QUEST – A Quotation and Underwriting e- Commerce enabled Sales Tool

New Zealand Insurance (NZI) was formed in 1859 and is one of New Zealand's largest and longest serving general insurance companies. At the time of our involvement NZI was part of the Aviva Group representing the largest insurance group in the UK with revenue over $100 billion.

In 2001 NZI had approximately $340 million in gross written insurance premiums and experienced their eleventh successive year in returning a profit from their underwriting business.

Quest was conceived as a single system developed progressively.

The Challenges

NZI wanted to optimise their policy sales processes through a customer centric view of pricing, accepting and documenting insurance contracts.

The QUEST project was to focus on providing a tool to support the sales of new business, with the scope of the QUEST system eventually expanding to include other processes such as endorsements, renewals, cancellations and related payments.

The key business objectives of QUEST were:

❑ Implementation of a single process from quote to sale
❑ Reduction of fraudulent purchases by processing quotes to sales immediately
❑ Improve data quality to assist management reporting
❑ Eliminate the 're- keying' of data from sales tools into the policy management application

Quotation and underwriting processes used by NZI were supported by a number of systems employing a combination of manual processes and automated tools. In particular, there were multiple quotation systems and rating calculators.

Many of these tools were not aligned to the full policy life cycle and were not integrated with the core backend application, POLISY. The focus of these tools was on the operational aspects of capturing new business rather than customer focused processes.

The RHE Solution

RHE & Associates Limited (RHE) was engaged by NZI as a strategic development partner on the QUEST project. RHE worked closely with NZI from the capture of requirements and architecture definition through to software implementation and support

The solution was based on a consistent and open architecture to enable NZI to fully participate via e- commerce with their customers and business partners.

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NZI and RHE defined an architecture based on a J2EE reference model and selected various tools and technologies including

❑ IBM Websphere Application Server
❑ IBM LDAP Directory
❑ IBM MQ Series Messaging
❑ Xalan and Xerces XML and XSLT parsers
❑ IDIOM Decision Server

The key design considerations for the solution were:

❏ Ability to support many channels and interfaces (HTML, WAP, XML, b2b)
❏ Reduce the time to market for new products by reducing the amount of code required to support products
❏ Enable the business to maintain rating rules through the use of declarative not programmatic rules
❏ Provision of a framework for ongoing product development
❏ Improve the consistency of underwriting by implementing configurable products and rating components

The following key components and concepts of the QUEST architecture demonstrate the design goals of implementing a framework for ongoing development and enabling product development with minimal code development.

Configurable Product

This component supports and defines the structure of a common product and manages variations from this definition by exception. The configurable product component allows new products to be added very quickly as other components in the QUEST solution can interact with each product based on its generic behavior.

Configurable Product Management

This component provides the services for product/contract management such as data acquisition, data validation, data enhancement, rating, authorisation and completion. The IDIOM Decision Server was selected as the tool to manage and implement business rules via declarations and definitions. The IDIOM decision server allows an XML document to be decorated with business rules in the form of decisions, formulas and rules, which are then printable in a user friendly form.

Configurable Product Interface

The QUEST architecture, although based on a J2EE reference model, is very XML centric. The Configurable Product Interface provides a framework that generates HTML screens from an XML document. This transformation is performed using standard XSLT transformations and has been designed to allow new products to be added and maintained with very little code development.

The Benefits

The initial phase of the QUEST project (released in December 2001) was very successful.

NZI realised their initial business objectives including

❏ Improvement in data quality through the reduction of 're-keyed data' into the policy management application
❏ Implementation of a single sales process - NZI observed an increase in the quote to sales ratio for the products serviced by the QUEST application

Phase 2 of QUEST (released in June 2002) was also successfully implemented and enabled NZI customers to:

❏ Receive quotes and purchase insurance over the Internet at a discount price of 10%.
❏ Pay instalments bills by credit card (monthly/annually).

Development of some further phases of Quest was suspended after NZI was acquired in 2003. These were to cover:

❏ Enablement of NZI partners (bonus users) to access the NZI internal system (Quest Expert Application) over the Internet
❏ Enhanced printed documentation
❏ Enabling the collection and analysis of marketing information via an Online Survey Application.