

Simplify the Process

Hand-In-Hand At Nationwide: New Products And New Technology

■ By Phil Gusman

When Nationwide was looking to target a new demographic, it not only developed new products, but employed a technology solution that would simplify the process of creating and rolling out the new policies.

During a presentation on "Rapid Core Systems: Build For A New Product," set for this afternoon at 2:15 p.m., Kevin Madden, director, Private Client at Nationwide will describe the Columbus, Ohio-based carrier's experiences on both the business and technology fronts as it geared specific products toward a new demographic.

Mr. Madden said the company wanted to target customers outside of its traditional market. Nationwide and many competitors typically serve "Main Street" clients and

other insurers have products designed for very wealthy individuals.

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*Kevin Madden
Director, Private Client
Nationwide*

Nationwide, Mr. Madden said, found a hole in the mar-

ket for individuals who fall in between these two groups. Most of these individuals, he explained, have typical off the shelf insurance products even though those products may not offer enough coverage to suit their needs.

Mr. Madden said the problem for Nationwide was that its existing suite of products was inadequate to serve the intended market. The company would need new products to hit the target demographic, but that led to a separate problem with Nationwide's exist-

ing technology platform.

Nationwide had separate systems and policy platforms for each of its products, complicating efforts to offer targeted, coordinated solutions to this new group of customers.

For its new suite of products, called Private Client, Nationwide implemented a technology solution that allows all policies and policy product systems to be self-contained in one system, and available on one processing platform, making it easier to customize products and make coverage changes.

"Customer management, policies, claims management, etc., are all self-contained, said Mr. Madden. "None require hooking back into any legacy system."

The new technology solution is ExigenSuite for policy administration, billing and claims offered by Exigen Insurance Solutions. "The end-to-end suite of modular solutions runs on an agile, service-oriented platform that allowed Nationwide easy configuration of insurance processes and products and speed-to-market," explained Fazi Zand, vice

president, marketing and business development for Exigen Insurance Solutions.

Mr. Madden said the solution not only allows Nationwide to serve customers more effectively, but will also lower IT spending over time.

On the business side, Mr. Madden said Nationwide is offering its new demographic products that include identity theft coverage; travel assistance, which arranges for customers to be transported home to receive care if they are injured in a remote location; and a concierge service, which informs customers exactly when coverage begins, what is covered, and offers up-front appraisals for customers.

Mr. Madden added that contracts for Private Client are written to essentially settle a loss before it occurs. Explaining the confusion surrounding many standard insurance contracts, he cited the example of replacement costs for contents in the event of a serious fire. He said many companies only offer about 35-40 percent of the contents' value, and then if the customer replaces the contents, the company will pay the contracted, proportionate difference. However, Mr. Madden said the customer was likely expecting true replacement, and relying on that to cover the costs of purchasing new contents.

With Private Client, Mr. Madden said the customer and Nationwide agree on the value before a loss, for homeowners and inland marine coverages, and then settle the loss at the agreed-upon replacement values. "All home clients will receive a free replacement cost appraisal of their home to determine the proper insurance value," said Mr. Madden. "The client will insure for that amount." ■

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stimulus package.

"Once we overcome the major concerns about privacy, this system will improve our ability to serve consumers," he said.

Pointing out that "the current underwriting process can be frustratingly long in terms of getting necessary medical information," he asked the audience to "imagine how much faster, more efficient and more accurate we'll be able to work if we can get that

data at the touch of a button."

He added that payment of both health and medical disability claims would also be greatly facilitated by having medical records available electronically.

"As we return to 'normal,' whatever that turns out to be," he concluded, "IT will be the enabler of greater efficiency and productivity," whether that involves underwriting, research, sales, claims or continuing education. ■

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a community of ACORD experts around the world who can serve as standards advocates at their organizations and increase the rate and success of standards adoption," explained Mr. Maciag.

Another is by collaborating with other industry associations—the latest being the announcement here that ACORD and the American Association of Managing General Agents have joined

each other's organization.

Mr. Maciag also cited development of e-forms and the new ACORD Framework initiative to facilitate progress on standards integration.

In addition, Mr. Maciag released his second book here—"The Real-Time World: Enabled by ACORD Standards"—which, he said, can serve as "a tool to educate and stimulate discussion about the value of ACORD standards." ■