



AIG Private Client Group

A Member of American International Group, Inc.

Transforming AIG - Private Client Group Business Processes with ACORD XML and SOA Standards

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- **AIG - Private Client Group**
- **Growth & Transformation**
- **Requirements**
- **Technology Partner & Plans**
- **Modernization or Replacement?**
- **Architecture, Agency Interface & ePCG**
- **Agency Interface - What's next?**
- **AUGIE – 2006 Survey & PCG Plans**
- **Was it worth it?**



AIG Private Client Group

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Risk Management for Life

AIG Private Client Group provides innovative insurance products and risk management services designed to enhance protection and minimize threats to the personal wealth and safety of high net worth individuals.

Our mission is to be the leading provider of personal insurance for the high net worth and ultra high net worth market.



**AIG Private Client Group
Wildfire Protection Unit**



**AIG Private Client Group
Hurricane Protection Unit**

Getting into business...

Opportunistic technical support strategy that served PCG's early days will be inadequate to support our dramatic growth!

<3 Years = 300 FTE = \$300M NWP



Ease of doing business...

A technical support strategy that better integrates our support systems, people and partners, while improving service to our intermediary brokers and customers!

<5 Years = ~~1,000~~ FTE = \$1B NWP?





Request for Proposal - 2003

✓ **Account Management**

Portfolio View of the Customer

✓ **Automated Workflow**

Transaction Ease of Use

✓ **Document Management - Imaging**

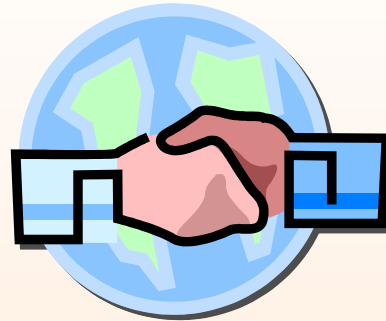
Improved Information Sharing

✓ **Self - Service**

Broker Self-Service

• **Knowledge Management**

Data Aggregation & Improved MIS



In the final analysis Exigen demonstrated better understanding of our issues (insurance), vision of our future (strategy) and commitment to the project (partnership).



Phase	Scope
I	<ul style="list-style-type: none">• Insurance Process Backbone• Account Database• Document Management - Imaging
II	<ul style="list-style-type: none">• Workflow - Process Control Services• Selected Workflow Scenarios
III	<ul style="list-style-type: none">• Broker Self-Service
IV	<ul style="list-style-type: none">• Knowledge Management
V	<ul style="list-style-type: none">• Customer Self-Service



The rapid delivery of support for 4 “manual lines of business” and satisfaction with the new user interface, accelerated PCG interest in using Exigen, ACORD & SOA to “modernize” the WINS policy administration platform.

Phase	Scope	Deployment Target
I	<ol style="list-style-type: none">1. Insurance Process Backbone2. Account Database3. Document Management - Imaging4. Manual Lines of Business - 4	<p>February 2004</p> <p>July 2004</p>
II	<ol style="list-style-type: none">1. Workflow - Process Control Services2. Selected Workflow Scenarios	<p>November 2004</p>



Replacement or Modernization?



Wheatley Insurance Systems
Policy Administration System

Replace

- Cobol & AS/400 Platform
- Mid-80's Monolithic Design
- DB/400 Database Access & Scalability
- "Green Screen" UI
- Only need 6 of the 16 million LOC
- Limited Documentation

Modernize

- Transaction Performance & Scalability
- Mature Insurance Transaction Model
- DB2 & Replication Potential
- Good Screen/Session Control Point
- Includes Support for 50 LOBs
- "Application Historians" Still Available



Wheatley Insurance Systems
Policy Administration System

Modernization

Develop...

- ✓ Exigen User Interface to replace WINS “Green Screens”
- ✓ ACORD / WINS Transformation Services
- ✓ WINS “Message Broker” (then Enterprise Service Bus)
- ✓ Relativity Modernization Workbench Repository for WINS
 - AS/400 “Horizontal Scalability” with Multiple LPARs
 - DB2 Database to Replace existing DB/400?



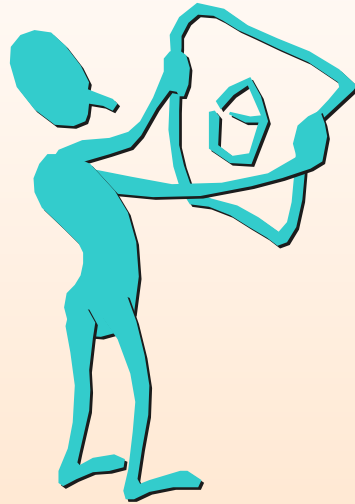
Revised Project Schedule

Phase III introduced PCG's new ACORD based SOA platform.

Phase	Scope	Deployment Target
III	<ol style="list-style-type: none">1. SOA ACORD Integration with WINS2. Exigen UI & Transaction Flow3. Homeowners, Auto, Collections & Excess	January 2006
IV	<ol style="list-style-type: none">1. Service Level Reporting2. Broker Self Service	May 2006
V	<ol style="list-style-type: none">1. Event Notification – Claims2. Event Notification - Billing	October 2006



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Architecture...



Insurance Processing Backbone (IPB) = BPM

Process Control Services

- Claims Processes
- Policy Admin Processes
- Billing & Payments
- Customer Services

Workspace Services

- CSR Desktop
- Self-service
- Adjuster
- Underwriter
- Administrator

Decision Services

- Underwriting Rules
- Policy Admin Rules
- Claims Decisions
- Process Mgmt
- Customer Mgmt

ACORD-Based Business Object Model

Channel Services

- Retail Office
- Contact Center
- Web/IVR Self-Service
- E-mail / Web-form
- Paper / Mail / FAX

Integration Services

- Transaction-oriented
- Messaging-oriented
- Interaction-oriented
- Service-oriented
- RDBMS/Application

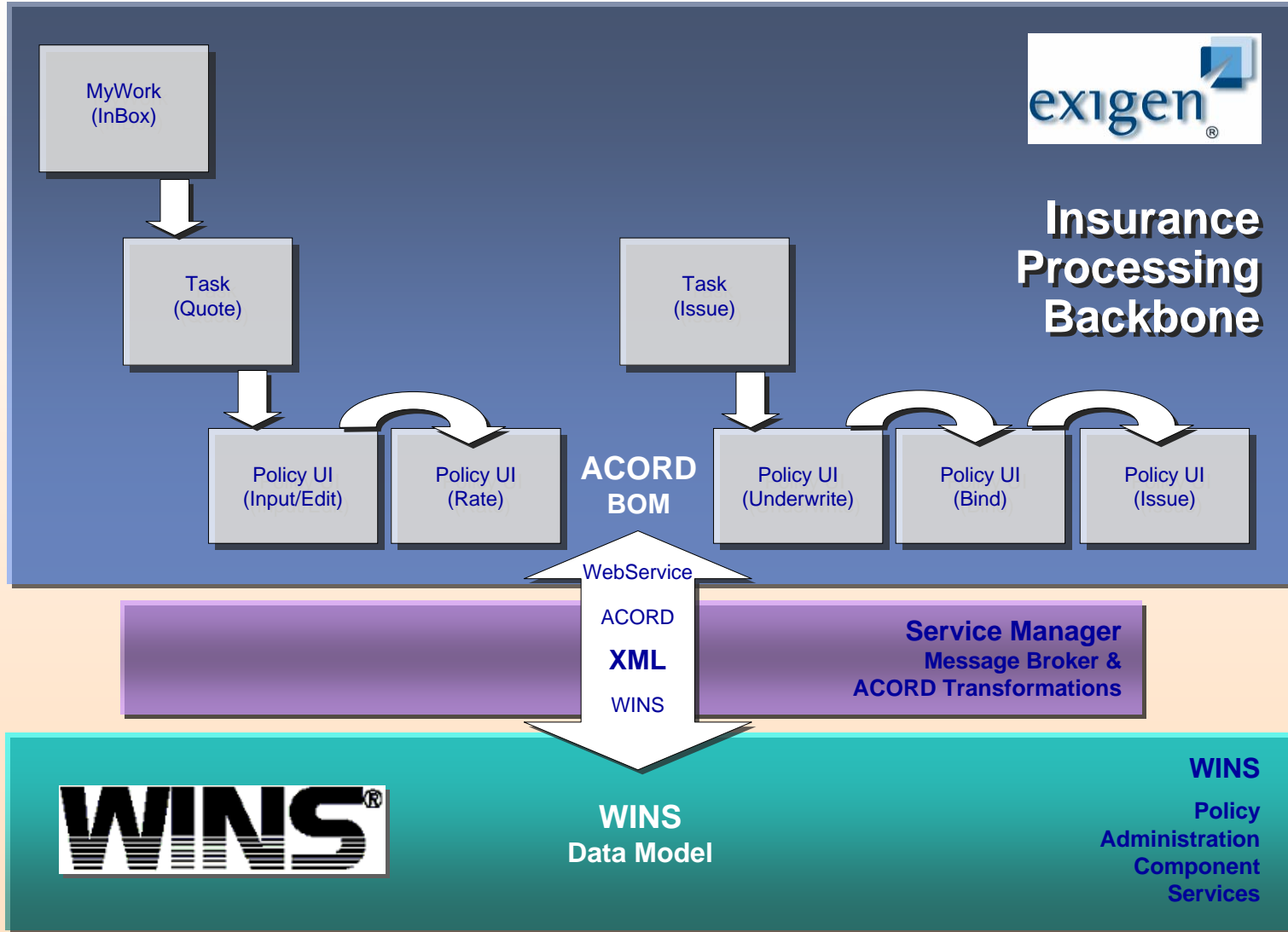
Security Services

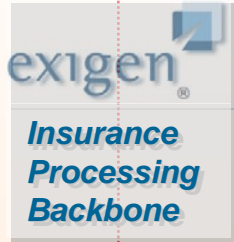
- Authentication
- Authorization
- Encryption
- Audit/Policy Mgmt
- Single Sign-On

Monitoring/Measurement Services



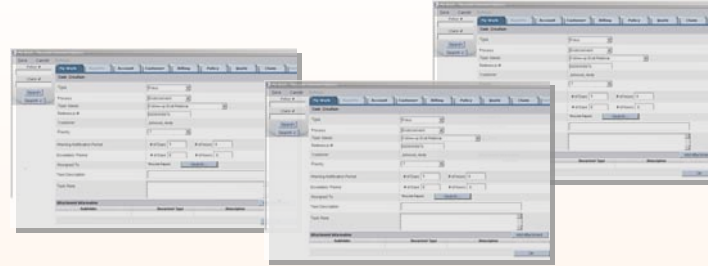
Service Oriented Architecture (SOA)





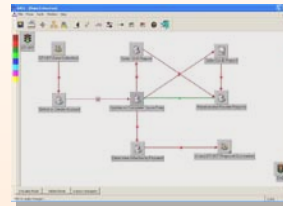
Presentation

- Account Portfolio
- Document Management
- Account Management
- Producer Management
- Standard User Interface
- Integrating All Products



Transaction Workflows

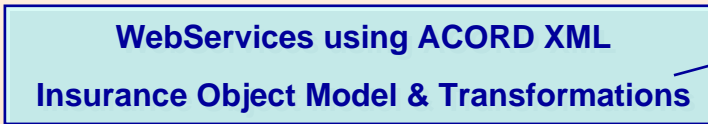
- Account/Customer Clearance
- New Business
- Endorsements
- Special Changes...



Process Control Services

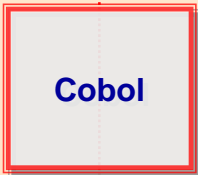
Product Interface

- ACORD Based
- WebServices & XML
- Internal to WINS
- External to Brokers



Product Administration

- Edit & Rate
- Underwriting
- Claims & Billing
- Issuance & Print
- Statistical & MIS Feeds





ePCG – Screen Sample

Save Cancel Refresh Print Info View Dec Reprint Dec Logout

Policy #

Claim #

Search Search +

- Applications and Proposals
- Brokers
- Vendors
- Reports
- Correspondence
- Signatures
- Underwriting and Rating
- Policy Papers
- Reinsurance
- Miscellaneous

Refresh Add Document

My Work Reports Account Customer Billing Policy Quote Claim New Claim

John Client Type:Homeowner Status:Active Pol #: HOP0016745 Pended Endorsement Renewals Transaction History Move to: Inquiry Go

Activities & Progress Notes View Active Tasks Create New Task Add New Note

Date/Time	Description	Performer	Status
09/16/2005 03:04 PM, EDT	Issue Policy HOP0016745 effective 05/10/2005 from ...	Adam Landau (Model)	Finished ELIMINATE
09/16/2005 03:04 PM, EDT	Bind Quotation QHOP041067 effective 05/10/2005	Adam Landau (Model)	Finished ELIMINATE
09/16/2005 03:03 PM, EDT	Generate Quote QHOP041067 Proposal	Adam Landau (Model)	Finished ELIMINATE
09/16/2005 02:57 PM, EDT	Create Quote QHOP041067 effective 05/10/2005	Adam Landau (Model)	Finished ELIMINATE

General Information

Id	Broker	Effective Date	Expiration Date	Bill Type	Mail Policy To	Payment Plan
HOP0016745	99999 - Private Client Group	05/10/2005	05/10/2006	GROUP		P3_GROUP BILL INSTALLMENT PLAN

Insured Information Add Insured

Name	Occupation	Employer	Age	Gender	Marital Status
John Client					

Location Information Add Location

Address	State or Country	Underwriting Company	Territory	Policy Type	Primary Res.	Rented to Others?
4615 W Huron St	IL	American International Ins Co.	006	03_HOMEOWNERS DWELLING	Yes	No

Additional Interest Information Add Add. Interest

Name	For Location	Type	Loan	Bill Payer?

Rating Information

Location	Exc. Liability	Construction	Year Built	Renov. Year	Usage Type	# of Families	Prot. Class	Flood Zone
4615 W Huron St	No	BRICK, STONE OR MASONRY	2004		Primary	001	07	B

4615 W Huron St

Coverage	Limit	Premium	Settlement Type	Deductible Type	Deductible	Change Coverages
Dwelling	\$4,000,000		Guaranteed Rebuild	Deductible	\$5,000	
Other Structures	\$800,000		Guaranteed Rebuild	Wind Storm	\$0	
Personal Property	\$2,800,000		Replacement Cost	Deductible		
Loss of Use	unlimited					
Personal Liability	\$300,000					
Medical Payments	\$10,000					
End. Premium						
Total Location Premium						
Policy Premium		\$16,031.00				



Closed Architecture...

Screens, Transactions & Workflow

Policy Administration System



Open Services Architecture...

Screens, Transactions & Workflow

Accounts (Customers & Policies)

ACORD Business Object Model

Policy Administration & Product Services



Agency Interface – WINS

Policy System (WINS)

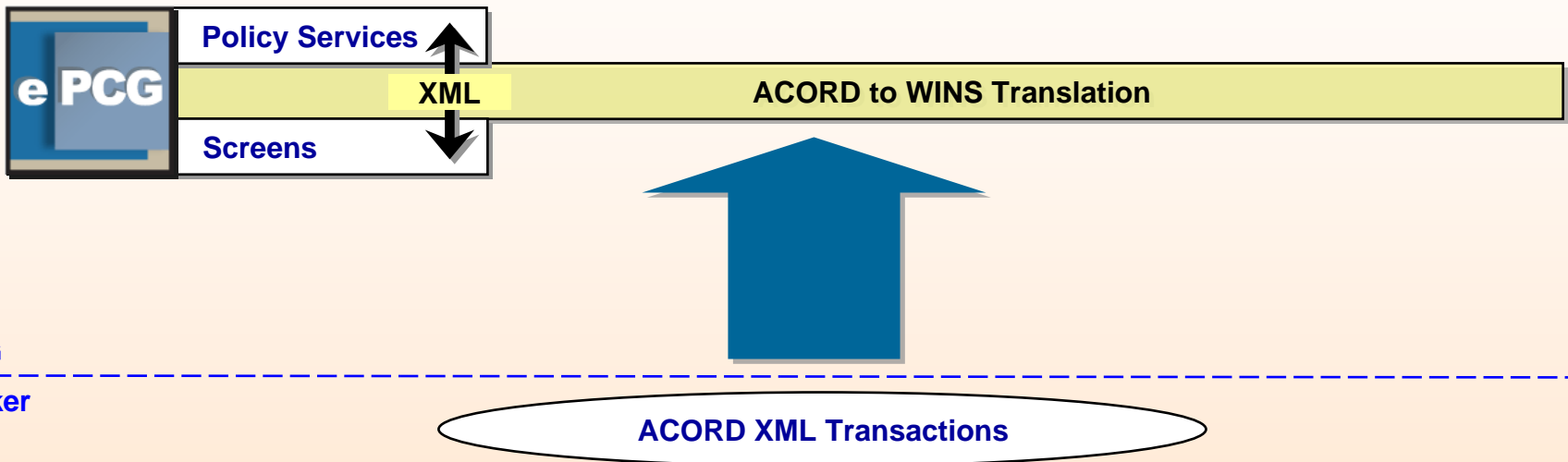
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Screens

In 2003, the WINS application was a completely self-contained proprietary platform. Interfaces to WINS from applications internal and external to PCG were very difficult to create and support. Changes in either interfacing application, could cause corresponding modifications to the original proprietary interface.

PCG

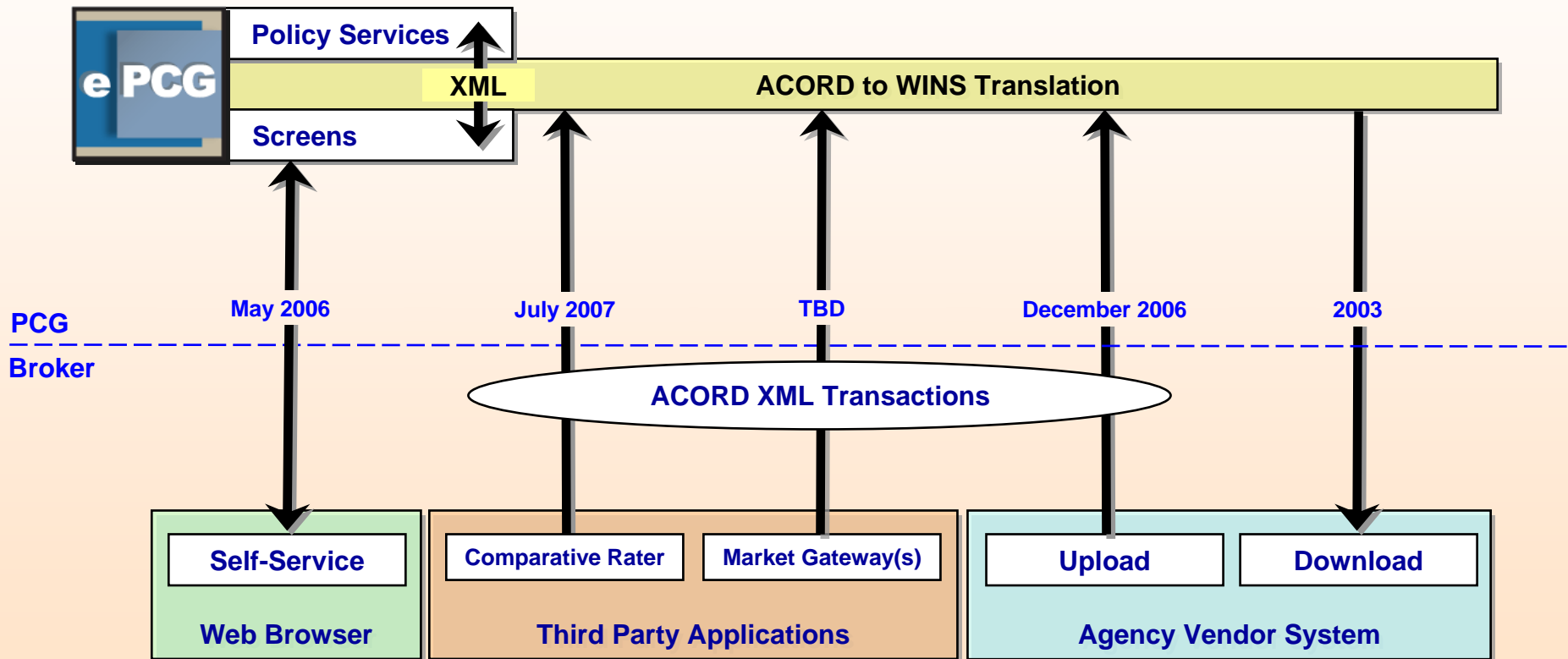
Broker



The deployment of ePCG in January 2006 enables PCG to offer brokers a multi-channel Agency Interface Strategy using the ACORD industry standard. The ACORD to WINS Translation layer de-couples the traditional user interface Screens from the Policy System. As a result the Policy System can receive ACORD XML Transactions from any available channel through the ACORD to WINS Translation layer.



Agency Interface – Architecture



Multi-Channel



Agency Interface – Plan

Phase	Scope	Production Deployment
1. ✓	Agency Download to our Brokers – All WINS lines (Applied & AMS)	2003
2. ✓	ePCG Broker Self Service – Access to... 1. Inquiry – Customer, Policy & Billing 2. New Business Quotes – Home, Auto, Excess, Collections, James Flood & Earthquake 3. Manual Task Creation – Pre-Arranged Tasks (Request for Proposal...) 4. View – Tasks, Activities & Notes – Limited ability to track PCG progress	May 2006
3. ✓	ePCG Broker Self Service – Access to... 1. Access Document Folders – View Dec Pages & Invoices 2. Enhanced Billing Inquiry – View Account Information 3. Screen Simplifications – for Homeowners, Auto, Excess & Collections 4. Print Proposals 5. Create Proposals – for Homeowners, Excess & Collections	September 2006
4. ✓	Upload/Quote from Agency Management Systems (Applied & AMS) 1. Applied – All WINS Lines of Business – August 2006 2. AMS – All WINS Lines of Business - March 2007	March 2007
5.	ePCG Broker Self Service – Access to... 1. Quote Endorsements 2. Claims Inquiry 3. ePCG Admin – Identity Management ✓ 4. Select Policy Download (button)	July 2007
6.	Upload/Quote from Comparative Raters	July 2007
7.	Upload/Quote from emerging Market Gateways	TBD

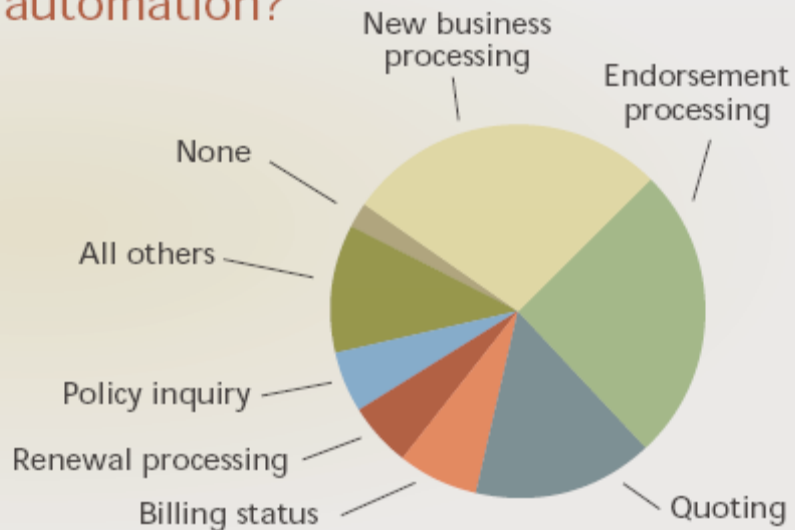


Carrier's Automation – Priority?

The call to develop real-time inquiry functionality came out of the 2002 survey. The survey actually helped drive a shift from where many carriers were headed in their development work, and resulted in automation changes agents actually have adopted and incorporated into their workflows. As real-time inquiry capability has matured, and more and more agents and brokers say they are using it, the push should now be toward real-time new business processing, endorsement processing and quoting, the survey says.

What should be the carriers' top priority related to real-time automation?

New business processing	27.8%
Endorsement processing	25.6%
Quoting	15.7%
Billing status	7.0%
Renewal processing	5.4%
Policy inquiry	5.3%
Others	11.2%
None	2.0%





Focused on priorities ...

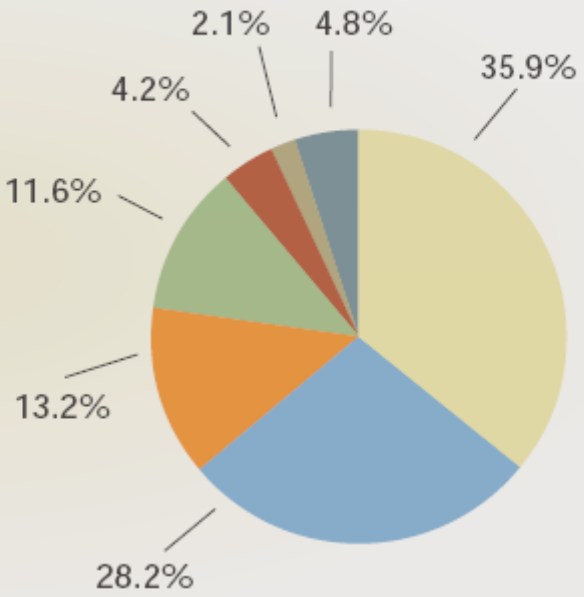
	<u>AUGIE</u>	<u>PCG</u>
1. New Business Processing	27.8%	✓
2. Endorsement Processing	25.6%	July 2007
3. Quoting	15.7%	✓
4. Billing Status	7.0%	✓

Issues - Limiting Agency Interface?

Asked about top challenges for supporting interface, agents and brokers ranked different proprietary company interfaces number one, followed by duplicate entry and multiple IDs and passwords. Duplicate entry earned the dubious spot as number one “time waster” when it comes to automation—by a nearly four-to-one margin over its next closest competitor.

What is your agency's greatest challenge in supporting interface?

Different proprietary company interfaces	35.9%
Duplicate entry	28.2%
Multiple IDs and passwords	13.2%
Training agency staff	11.6%
Managing real-time	4.2%
Password reset	2.1%
Other (specify)	4.8%





Issues - Limiting Agency Interface?

Working on the issues...

	<u>AUGIE</u>	<u>PCG</u>
1. Different proprietary company interfaces	35.9%	✓ Upload
2. Duplicate entry	28.2%	✓ Upload
3. Multiple ID's and passwords	13.2%	✓ ePCG Admin
4. Training agency staff	11.6%	✓ Onsite & Web



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Was it worth it?



Quantitative

1. 10% offset of PCG transaction data entry effort to brokers.
2. 50% reduction in the time to complete business transactions on average.
3. Each operations employee now supports more than 2 times the volume of business supported in 2004.
4. Transaction error rate reduced by 50%.
5. Ahead of 2003 premium growth estimates by 1 year.

Qualitative

1. Broker's immediate access to carrier policy data & documents.
2. ACORD orientation improves PCG to Broker communications and clarity.
3. Multi-channel interfacing ability improves ease of doing business.
4. Provides a complete auditable recording, of all transactions.
5. New thin client browser based ePCG application easier to deploy and maintain.





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Thank You!

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