

# Standards For Success

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# Session Goals

## Session attendees will:

- understand some of the challenges facing The Hartford and the P&C industry, why they are impacting us and how you can manage them.
- see The Hartford's adoption of standards as a critical success factor in executing their business model.
- understand how The Hartford is using Service Oriented Architecture Designs, XML ACORD Messaging Standards, Business Rules Management and Automated Decision Support to reach business objectives.





# Who is The Hartford?

## 2003 Revenues

– \$18.7 Billion

## 2003 Assets

– \$225.8 Billion

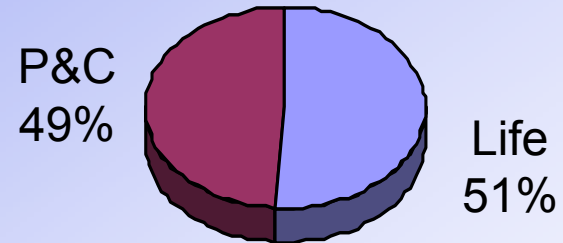
## Employment

– WW 30,000

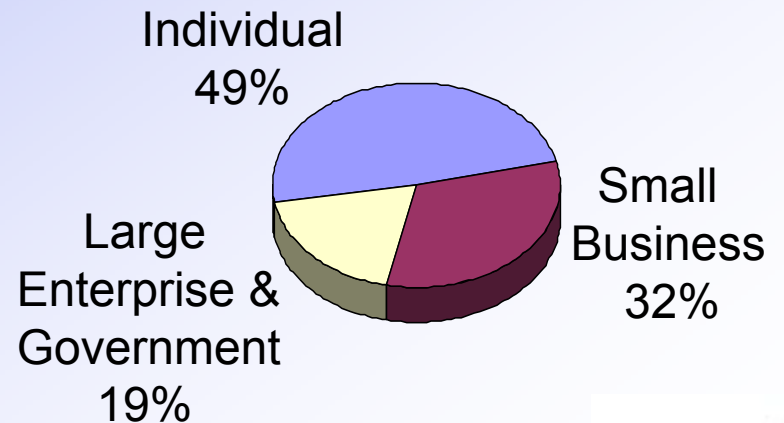
– US 27,600

– CT 11,500

### Business Mix



### Customer Base





# Challenges

**Business Service Integration**

**Business Process Optimization**

**Speed of Change and Flexibility**

**Legacy Systems**

**Leveraging Data for Better Decisions**

**Managing Business Rules**



# Challenges

## Business Service Integration

### Why?

- Offer more than one way to do business
- SEMCI vs. Proprietary
- Propagation of multiple Interfaces (CRM, Agent, Customer...)





# Challenges

## Business Service Integration

### How?

- Standards are the key to consistency
- Modular architecture
- Real-time policy and service transactions

# Challenges

## Business Process Optimization

### Why?

- Need for lower operating costs in business and IT
- Shorten product development cycles
- Increase product flexibility
- Customers want ease of use



# Challenges

## Business Process Optimization

### How?

- Tight Business/IT alignment
- Straight-through Processing
- Automated underwriting
- Position Business Rules for change
- Service Oriented Architecture
- Standard ACORD XML message





# Challenges

## Speed of Change and Flexibility

### Why?

- Regulation changes
- Emerging markets
- Underwriting strategy refinement



# Challenges

## Speed of Change and Flexibility

### How?

- Transform legacy into business rules
- Position rules for review and change by the business
- Transpose application logic into understandable rules
- Understanding breeds confidence...better, faster decision-making!





# Challenges

## Legacy Systems

*Can you (not) afford the costs or risk of major conversion?*

### Why not?

- Mission critical application renovation
  - Costly -- competing investments
  - Risky -- business disruption

### Why?

- Opportunity to overhaul business structure and processes



# Challenges

## Legacy Systems

*Can you (not) afford the costs or risk of major conversion?*

### How?

- Selective renovation
- Extract business decision points from Legacy code
- Expose decisions in a readable format
- Execute decisions with a callable Business Rules Engine Service
- Manage the cost... mitigate the risk... seize the opportunity!



# Challenges

## Leverage Data for Better Decisions...

### Why?

- Markets are changing at a rapid rate
- Customers expect instant recognition and satisfaction
- Fine tune processes
- Increase productivity



# Challenges

## Leverage Data for Better Decisions...

### How?

- Extract and track business decision points
- Use trending analysis and what-if scenario research
- Quickly and easily adapt to changing market conditions
- Seize opportunities to automate decision support



# Challenges

## Managing Business Rules

### Why?

- Business Rules are everywhere
- Operational excellence requires the consistent execution of Business Rules
- Rules influence the behavior of people and systems



# Challenges

## Managing Business Rules

### How?

- Business Rules approach to application revitalization
- Centralized and authoritative source for rules
- Position rules for rapid change



# Business Rules Approach

**A formal way of managing and automating an organization's business rules so the business behaves and evolves as its leaders intend.\***

- The focus is business behavior (people and systems)
- The targets are business objectives
- Separate business logic from your application code and process implementation

\* Business Rules Applied, Barbara von Halle



# Conclusions

## Challenges

### What can you do?

- Tighten Business/IT Alignment
- Strategically Plan
- Incrementally Build
- Standardize
- Business Rules Approach
- Automated Decision Support



# Opportunities

## What has The Hartford done?

- Corporate Standards
- Common Architecture Role
- Enterprise ACORD data standards
- Leverage Common Business Rules Engine
- Business Rules Advisory Council
- ACORD Advisory Council

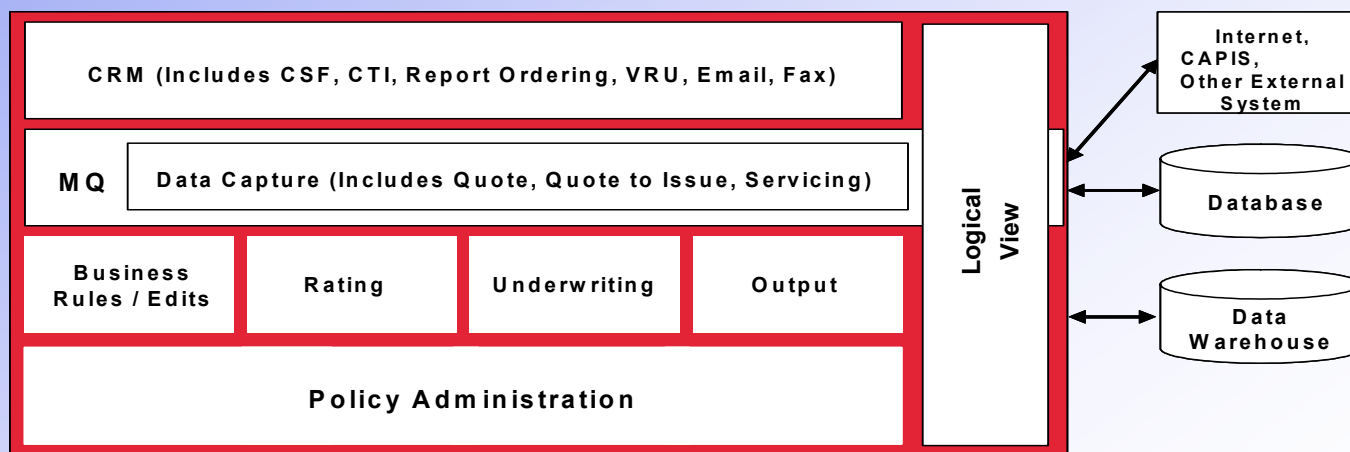




# The Hartford

## Personal Lines

## High Level Architecture



- Multi-Year program to incrementally
- Leveraging Open Standards, ACORD XML, and Components

# Success at The Hartford

## Personal Lines Benefits

SOA designs, XML ACORD, and BRM enables:

- Flexible, low cost product customization functionality that shortens product development cycles...new products with speed-to-market!
- Rapid decision-making and execution that has reduced product change cycles from 45 days to 10 days and rate changes from 10 days to 2 days leading to bottom-line and top-line growth.
- Real-time customer/product information allows Product Managers to confidently, quickly, and easily adjust rates and underwriting criteria in response to changing market conditions.





# The Hartford

## Commercial Lines

## Internal Services

- Underwriting Support Tools
- Decision Support

## External Services

- Policy Transactions
- Service Transactions



# Success at The Hartford

## Commercial Lines Benefits:

- Services are based on ACORD standards, so they are positioned for immediate re-use by other applications
- Increased Ease of Doing Business for Agents - reduced Missing Information call backs by 50%
- Common rules processing at agent and underwriting platform, reducing errors.
- Ability to react more quickly to support new data capture and underwriting business needs.
- Industry leader for implementations following ACORD standards.



# Session Goals Review

## Did you:

- see The Hartford's adoption of standards as a critical success factor in executing their business model?
- understand how The Hartford is using
  - Service Oriented Architecture Designs
  - XML ACORD Messaging Standards
  - Business Rules Management
  - Automated Decision Supportto reach business objectives?





# Questions

**Standards...**

**Benefits...**

**The Future...**

# Thank You