

A hand holding a smartphone, with a city skyline at night in the background. The image is overlaid with a semi-transparent grid pattern.

Insurance Data Integrated Platform

EXECUTIVE SUMMARY

This paper begins by taking a look at where the P&C specialty insurance industry stands at present, and the direction in which it's headed in the near future. It concentrates on the forthcoming digital disruptions in the industry, going over the expected impact that such disruptions would have, and what the requisites would be for insurance carriers to adapt and thrive in the altered business environment. The rest of the paper focuses on three MFX solutions – the Insurance Data Integrated Platform, the Unified Interactive Interface, and the MFX Corporate Records Solution, each of which are designed to help P&C specialty insurers remain competitive in the future industry landscape.

DEALING WITH THE DIGITALIZATION OF THE INSURANCE INDUSTRY

The insurance industry today is poised for a paradigm shift in the way that technology is deployed to provide products and services to customers. This has primarily been driven by changing business needs and the innovations brought about by myriad insurtech firms, leading to an inevitable shift towards adopting the new digital innovations.

Analysts have forecast significant investments geared towards the digitalization of the industry and expect such investments to continue pouring in for several years. It is also expected that an increasing number of new insurance companies will be driven by technology companies to bring better products, services, and customer service in the insurance industry.

A forward-looking plan of action, sufficient operational flexibility, an effective implementation strategy, and a willingness to adopt digital disruptions in every aspect of their organization – those insurers that have all of the above can position themselves to leverage the impending digital disruptions to propel their organization to the very forefront of the industry.

These adopters of digital technology will have a clear upper hand against their competition. Suitably equipped to cut costs and design more attractive offerings, the digital insurance carriers are sure to acquire a whole new set of customers, thus increasing market share. Those who fail to quickly adopt the new technologies, on the other hand, will struggle to maintain their competitive positions in the midst of a customer-centric, price-sensitive market.

Data has always been at the center of the insurance industry, and despite the changes that are to come, data will continue to be the focal point of the industry. In fact, it's set to play a bigger role to play than ever before.



The continued criticality of data in the insurance landscape is ensured by carriers' need for information-driven strategies in the digitalized business scenario. They'll have to leverage data as an asset, enabling automated decision-making in critical business processes, in order to thrive. This, in turn, is why a digital business technology platform – one that incorporates information management and analytical capabilities – will become a necessity in the future.

Without a system in place to support the analytics and reporting needs of the business, decision-makers may be left with no choice but to rely on conventional time-consuming manual processes those are more qualitative rather than quantitative in nature. This is bound to cause serious repercussions for the organization, ultimately resulting in missed opportunities and loss of competitiveness.

According to a Gartner study, the two following technology platforms are essential for any digital business:

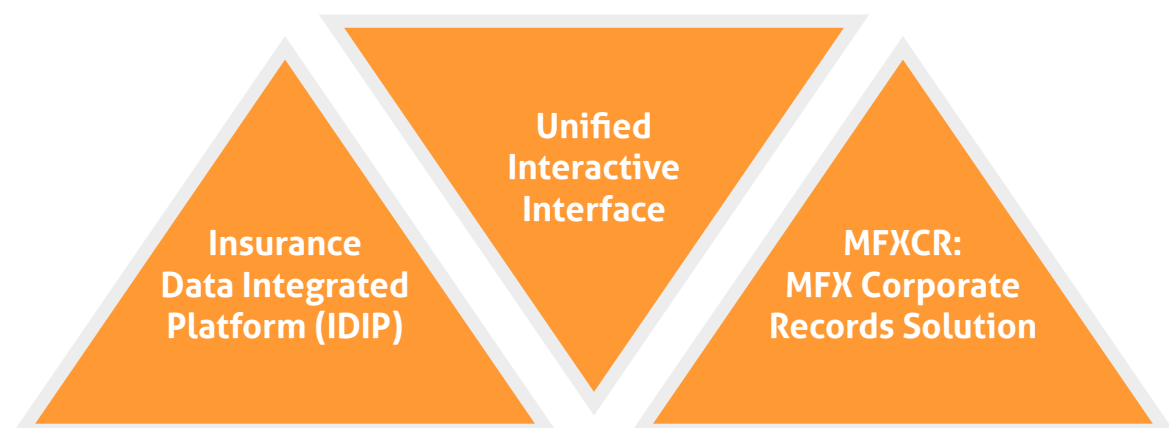
1

Data and analytics platform – This platform should consist of data management programs and analytics applications to enable data-driven decision making

2

Ecosystems platform – This platform's role should be to support the creation of and connection to external ecosystems, marketplaces, and communities

MFX Services, with our decades of experience as a services and solutions provider to the property and casualty insurance industry, fully appreciates the difficulty of accessing, consolidating, and validating data. Combining this knowledge of the intricacies of the industry with an understanding of the challenges that lie ahead, our Enterprise Information Management (EIM) solution is specifically designed to address the needs of those insurance carriers looking to establish themselves as pioneers in the digitalized industry landscape.



INSURANCE DATA INTEGRATED PLATFORM (IDIP)

Traditionally, there have been two data-centric challenges typically faced by the insurance industry at large. Firstly, there is difficulty in the consolidation of data from various core business systems and third parties across the value chain. Secondly, the lack of a comprehensive view of business-critical data and information is a major hurdle for insurance carriers. This unavailability of an overview of pertinent information means that carriers have a hard time effectively implementing business intelligence practices, which results in suboptimal business decisions and processes.

These challenges are now amplified by the drastically “evolving business environment”.

1

Explosion of data – Data is now being generated in huge volumes, and at a higher rate than ever before. A large portion of this mountain of data is made up of unstructured data, often from new sources, necessitating verification of the veracity of the data. This data explosion has given rise to numerous opportunities and challenges in the insurance industry.

2

Rapid technology advancements – With the ever-increasing pace of technological advancements, insurance carriers are being forced to achieve higher levels of customer engagement and satisfaction in new ways.

3

Need for deep data insights – The evolution of analytics tools, statistical modeling techniques, and more have been driven by the need to draw valuable deep data insights from various sources. The relentless pressure for sharper and quicker data-driven decisions to maintain a competitive edge plays a significant role in the ever-changing landscape.



Insurance carriers can best take on these challenges by rethinking their entire approach – going beyond just data management, and expanding their scope to information management. MFX Services has developed the Insurance Data Integrated Platform with this broader approach in mind.

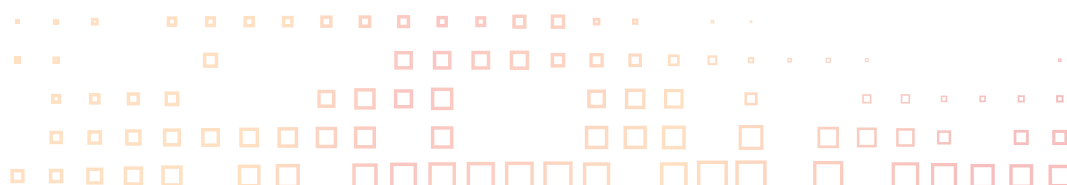
The IDIP is an Enterprise Information Management platform built specifically for the insurance industry. The platform has the ability to ingest data from any industry-standard core and auxiliary systems, leverage the data available regardless of whether it is of structured or unstructured format, and process it to create condensed information.

Offered in the SaaS model, the Insurance Data Integrated Platform includes hard assets such as:

- Data storage and management facilities, with insurance-specific data architectures
- Data integration and communication facilities
- Plug-ins for insurance-specific interchange formats and standards, tools for business intelligence and analytics, and tools for decision automation

And soft assets such as:

- Templates to help define strategies for Enterprise Information Management (EIM), master data management, and data governance, etc.
- Toolkit to define roles and responsibilities for EIM
- Dashboards to monitor the health of the entire EIM
- Tools to define the lifecycle of each information asset



The Insurance Data Integrated Platform is programmed in such a way as to ensure the constant availability of data for information discovery and for use in consumption end-points like real-time decision making, smart clients, services, etc. This makes it easier to effectively derive real-time insights that can be incorporated into day-to-day operations, thus paving the way for enhanced product offerings and service levels, and improved customer satisfaction. This, in turn, leads to better customer retention and improved operational efficiencies across the insurance value chain.

MFX CORPORATE RECORDS (MFXCR) SOLUTION

Program business refers to those narrowly defined classes of business that are underwritten by program underwriting agents on an individual policy basis, on behalf of insurance carriers. This particular branch of business in the insurance industry has been on a steady upward trajectory for some time now. In fact, over the last twenty years, program business has grown from \$6 billion to almost \$40 billion, and this trend of sustained growth is only expected to continue.

With such significant growth in the field, it's only natural that new challenges present themselves over time. Managing General Agents (MGAs) and Third Party Administrators (TPAs) today are valuable partners for insurance carriers, be it for their specific area of expertise, or for the added benefit of more efficient processing of targeted opportunities. However, data from such external partners is not standardized, and often comes in differing formats with varying data quality and consistency. This makes data aggregation and analysis a rather repetitive and difficult task. The data will require numerous cycles of transformations before it can be consolidated and imported into target applications and data stores. This is a costly and time-intensive process, and a continuous draw on resources.



In an effort to counter this widely faced problem, MFX's External Partner Integration services developed the MFX Corporate Records Solution. The solution is an insurance-aware, rule-driven data hub that saves time on importing, validating, and exporting data, reduces error frequency, and cuts operational costs.

The MFXCR Solution gathers data from the various discrete systems of the insurance carrier's external partners and consolidates it into an edited, accurate, integrated, single repository of ready-to-use data for business processes like underwriting, claims, finance, actuarial, and management.

With the data passing through the system being validated against over 600 insurance rules, its integrity is guaranteed to remain intact. Offered in the SaaS format, the MFX Corporate Records Solution executes the collation of information from MGAs, TPAs, legacy systems, and 'new suite' insurance data, ensuring that it is ready for consumption by all business functions for reporting, analytics, extracts, and queries.

The system also has a manual booking capability, allowing for the entry of data directly into the corporate records if necessary. The verified and consolidated data can be made available through MFX Reporting Data Mart (RDM), the MFX Reporting Portal, and MFX Data Analytics.

All of this means that insurance carriers who make use of the MFX Corporate Records Solution can enjoy improved ease of doing business, faster time-to-market, reduced operational costs, and more. Having detailed information from individual partners and an overview of business data equips insurers to better evaluate the performances of their external partners. This, in turn, helps the carrier identify which partners to incentivize and how best to do so.



UNIFIED INTERACTIVE INTERFACE

There are a number of issues that could contribute to the making of a less-than-ideal internal communication process. At some point, legacy business systems and applications are bound to start showing their age, and will no longer be viable to support. Sometimes acquisitions and new business initiatives can result in duplication and system overlap in the operational environment, leaving the insurance carrier bogged down by an inefficient and redundant mix of databases, operating systems, languages, and architectures. Poor interprocess communication between these systems poses a challenge to the carrier.

Insurance carriers are usually forced to resort to a costly and disruptive systems environment overhaul in order to address these issues. Now, however, MFX's Unified Interactive Interface can serve as an efficient, seamless, and cost-effective alternative. It is a unique consolidated, interactive interface designed specifically for the insurance industry. The Unified Interactive Interface enables user interaction across multiple core business systems, thus allowing for a consistent core business process for everybody involved, irrespective of the various underlying core systems.

The following are some advantages that MFX's Unified Interactive Interface brings to insurance carriers:

- A modern, automated, and simplified interface
- A uniform user experience for all business applications
- Enablement of digital capabilities for legacy systems at marginal cost and effort
- A uniform and configurable business process in spite of multiple core systems
- Reduced dependence on multiple vendors





The implementation of a unified interactive system can precipitate benefits across the organization. For instance, on the operational front, it can help lower costs through converged communication networks, reducing the necessity for IT management and frequency of travel. A streamlined communication process ultimately results in faster and better decision making and innovation and production cycles, boosting productivity. Unified interactions can also serve to enhance internal collaboration and innovation, and help support management initiatives. These are just a few examples that illustrate how the Unified Interactive Interface can drive improvements across the board.

In conclusion, MFX Services offers the ideal tools to tackle the challenges in the digital insurance industry. With over a decade of experience, MFX understands the needs of insurance carriers and has the relevant solution to address them.

