

RULE X PRESS

THE BUSINESS TOOL FOR EXPRESSING AND COMMUNICATING BUSINESS RULES.

INSURANCE

- COMPANY** The small commercial insurance practice of an established insurer
- CHALLENGE** Reduce manual review and increase confidence of agents in quoted prices
- SOLUTION** Develop a new application development approach based on business-led development of business rules and process
- RESULTS** A new and improved relationship between the business and IT and true business ownership of ongoing change
-

This customer, who wishes to remain anonymous, has been offering commercial and personal property/casualty insurance in the United States. Part of their business is a one-stop shop for small commercial insurance needs and offers three times the number of eligible business classes than were previously available as well as coverage enhancements that address the unique needs of these business segments.

Information in this case study is based on customer interviews conducted by James Taylor.

© DECISION MANAGEMENT SOLUTIONS

CHALLENGE

Our customer sells commercial insurance through independent agents and has a successful small business operation. They provide independent agents with an internet-based quoting application. These agents are typically sitting in their office with a potential customer and using this application to get a quote while the customer waits. These agents can offer products from multiple companies, so providing them with great service is critical. These agents want a rapid, accurate and committed quote – one that our customer will guarantee. The old system gave quotes that were not committed because 100% had to be manually reviewed.

The business rules for underwriting were hard-coded in the application. Changes to these rules often took 2-3 months to implement. Yet many of these changes were needed immediately so delay degraded the accuracy of the quotes. This increased the number of price changes between quote and issue and reduced agent confidence. In addition, applications often need additional information. While the underwriters knew which answers to which questions would mean applicants must provide additional input, the old system did not prioritize these questions. This led to follow-up calls by agents after the customer thought the application was complete.

“We wanted to be able to process more than 25% of our small commercial business accounts with little or no human intervention,” said the Senior Business Process Analyst of our customer. “At the same time, we wanted to let the business control their underwriting rules and the questions associated with them”.

Our customer also realized that any new application had to be easy to change to handle new company policies and new regulations, and to enable the percentage of Straight Through Processing to increase over time.

SOLUTION

Our customer developed a new application that automates underwriting referrals and notifications and improves the relationship with the agents. This system focuses on the important questions first and collects the right data the first time. It makes it clear when something is a red flag so agents can resolve those problems quickly, improving customer service.

Given the need to make regular changes to underwriting rules, our customer also realized that this application would have to allow business rule changes without a traditional release cycle. Our customer saw this project as an opportunity to create a completely new way of defining and building applications - one that would increase business agility and radically improve the efficiency of the IT department. Our customer had a corporate mandate to improve decision-centric applications, such as commercial quoting and underwriting, and this project became the pilot for a new way of doing business. Our customer adopted a process engine, a business rules management system, a content management system and an enterprise service bus in support of this completely new application development approach.

Our customer realized that new implementation tools were only part of the solution. They wanted to ensure that there was rigor in the rule development process. In the past they had tried capturing rules as part of traditional requirements but this had led to the hard-coding of business logic into applications. Attempts to manage rules separately from requirements using spreadsheets were also unsatisfactory. Our customer engaged Business Rule Solutions, RuleArts’

implementation partner in the US, and subsequently adopted Proteus/RuleSpeak as a business rules methodology and RuleXpress to manage the rules.

RuleXpress allowed them to develop their business rules and associated terms with rigor while retaining a business focus. Our customer has business process analysts some of whom focus on the process definition, some on the business rules. These analysts use RuleXpress to manage the business rules and terms. The business users access the same repository to look up information, see what impact a proposed change might have and more. Implementation is done in the rule engine and the executable rules and other implementation artifacts are linked back to the source in RuleXpress. This allows impact analysis from original requirement through to final implementation.

RuleXpress delivers:

- **Easy and effective management of Terms**

RuleXpress provides complete term management, supporting term definition, information links and navigation facilities. Business users can see term definitions from rules, navigate, conduct impact analysis and determine traceability. Integrated look-up for Terms and automatic identification of defined Terms make it easy to use terms in rules. And RuleXpress manages preferred terms and synonyms and generates a comprehensive glossary of terms for use throughout the enterprise.

- **Rule and term quality**

RuleXpress provides built-in quality checks for business rules and terms. These quality checks keep everyone honest and improve the clarity and usability of rules and terms. RuleXpress makes it easy to apply best practices and organizational guidelines.

- **Traceability and reporting of relationships**

RuleXpress manages all the relationships needed to ensure traceability - of contracts or policies to rules, rules to terms, source to implementation. Traceability is maintained in the repository and RuleXpress allows this to be easily output for impact analysis and reporting.

- **Open Integration**

RuleXpress can import rules and terms created in other environments so you can reuse existing investments such as rules captured in spreadsheets.

RESULTS

Our customer has spent 2 years completely revamping their application development approach and technology stack. Even though the first applications are just going into production they have already seen great benefits, particularly in the relationship between business and IT. The business users have become truly engaged and feel in charge of their own applications. They own the process and the rules, they can do impact analysis to understand what effect a change might have, and they understand what is going on. In the past this kind of information was buried in the code and so business users could not conduct their own analysis or make their own plans. IT, meanwhile, is able to focus purely on the implementation of the business rules. The combination of RuleXpress and a clear, disciplined methodology ensures that the application developers and rule authors get clear, unambiguous rules to implement.

PLANS FOR THE FUTURE

Other groups are already adopting the technology stack and approach for other projects. For instance, a new application for handling claims is being developed using it.