspective, BPM allows insurers to build compliance into their processes. Individual audit trails are generated for every application processed, ensuring transparency and proof of compliance.

Allianz Ireland

Based on TIBCO BPM, Allianz Ireland has built a claims management system for its property claims division. As a result, Allianz has seen significant productivity improvements. Staff resources in the customer facing teams are leveraged using TIBCO's work reallocation functionality, which automatically reassigns work from absent or overloaded employees to other team members to complete. The number of inbound calls to claims processing agents from brokers and loss adjustors requesting updates on existing claims has also been reduced as these external third parties can now view the status of new and existing claims online. Deploying TIBCO BPM has enabled Allianz to achieve an 80 percent increase in efficiency, with claims processing reduced from weeks to days. Allianz achieved a return on its investment in just six months.



Cost-Efficient Policy Servicing

Life insurers in particular are beginning to recognize the impact that improving the efficiency of their policy administration systems can have on driving down operational costs. Difficult to access and costly to maintain, aging legacy policy systems make policy servicing a challenge. Data and hard-coded process steps are often trapped in these systems, making it hard for insurers to maintain flexible, efficient processes and to provide shared access to data for real-time transactions.

Adopting an SOA approach overcomes this lack of access to data by decomposing and reconfiguring monolithic policy applications and data into discrete, operationally independent components or services.

Similarly, leveraging BPM technology can reduce the cost and complexity of policy servicing by streamlining and automating these processes end to end, bridging automation gaps and standardizing on a set of best-in-class practices across different channels and product lines. Doing so enables insurers to improve productivity and maximize available resources by balancing workloads across different locations or processing centers.

Streamlined Claims Servicing

Retaining existing customers is always more cost-effective than acquiring new ones and, for property and casualty (P&C) insurers in particular, the claims experience is pivotal to customer retention.

BPM technology can help insurers strike the right balance across the three fundamental pillars of a claims strategy: claims efficiency, claims effectiveness and customer service. Through automation of the claims management process, BPM can shorten claims settlement cycles by minimizing manual intervention and enabling straight-through processing (STP) of certain claim types while, at the same time, improving the consistency of claims outcomes.

Productivity is increased through automated claims allocation to claims handlers and automated routing of claims to third party suppliers such as loss adjusters and auto repairers.

Through greater control and visibility of the end-to-end claim lifecycle, BPM can also help insurers reduce claims leakage by minimizing the risk of incurring unnecessary costs.

“With TIBCO, we have experienced an 80% increase in efficiency. The timeframe has quite literally contracted from weeks to days. After 6 months, well before the traditional 18-month review, we knew that we had already secured a return on our investment.”
Karen Forte, Head of IT, Allianz Ireland



TIBCO Software Inc.

(NASDAQ: TIBX) is the leading independent business integration software company in the world and a leading enabler of real-time business, helping companies become more cost-effective, more agile and more efficient. TIBCO has delivered the value of real-time business, what TIBCO calls The Power of Now[®], to thousands of customers around the world and in a wide variety of industries.

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Intelligent Real-time Cross-Selling

Existing customers present a range of add-on revenue opportunities, but to tap into these successfully, insurers need to know and understand their customers much better than they do today. Silos of customer information across different product lines and lines of business often make it difficult for insurers to gain a 360-degree view of their customers.

Deploying an SOA where customer data can be consolidated and integrated across the different product silos can provide that single, accurate customer view. This enables employees to have real-time access to the right customer information so they can understand a customer's current and potential value, interaction preferences and contact history, and be able to make intelligent recommendations for the customer.

Managing customer information in this way can then lead to opportunities for intelligent inbound cross-selling in real-time. Deploying business optimization technology helps insurers to detect opportunities to cross-sell a product or service in real-time when the customer contacts the insurer— be it via the call center, their agent or online—and can predict the best next product that may be of interest to that particular customer.

Leveraging a customer's inbound interactions and being in a position to offer additional products or services only if they are relevant and suited to that customer can help create a win-win situation for the customer and insurer— increasing both customer satisfaction and customer value.

Conclusion

By providing a robust, scalable and reliable environment for integrating people, systems and data, TIBCO enables insurers to capitalize on their existing IT assets as well as delivering an architecture for the future. By offering solutions for insurers to manage distribution more effectively, speed up new business, reduce the costs of servicing policies and claims and leverage relevant opportunities to cross-sell other products and services, TIBCO is helping insurance organizations build stronger customer relationships, improve operational efficiency and achieve sustainable, profitable growth.

To learn more about how TIBCO can help your organization, please visit the TIBCO Web site at **www.tibco.com**.