

## ACORD XML for P&amp;C Case Study

Providence Washington  
Metaserver

Providence Washington and Metaserver's P/C Carrier  
Integration Solution

April 2003

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– Ed Leveille, CIO, Providence Washington

### PROFILE

Providence Washington (PW) is a multi-regional property & casualty insurance company committed to providing local, professional advice to its policyholders through select independent agents. These agents interact with prospective clients, providing quotes and obtaining applicant information. They then pass on the information to Providence Washington for underwriting. As with the majority of agency-carrier arrangements, ACORD XML standards play a pivotal role in the process.

### CHALLENGE

Providence Washington's new business cycle was a prime candidate for a business process integration (BPI) solution. When agents place business with PW, they must fax or mail the paperwork to the company, even though the information already exists in the agent's management system. The manual processes and handoffs do not end here. The underwriters require reports (motor vehicle, prior loss and credit reports, for example) from many external systems during the underwriting cycle, and if the application is approved, the application details and billing information need to be re-keyed into PW's policy administration systems. The policies are processed in batch overnight and the insured's information is downloaded back to the agency management system. Finally, the policy is printed and assembled for mailing.

The combination of manual handoffs, multiple back end systems and paper-intensive procedures added up to a six-week policy issue process. This hindered PW's ability to grow its business, especially because its independent agents have begun demanding near real-time transactions. This is especially true for those agents who have adopted an agency management system that supports IVANS, AMS, or other automated application submission systems.

### REQUIREMENTS

Metaserver's PC Carrier Integration Solution is being implemented in phases. The first phase focuses on new business for private passenger auto and homeowners insurance. For the first phase, the requirements for the Metaserver solution include:

- The capability to transform incoming ACORD XML data and load it into Providence Washington's business applications.
- The ability to model business processes graphically and define interactions between applications and data.



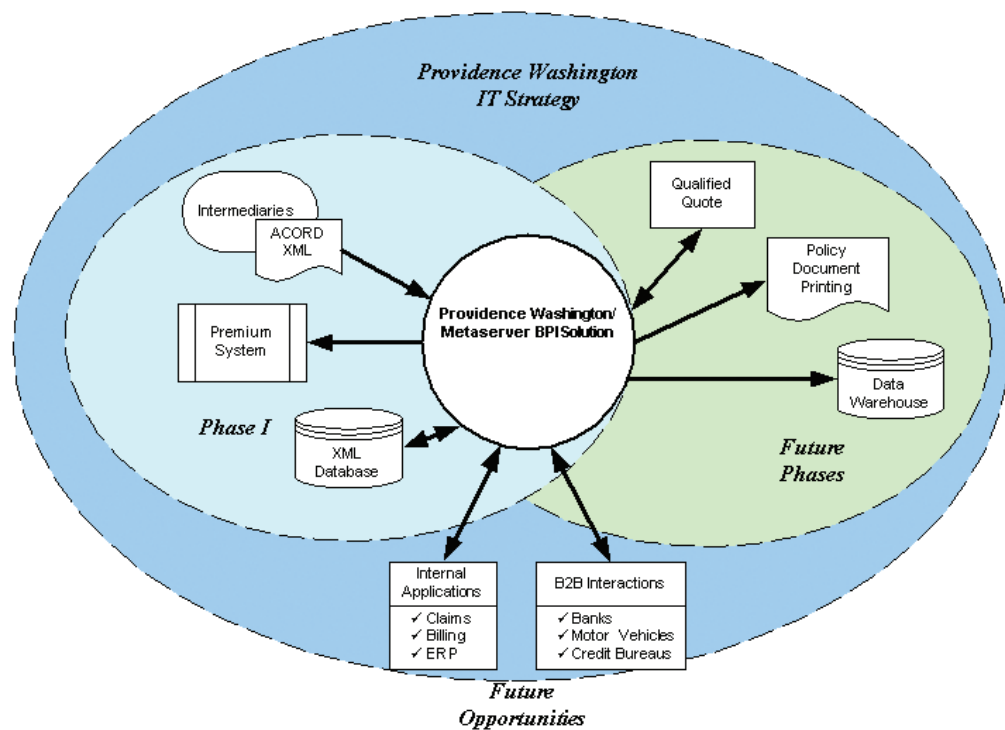
- The development of a message queuing facility for error handling and the queuing of data if any business applications are temporarily unavailable.
- The creation of an XML database to preserve transaction history and allow Providence Washington to run ad-hoc reports.

### APPROACH

Metaserver and PW are taking an incremental approach to integration and focusing on demonstrating ROI (return on investment) in the short term. At the same time, PW is positioned to realize long-term benefits because of Metaserver's reusable component model and extensive connectivity capabilities.

The first phase of the BPI solution enables independent agents to send new business data electronically for private passenger auto and homeowners insurance. This data is being delivered to PW in ACORD XML format via IVANS Transformation Station. Diagram 1 below shows the PW/Metaserver environment for this phase and subsequent initiatives.

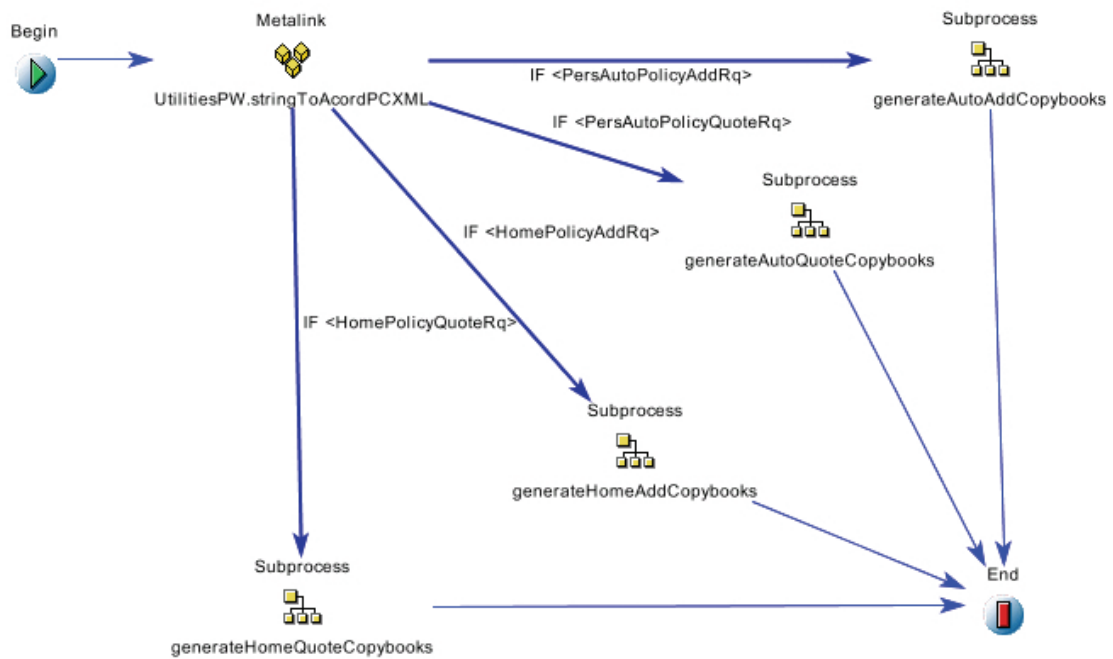
Diagram 1



Using Metaserver's Modeling Environment (MME), PW business analysts are modeling automated processes to receive the data, transform it, and load it into the back-end applications that require the data. In addition, the data will populate a Tamino XML database, so PW will have an audit trail and a database against which it can run reports. A sample graphical business process is shown in Diagram 2.



Diagram 2



Metaserver is accessing applications and data currently managed on PW's AS400 via its database connector, which includes a DB400 driver. The connector allows for the creation and execution of complex queries and updates to DB400 data structures in the context of the business processes PW is modeling in the MME.

The MME is also enabling PW to map data and transform it as necessary to accommodate external data formats and internal data structures. For example, PW is using Metaserver to move data from ACORD XML transactions to COBOL-copybook compliant data structures that can be used to feed PW's premium system. In addition, PW is using Metaserver to move data from ACORD XML transactions to the XML database described above.

The MME also features sophisticated error-handling capabilities that PW is using to create a message queuing facility in the event any receiving back-end system is temporarily unavailable.

## RESULTS

PW plans to roll out the new BPI solution to its agents in April, so at the time this case study was published specific ROI measurements were not yet available. However, Ed Leveille, Providence Washington's CIO, provided the following testimony. "Calculation of a true ROI will be difficult but we anticipate gaining three key efficiencies as this process is embraced. First, our agents will be able to get quotes and issue policies significantly faster. Second, our internal staff will be able to focus more time writing and issuing new business rather than quoting business we do not get. Third, the quality of the data will be significantly improved since the additional task of re-keying the data from a paper document will be eliminated. We believe the combination of these three benefits will allow us to process significantly more business without the need to add internal staff. Achieving these efficiencies is attributable in good part to the use of ACORD standards at the core of the solution."

With Phase I requirements completed, PW is on track to realize several other significant benefits. These include:

- **Leveraging of existing technology investments.** Metaserver's BPI solution did not require PW to buy messaging servers or application servers or overhaul its infrastructure. PW can take maximum advantage of systems that already provide significant business value.

- **Reusability of Metaserver components.** Metaserver's component-based approach will allow PW to reuse functionality in subsequent project phases, drastically reducing the time it takes to develop additional projects.
- **Scalability to future standards and applications.** Metaserver's standard-based approach allows PW to develop processes today that are kicked off by external services such as IVANs, but at any time, PW can leverage the same processes and deploy them as Web services, for example. This will allow PW to adapt quickly to future needs and create new business opportunities.
- **Maintenance cost savings.** When new business rules or data requirements come into play, PW can quickly adjust its graphical Metaserver processes as opposed to the cumbersome alternative of wading through custom code.
- **Connectivity to additional external and internal applications.** Now that Metaserver is in place, connecting to new or legacy applications is easily accomplished without low-level coding or scripting. This will allow PW to quickly fold in new systems into existing processes or create new processes that interact with additional systems.

The bottom line is that the ACORD standards compliant Metaserver solution will result in the ability to generate new business more quickly, along with greater agent satisfaction, fewer operating costs, better customer service, and more flexibility for PW, all of which add up to a distinct competitive advantage.

#### FUTURE

Among the many benefits of Metaserver is its flexibility, enabled in large part because Metaserver is based on open standards and is designed for reuse. To this end, PW expects to begin several new BPI initiatives in the upcoming months. These include:

- **Renewal Download Project.** This project will feed renewal data for every line of business from PW's AS400 to the PW ColdFusion/SQL-based quoting system. Metaserver again will be used to populate the Tamino database for storage, so there will be significant reuse from the current personal lines initiative.
- **Feeding of Policy Transactions to the AS400.** PW is expanding its current quoting system to include functionality such as renewals and endorsements and will use Metaserver to send policy transaction information to the AS400.
- **Feeding of Premium Billing Data to the Billing System.** Billing information from PW's quoting system will need to be uploaded to its billing system. PW also needs the capability to feed non-payment cancellations from the billing system back to the quoting system so the quoting system reflects the current policy status. PW can use Metaserver to accomplish both of these tasks.

