



**Liberty
Mutual®**

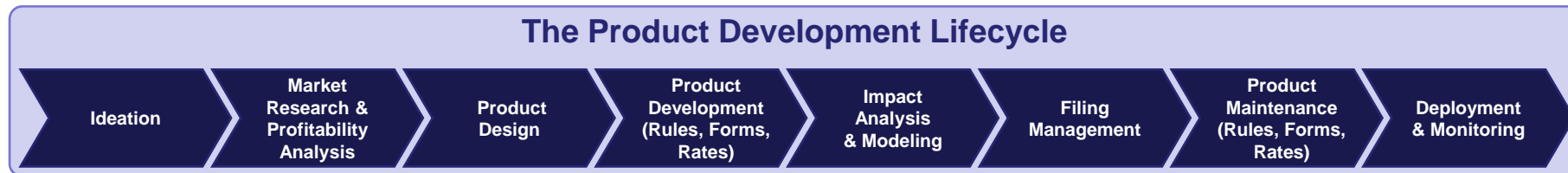
High Speed Product Innovation Vision or Reality?

Heather Curtis
Director
Agency Markets

Kurt Schulenburg
Director
Agency Markets

Product Development Lifecycle

Growth strategies were demanding new product innovations and market speed at Safeco/Liberty...



but legacy applications were an obstacle to getting products to market quickly and operated on expensive platforms

Legacy Product Development Applications

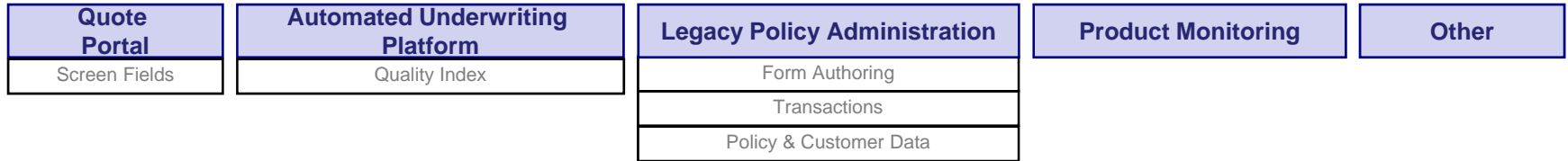
Quote Portal	Automated Underwriting Platform	Legacy Policy Administration	Product Monitoring	Other
Screen Fields	Quality Index	Form Authoring	Reporting	Communication
Early Declinations	Accept/Decline	Transactions		Excel
Market Appetite Guide	Renew/Non-renew	Policy & Customer Data		Workflow
Drop-Down List Values	Touch/Refer	Rating		Task Management
Class Descriptions	Pricing	Form Attachment		
	Sandbox Modeling	Sandbox Modeling		
	Class Descriptions	Class Descriptions		

Predominantly a mainframe platform

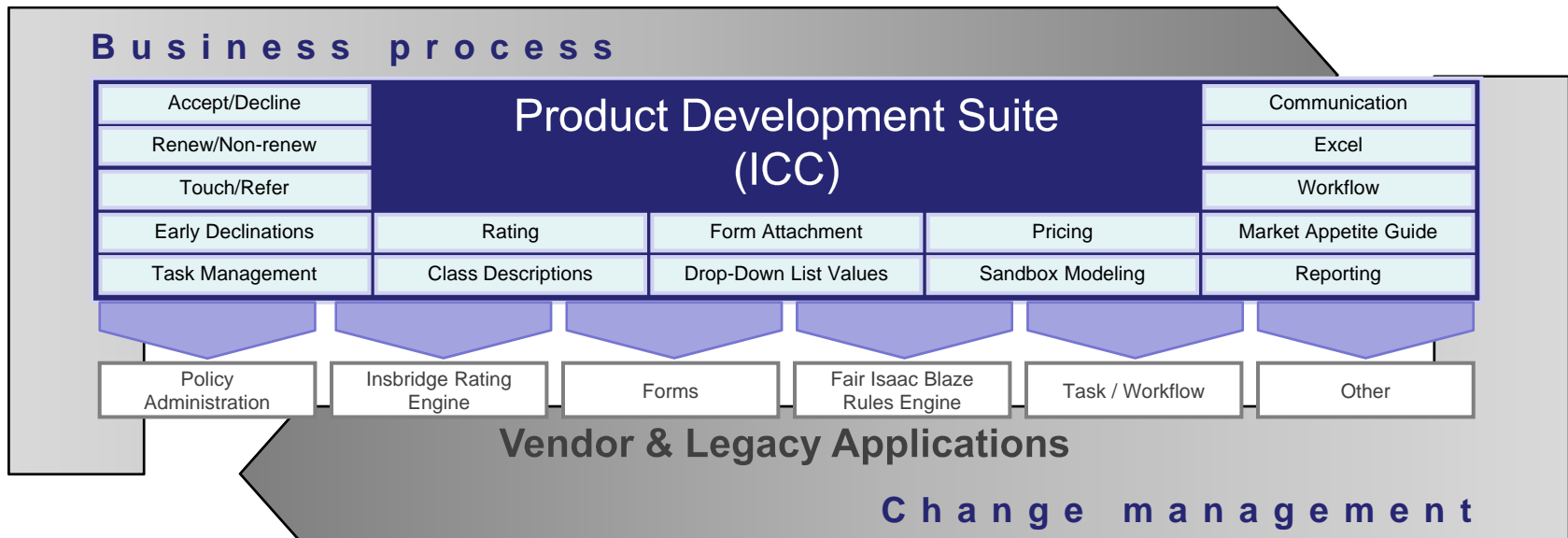
Product & Policy Transformation Initiation

- Detailed analysis of IT and business workflows led to initial phase: **Product Development Suite**
 - Improve Efficiency of Core Activities
 - Put Logic in Hands of Product Management
 - Allow for Test and Learn Functionality

Safeco/Liberty chose to pursue a component approach to replacing legacy systems in lieu of a “rip and replace” strategy...



and implemented Accenture’s Insurance Configuration Components software to create a Product Development Suite (PDS) that externalizes product rules, integrates with best of breed vendor products, and integrates with existing applications.



Business Case Development

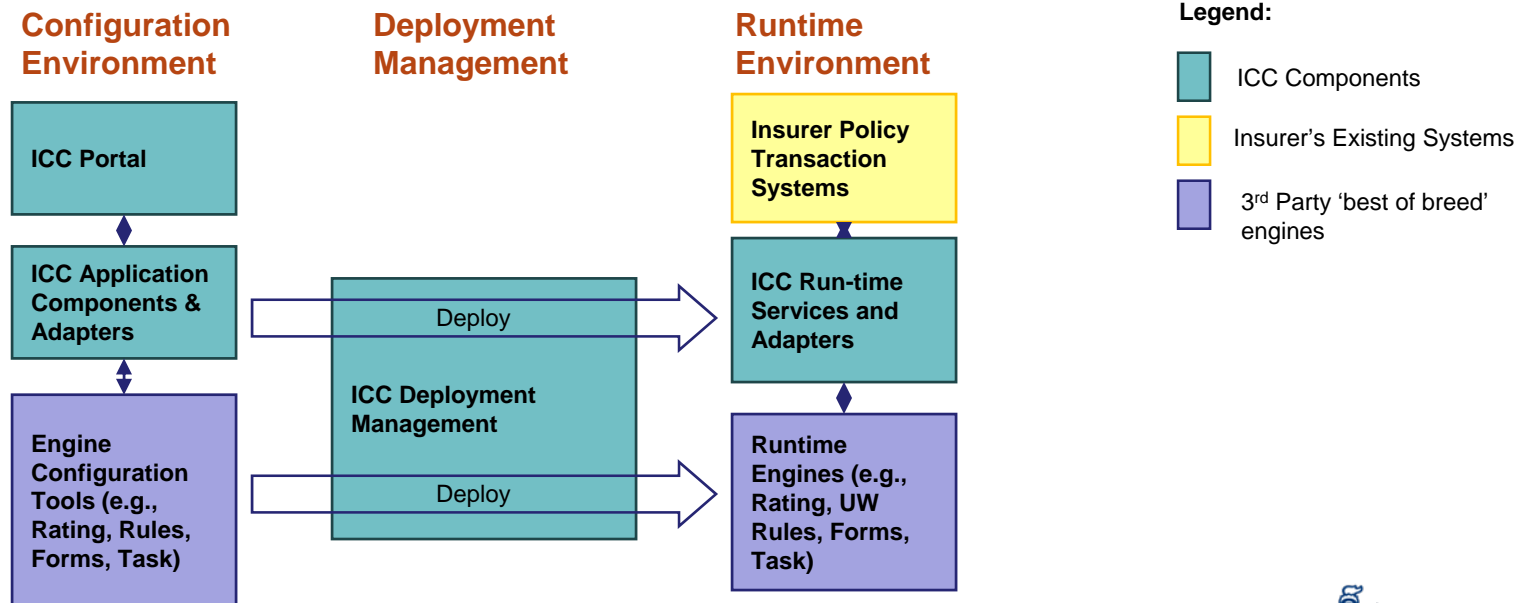
- **Improved Efficiency**
 - Pricing & Rate Changes
 - 300/year x 100 hour savings per
 - Underwriting Model Recalibrations
 - 1/year x 1000 hour savings per
 - New Product Introductions
 - 4/year x 2300 hour savings per
- **Reduced loss cost**
 - Full automated model recalibration results in .5 reduction in loss ratio
 - Double frequency to every 2 years from every 4 years
- **Revenue Growth from Opportunity Gains**
 - Flexible rate change schedule
 - Improved speed to market for new products
- **Error Reduction**
 - Full book of business analysis capabilities
 - Elimination of re-entry of rate & rule Logic

Intangible Benefits

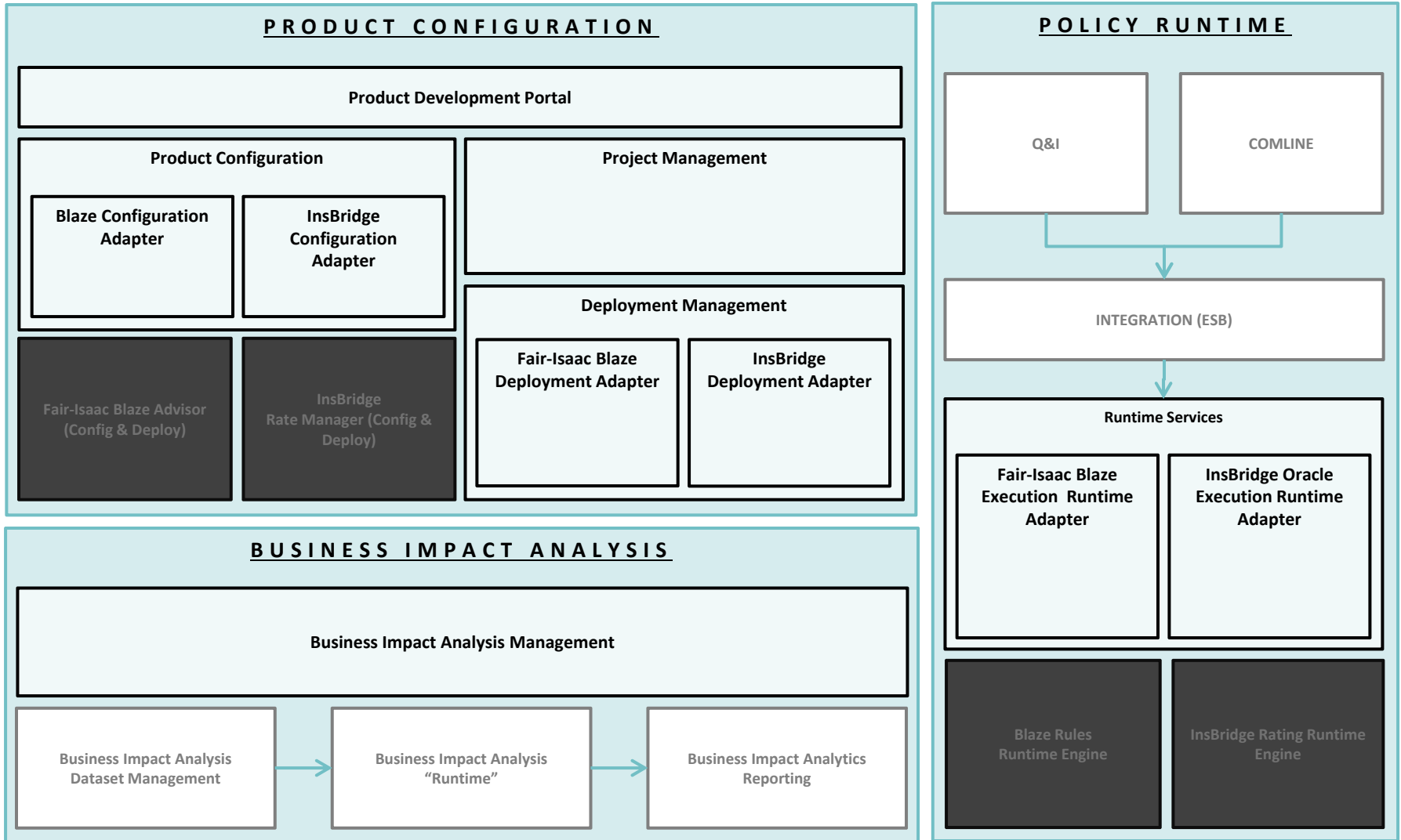
- The transparency and accessibility of business rules management achieved with a product development application creates a cascade of opportunities and intangible benefits.
- Project Managers:
 - ... gain more complete product knowledge, ease of training, effectiveness in troubleshooting and efficiency in general product development.
 - ... get a clearer picture of the business disruption impact of product changes.
 - ... have greater confidence in the quality of the working application and thus are able to guide field underwriting with greater clarity and confidence.
 - ... are able to implement changes on a schedule that meets business objectives.
 - ... have more time to engage in new product development and delivery expanding markets, increasing revenue and innovating to market.
 - ... can depend directly on the application for the documentation of business rules, eliminating the need for and expense of creating and maintaining physically separate documentation.

At its foundation, ICC provides three key capabilities:

- **A Configuration Environment** that enables business users to quickly create and modify product definitions and their rules / behaviors in a consistent format, regardless of the underlying technology / tools utilized. ICC can utilize rich 'best of breed' 3rd party rules configuration tools or leverage ICC screens to configure rules.
- **A Deployment Management Component** to enable deployment of specific product configurations, spanning both ICC product definitions as well as 3rd party tool configuration, to a test or production runtime environment.
- **A Run-time Environment** that provides standardized services for invocation of ICC-configured Products and their behaviors configured into 3rd party engines. These can be integrated into an Insurer's existing Policy Administration and Underwriting systems.



Product Development Suite Conceptual Architecture



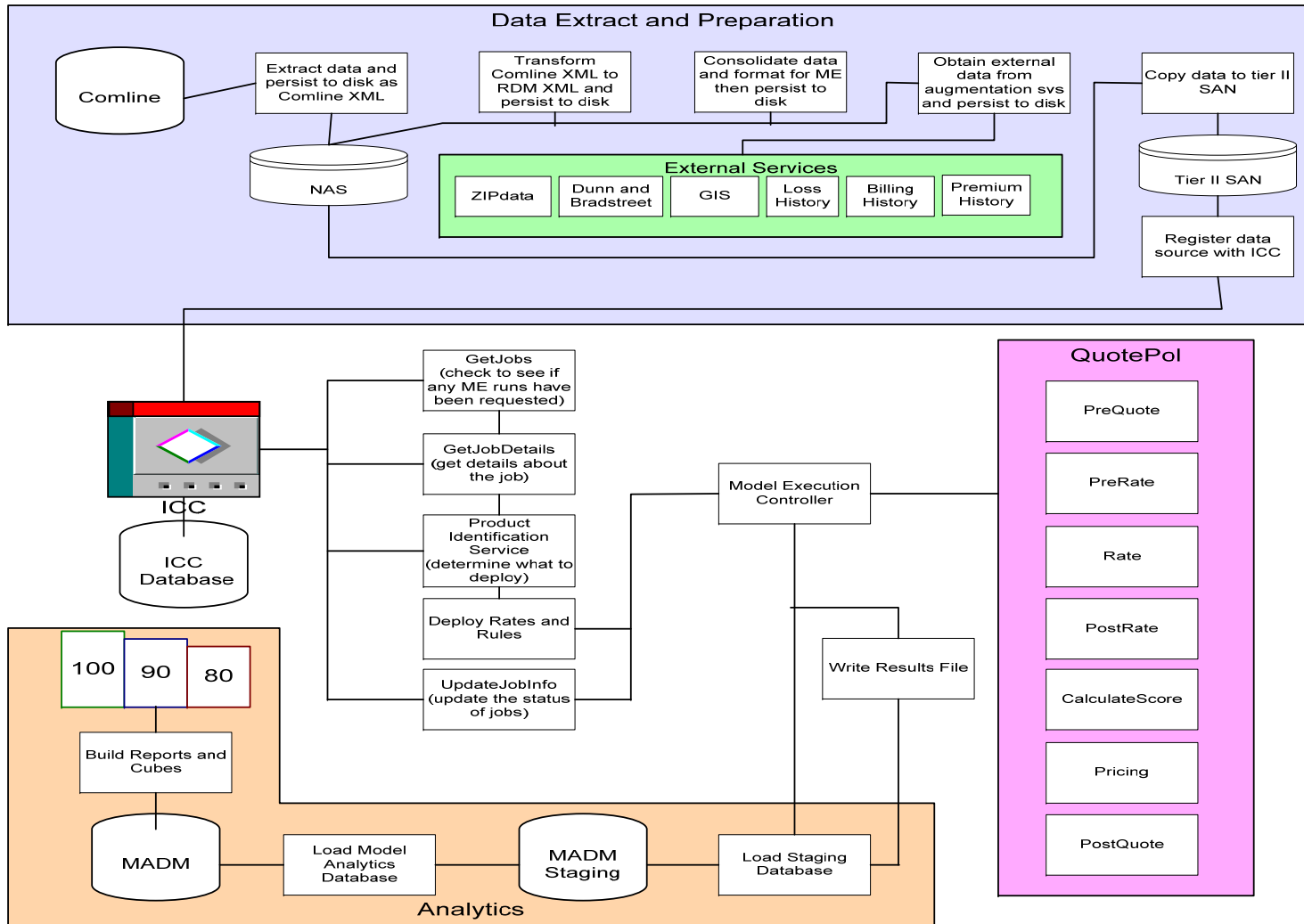
KEY:

Accenture's ICC

Safeco Custom

Vendor Products

Model Execution Architecture



Demonstration