



How B2B Saves Money and Time

ACORD LOMA Conference

May 24, 2004

Northwestern Mutual Life Insurance Company
Milwaukee Wisconsin



Agenda

- B2B Defined
- A Practical Example
- The Technology
- The next step Broadening B2B
- The Technology needed
- Lessons Learned



Business to Business (B2B) Defined

IT – Director.com defines B2B as...

- “one of the most broadly used marketing terms in the IT world. In its simplest definition a B2B process is any business process between two companies that uses digital technology..”



Business to Business (B2B) Defined

- We do business to business communication all the time
- We may not do it digitally but by
 - Phone
 - Fax
 - Express Mail

The key in the definition is doing it Digitally.

A Practical Example



- In Black Jack should you split 8's when the dealer is showing a 6?
- If you are spending \$273,000 annually on copying and Fed Ex should you consider B2B?

Facultative Reinsurance the old way

I had better get reinsurance for this risk!



Mail Slot



I need four sets of copies to send to the reinsurance company!?



Reinsurance Co.



A



B



C



D

Facultative Reinsurance the new way

I had better get reinsurance for this risk!



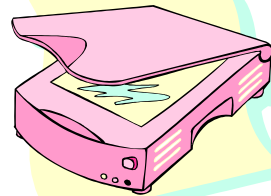
Image Please!



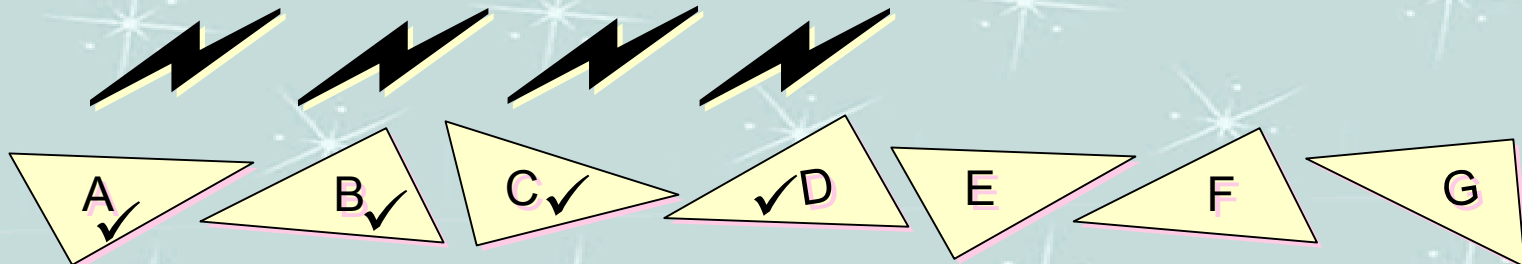
I need to scan this and send it on its way!



Scanner



Reinsurance Co.



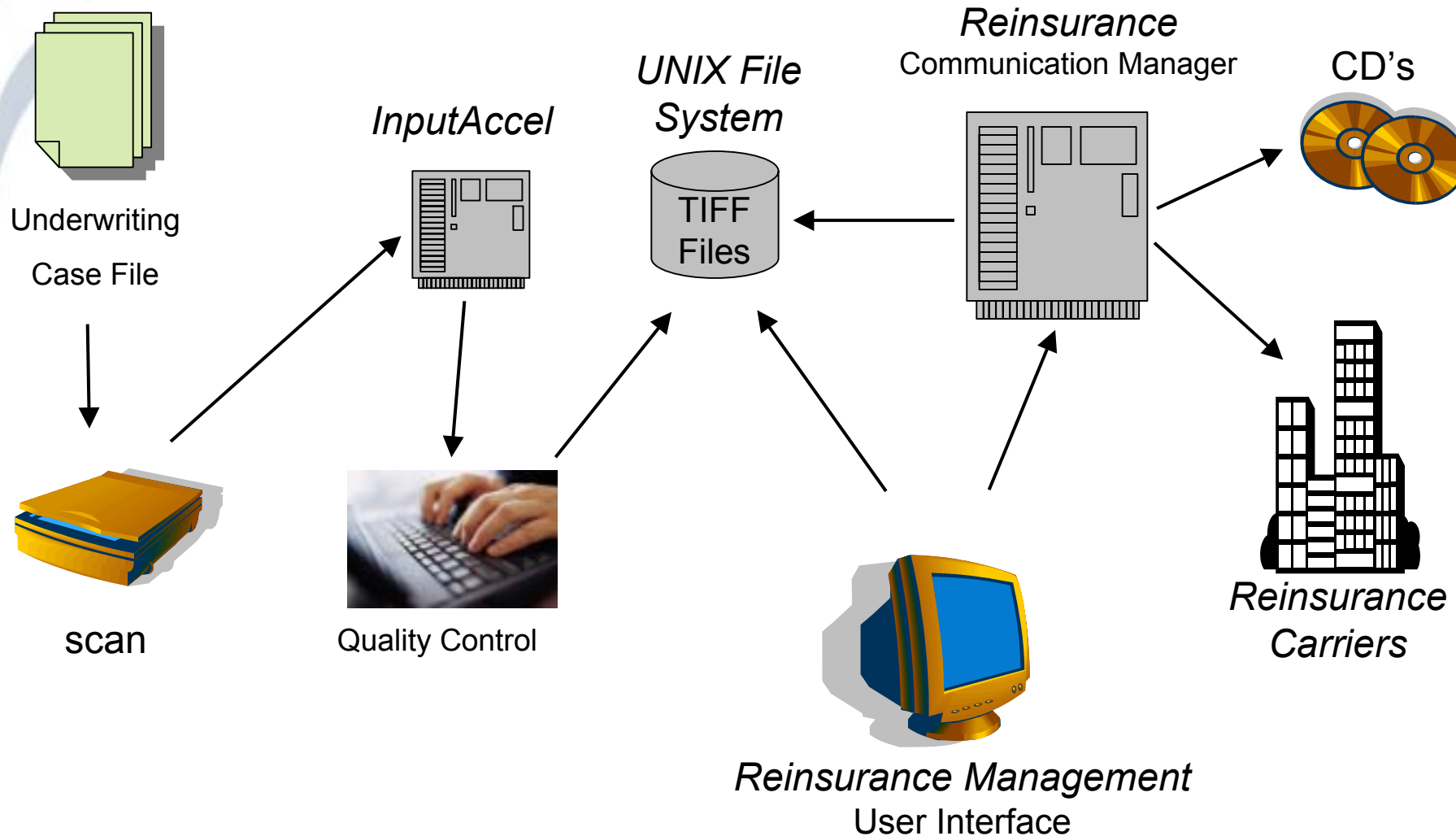
Design Highlights

- Document Scanning
 - Scan, storage, and retrieval of complete underwriting file
 - Scanning: Captiva's Input Accel
 - Storage: UNIX file system
 - Image Format: TIFF

- Reinsurance Management Application
 - Reinsurance Case Management
 - Review and submit underwriting case file to reinsurance
 - Management of reinsurance case distribution
 - Visual Basic 5.0 application
 - Updates to internal databases

- Reinsurance Communication Management
 - Management of communication channel to reinsurers
 - HTTPS Post multi-part form to majority of reinsurance carriers
 - CD Burning – electronic alternative or exception handling
 - Use of ACORD Life Facultative Request transaction (552)

Reinsurance Management Solution





The Next Step – Broadening B2B

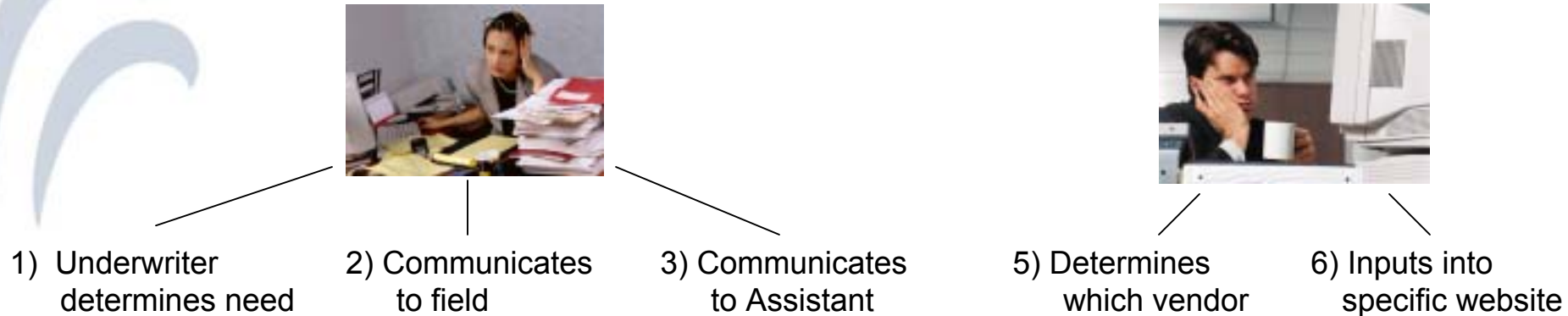
- In Black Jack should you split 8's if the dealer is showing an Ace?
- If you are currently using a Business Partners Web site do you need B2B?

Requirements Ordering Project Overview

- During 2002, NM piloted the use of selected vendors Web Sites for ordering Attending Physician Statements (APS).
- The web-based ordering process had some drawbacks:
 - Inconsistent format of Web pages for Home office users to create order
 - Redundant data entry of information that was already captured in our systems
- The Outsourcing Medical Records Retrieval Project was developed to improve the speed and efficiency of ordering medical records from vendors.

Requirement Ordering Service System

Old Method – 10 Minutes per Record



New Method – < 2 Minutes per Record



Communication Automatic

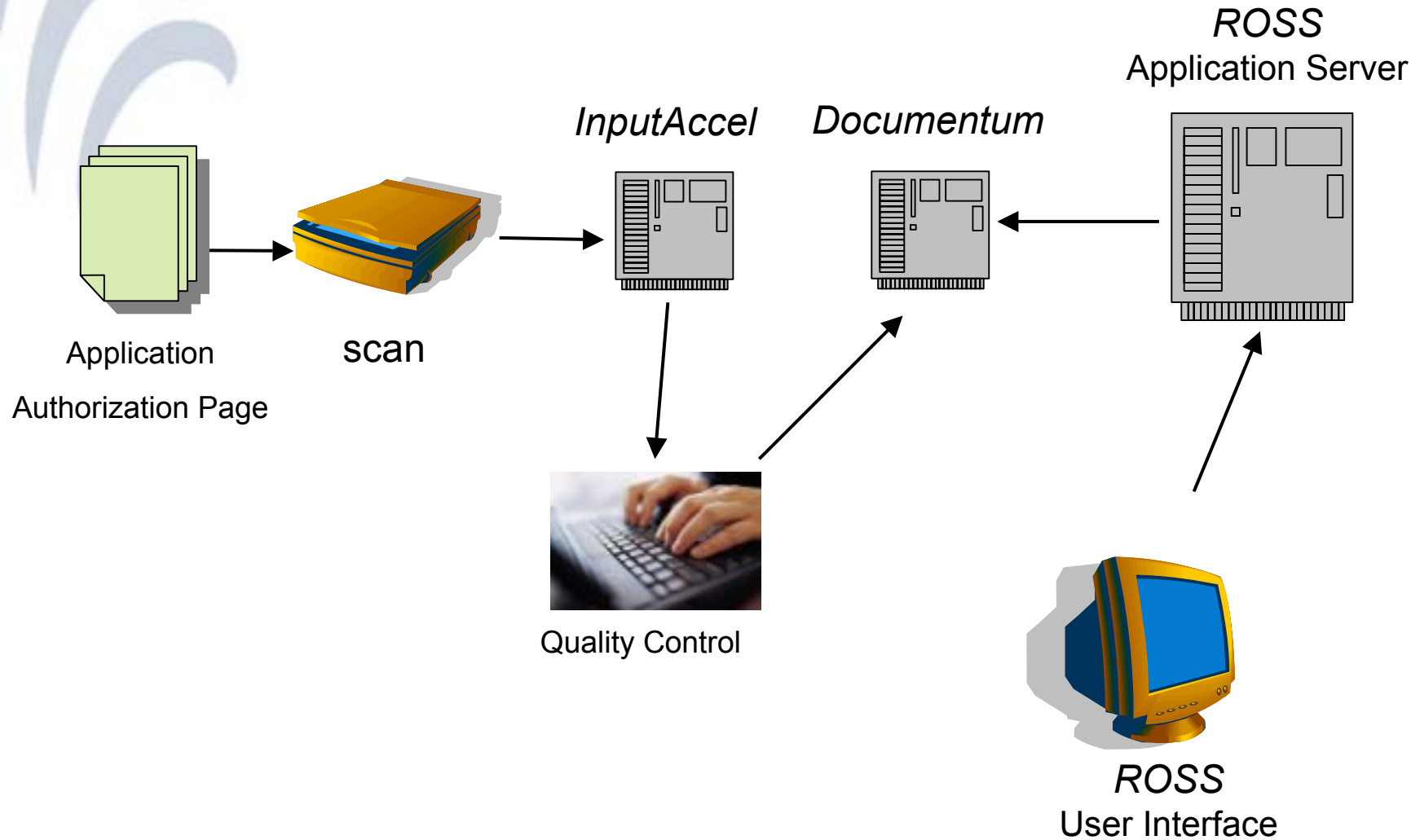
Benefits Realized (Splitting 8's)

- The 8 minutes per case adds up
- Order Fulfillment is less error prone which saves more time
 - One user front end regardless of vendor provides a consistent format for ordering
 - Retrieves data from multiple sources to eliminate redundant entry
 - Retrieves image of Authorization page
 - Submit information to the vendor
 - E-mail notification to field Rep is automated
- Status, and Receipt included in ACORD transaction
 - View order that was submitted
 - Status is retrieved from individual vendors
- Cancel and Update was important to us
- Administration
 - Allows transaction management and order distribution management
- **Foundation for future B2B**
 - The system developed now serves as a foundation upon which future electronic interface with requirement vendors will be based.
 - We are moving from more manual processes to automated by first dealing with the higher volume transactions that are done in our Home Office.

Design Highlights

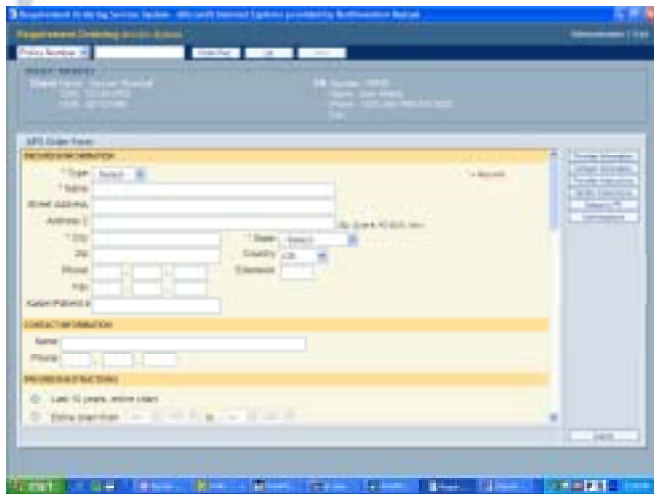
- Document Scanning
 - Scan, storage, and retrieval of authorization page of the application
 - Scanning: Captiva's Input Accel
 - Storage: Documentum's Documentum 4i
 - Image Format: PDF
- Requirement Order Service System (ROSS)
 - Web-based system –
 - Ordering system for Medical Records
 - Java, Java Server Pages, Struts Framework, running on WebSphere application server
 - Service-Oriented Architecture
 - Java business services for the retrieval/storage of data/images
 - Case information, client, Financial Representative, requirement data
 - Scanned authorization page
- Vendor Integration
 - Management of integration with external vendors
 - Insulate Northwestern Mutual applications to/from vendor
 - Ability to transform application XML to ACORD XML
 - Technology
 - InterChange Server (ICS) – A product within IBM's Websphere Business Integration (WBI) suite
 - Web Services – transaction communication to vendor's web service
 - Use of ACORD TXLife transaction (121–order/update/cancel; 123-status)

Document Scanning

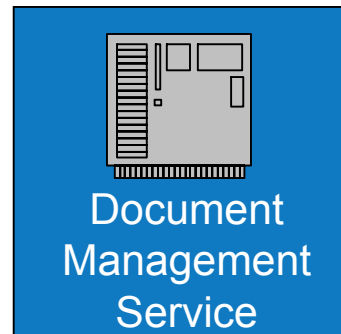
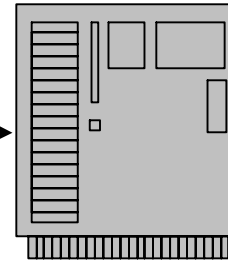


Requirement Order Service System

ROSS
User Interface



ROSS
Application Server

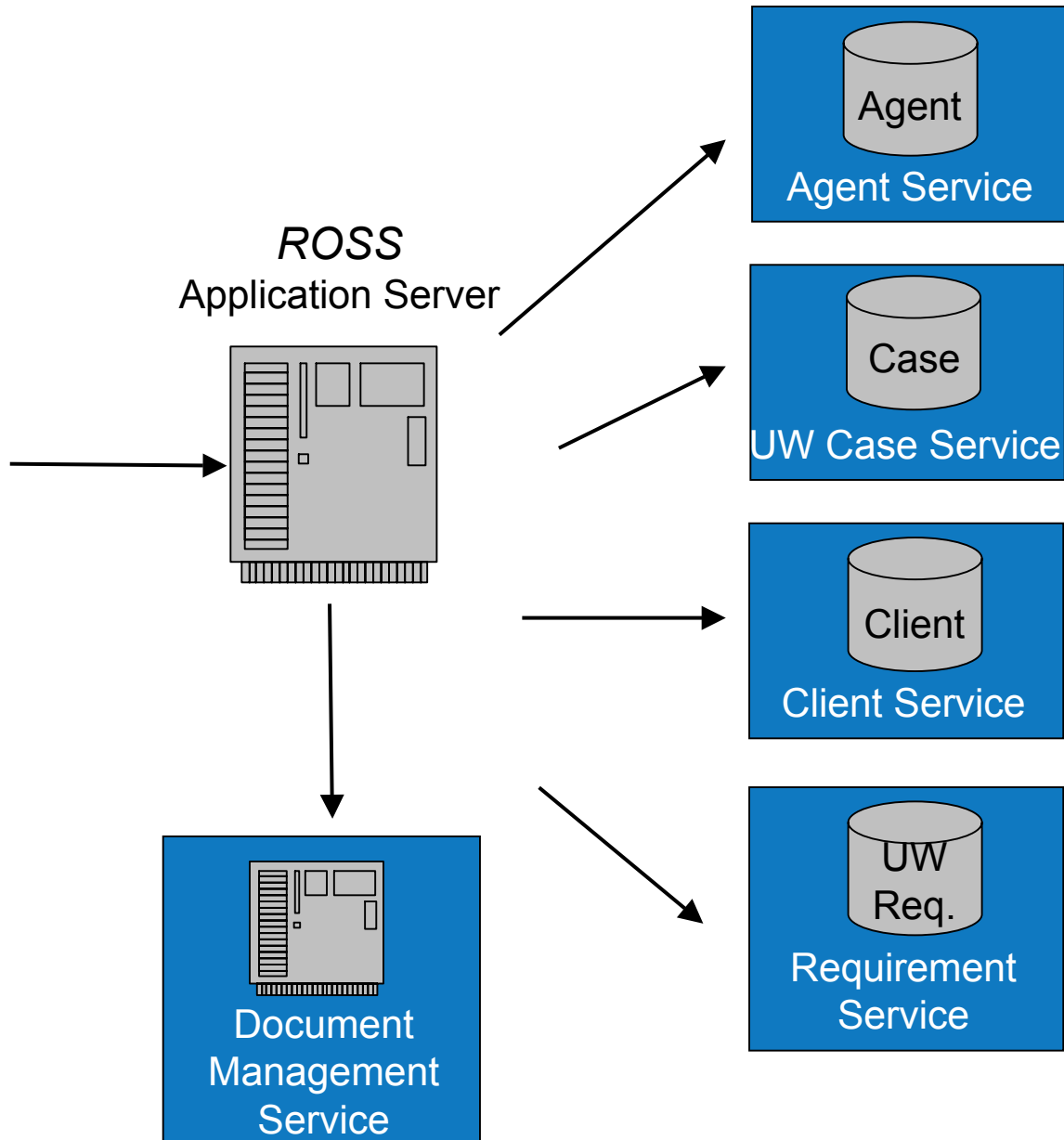


Agent
Agent Service

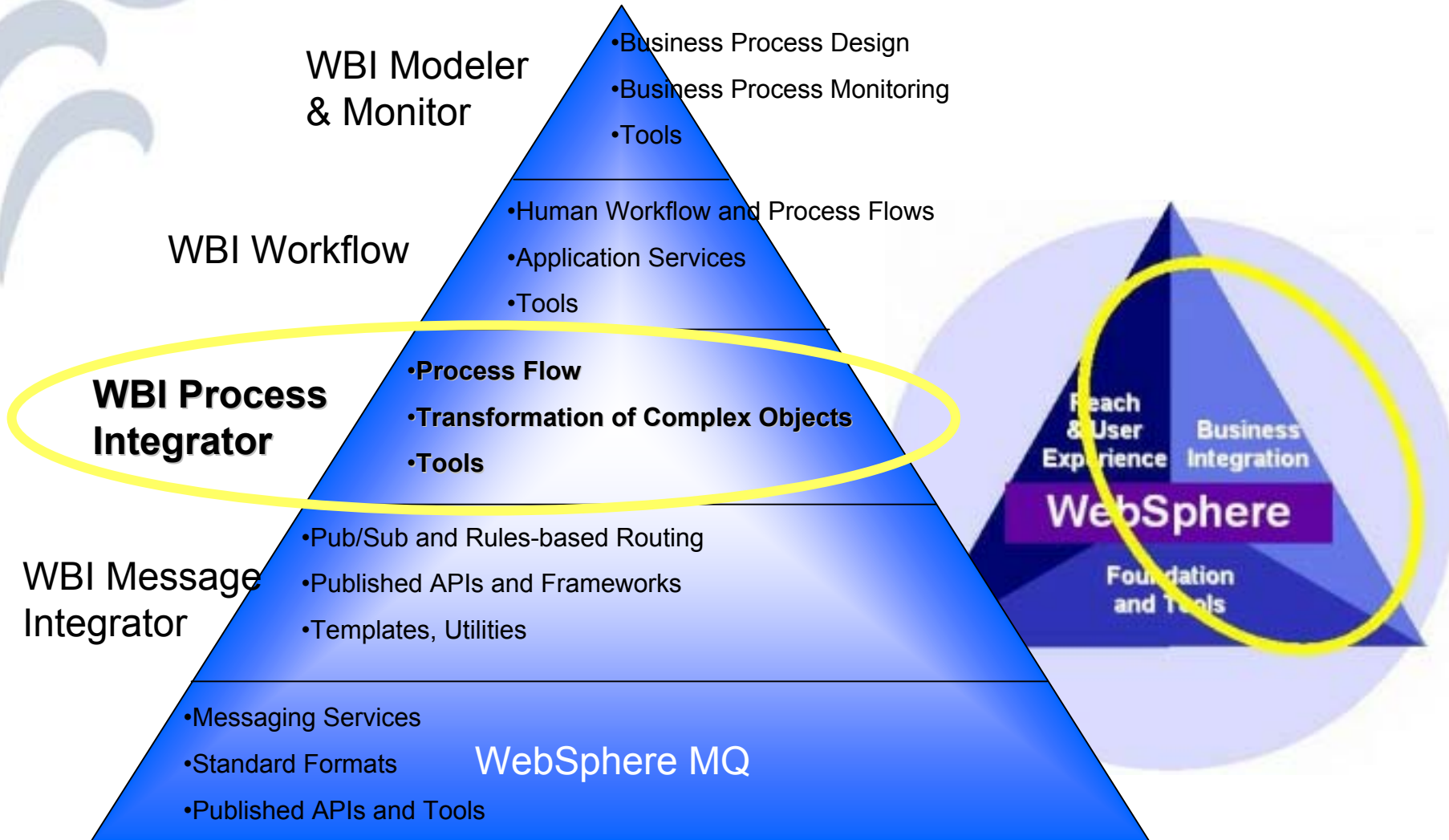
Case
UW Case Service

Client
Client Service

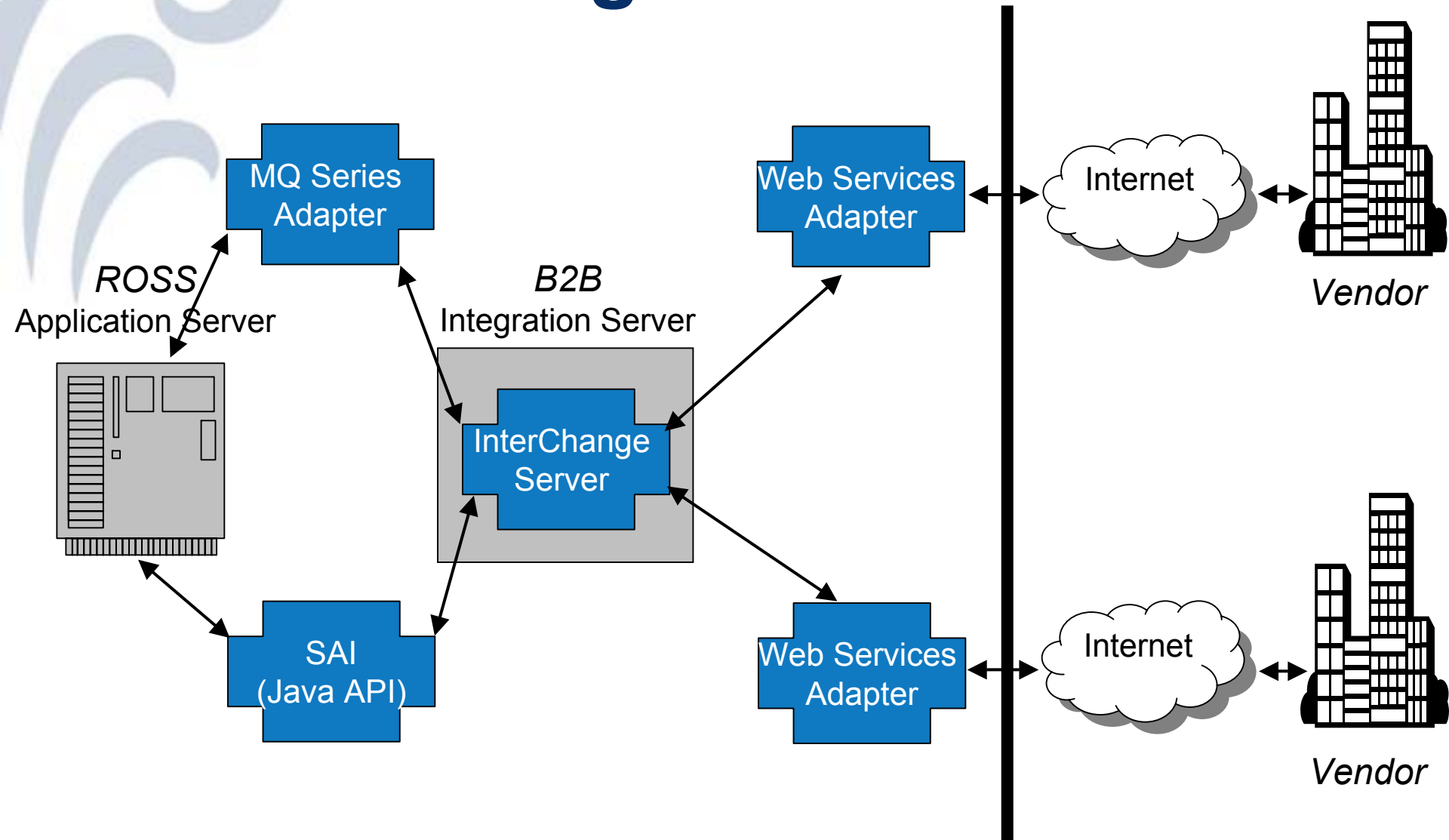
UW
Req.
Requirement
Service



Business Process Tool Overview



Vendor Integration



Future Possibilities

- Requirement Retrieval:
 - Electronic receipt of discretionary APS
 - Automatic fulfillment of requirement
- Additional Vendors:
 - Addition of vendors for ordering discretionary APS
 - Addition of vendors for ordering additional requirements
- Additional Requirements:
 - Logical next step - Age & Amount APS
 - Other requirements include MVR, MIB, Paramed, etc.
 - Use of Web services allows us to re-use what was built with other vendors and requirements.



Lessons Learned

- The use of a Standard like ACORD helps set a common ground between you and your business partners.
- Although it's a Standard it is sometimes subject to interpretation. Communication needs to be clear and frequent
- Working with outside business partners is different than internal projects. Different priorities, goals, constraints, etc.
- Emerging technologies carry inherent risks. Additional time and project management rigor is needed to ensure the risks are mitigated.
- The End result was well worth the effort. Looking at the big picture helps which is where standards play a big part.



Questions?