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## Unlocking the Value of a Global Company

Stefan Sieger, Swiss Re  
Las Vegas, May 24, 2004

ACORD/LOMA Insurance  
Systems Forum 2004  
Stefan Sieger, Swiss Re

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## It is about challenges....

“Challenges are what makes life interesting; overcoming is what makes life meaningful”

Joshua J. Marine

ACORD/LOMA Insurance  
Systems Forum 2004  
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## Goals of this presentation

- what electronic client interaction means for Swiss Re
- where and how we are using ACORD standards
- how we are trying to overcome some of the challenges

- electronic interaction with clients as a global company
- Swiss Re's approach and experiences
- insights, upcoming challenges and conclusions

## Swiss Re Group at a glance

Net income amounted to CHF 1.7 billion

Premiums earned amounted to CHF 30.7 billion

Total investments amounted to approx. CHF 88.2 billion

Leading position in P&C reinsurance: 9.5% market share\*

Leading L&H reinsurer: 24.7% market share\*

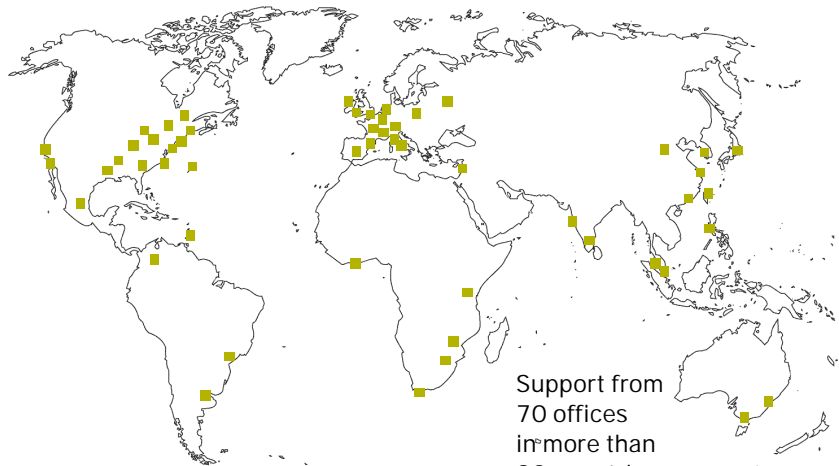
Leading provider of financial services solutions to targeted clients

Highly diversified portfolio by region and by line of business

Proven expertise in risk and capital management

Strong corporate culture based on 140 years of experience

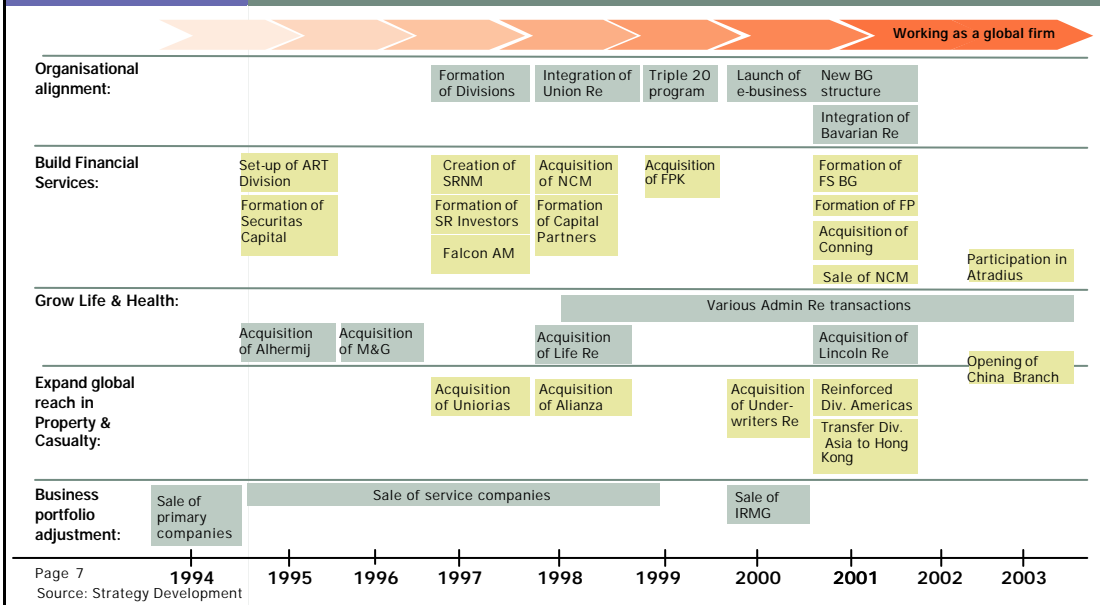
## Global presence



Support from  
70 offices  
in more than  
30 countries

# From a multinational to a "truly global" firm

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# Goal: One view of customers, capital and risk

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- Swiss Re's move to a global organisation has sought to realize five objectives which will were essential to the success in it's redefined market
  - integrate products and services companywide to better serve global customers (**one face to the customer**)
  - form a single global capital base
  - leverage the company's risk management expertise through collaboration and knowledge sharing
  - realize **operational efficiencies**
  - **develop a global IT architecture**

## Result: One process and one system

- based on the process harmonization and global system effort Swiss Re is able to co-ordinate **interaction** with global clients and to share service, cost and risk information related to those clients
- **electronic interaction** with clients has turned into an option to be considered, but
  - needs to be integrated in the 'one face to the customer' approach
  - needs to be co-ordinated and managed with the 'paper' world
- Adds new point of view for the standardisation of IT architecture: **internally** main driver is "**operational efficiency**", **externally** it is both the **overall industry efficiency** combined with the enablement of the "**one face to the customer**"

## Electronic interaction with clients as a global company

- the electronic interaction strategy/approach has to support
  - different client types
  - different client needs
  - multi business relationships (more than one Swiss Re carrier involved)
  - different stages/sophistication of internal applications (at least temporary until global system is in place)
  - make use of internationally agreed and accepted standards (data, process, technology)
- **needs to be driven by the business, not by technology**
- **needs to be accepted by the client**

## Key Trends & Developments

- Business benefits delivery and business value measurement are on top of the agenda
- Far reaching impact of company standardisation: data, processes, technology, architecture
- Increased focus on interoperability
- Increased focus on information exploitation
- IT security and governance/compliance have become critical processes for global organisations
- Cost management pressure continues
- Regulations
- Auditability
- Customer Service Demands
- Electronic collaboration

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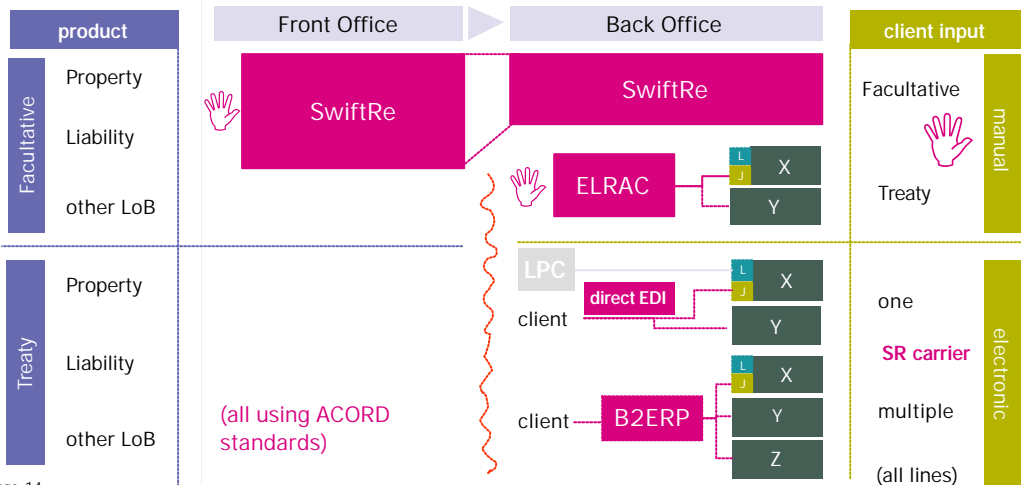
# Swiss Re's approach to electronic interaction with clients

- different clients have different needs
  - the on-line interaction capability of the client's system and his power/position in the value chain has an influence on the clients preferred approach/appetite
    - multi business/carrier relationship
    - low vs high maturity of IT systems
  - different transaction behaviour for placing and back office transactions
  
- need for a balanced portfolio with some room for innovation

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# Main focus of our electronic interaction solutions of P&C reinsurance and large commercials (I)

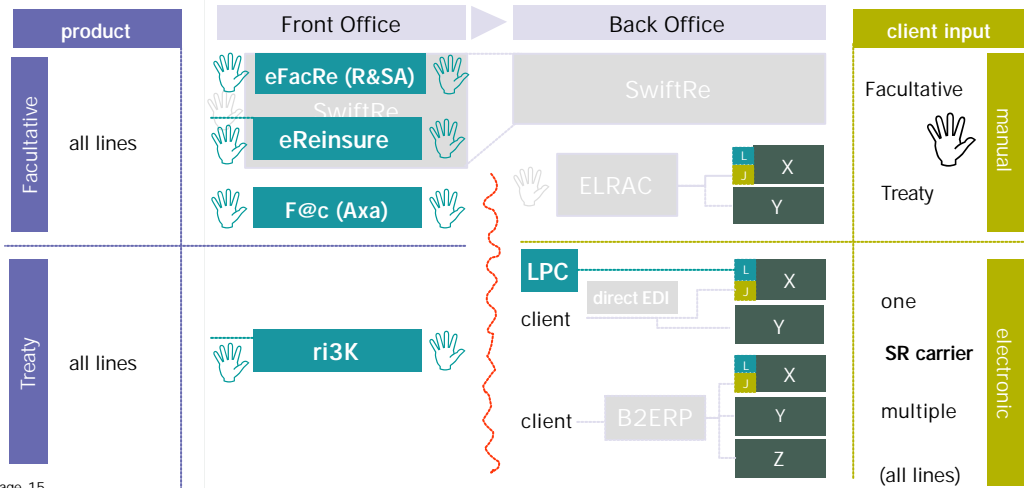
**what?** placing the business      **how?** processing the business



# Main focus of the electronic interaction solutions of P&C reinsurance and large commercials (II)

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**what?** placing the business **processing the business** **how?**



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# The 'What' and 'How's of our EDI implementations

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- **first, standardize business process**
- **"what":** 'data', document standards
  - ACORD accepted as the only global standard (P&C globally) – implementations are critical
  - - 'dialect' also influenced by internal interfaces
  - only very few proprietary standards in use
- **"how":** communication/messaging framework – very much driven by client relationships (reinsurer as receiver!)
  - value added networks (eg IE-Service of IBM)
  - third party provider (eg Ins-sure)
  - ACORD Messaging Service framework (Sept 2003) (ACORD SOAP-Server)

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## Swiss Re's approach to communication/messaging

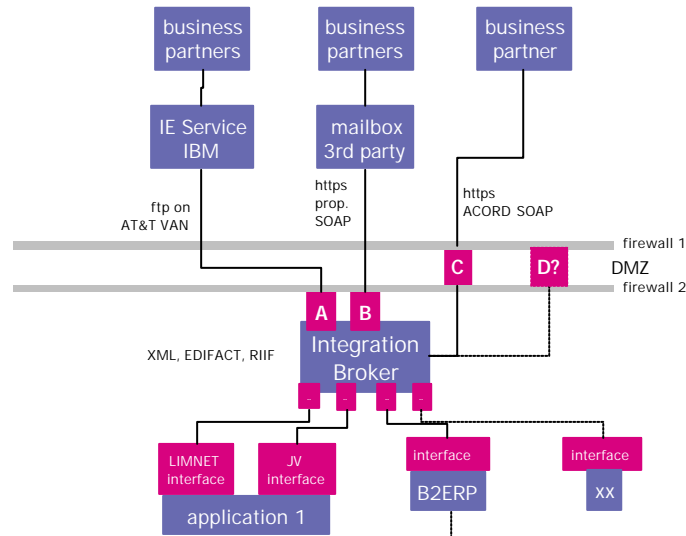
**transport**  
reliable messaging

**un-/packaging/  
connection**

**conversion**

**"routing"**

**processing**



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## Current success stories

- **SwiftRe:** 22 active markets, 79 active clients, 3600 bound transactions
- **ELRAC:** 20 active clients in 7 markets, 1500 back office transactions exchanged
- **DirectEDI:** 100'000 exchanged transactions per year via LPC (SR UK)
- **B2ERP:** 2 out of the 4 big brokers live (UK based) with two Swiss Re carriers, over 50'000 back office transactions exchanged, full loop in place, third broker due to go live
- .... a lot more to 'unlock' (grow solutions....)

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## Insights on possible success factors

- win/win implementations – look for sustainable and considerable impact for all parties involved
- think in stages; start fast and simple, but then re-iterate (goal is the full loop, business process re-engineering, solve the pains, other carriers/offices)
- create business value and align your implementation to business strategy, without business buy-in no success!
- there are different “dialects” of standards (with different technologies supporting them)! Be prepared to live with different standards version at the same time
- have the necessary skills and knowledge available (can also be sourced)
- leverage the ACORD network/community

## Challenges lying ahead of us

- Business:
  - legal requirements (SOXs, FSA, audit trails...)
  - re-engineering and agreement on business processes (eg claims)
  - linking of common areas (whole value chaing)
- Technology:
  - link between structured and unstructured information
  - orchestration of the different technological solutions (repository, EDI, email,....)
- Implementations:
  - regional: LMP (ECA)
  - business type: “industry” platforms/solutions
  - individuals: “proprietary” solutions

## Summary and conclusion for unlocking the value of a global company

- electronic client interaction has become a strategic topic
- different clients have different needs – portfolio approach
- first “standardize” the business process, then consider the whats and the hows of an implementation
- standards as such do not add value – only if they are implemented in a way that hey create business value for all parties involved (sustainability) and are aligned to the overall business strategy
- first focus on the internal globalisation before being able to benefit from the external globalisation
- the time is right...

“Unlocking” is a real challenge...

The ultimate measure of a man is not where he stands in moments of comfort, but where he stands at times of challenge and controversy.

Martin Luther King Jr.