

Private Client Group, a division of AIU Holdings, Inc., has emerged as a text-book example of operational efficiency. It has transformed its disparate, dated technologies into a streamlined, Web-services infrastructure with help from Exigen Insurance Solutions, a San Francisco-based insurance technology solutions provider. The results have been profound and far-reaching, and the cumulative effect is a thriving, profitable company.



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# SMARTER AND FASTER

PRIVATE CLIENT GROUP MODERNIZES WITH EXIGEN INSURANCE SOLUTIONS — PROFOUND, FAR-REACHING RESULTS STRENGTHEN THRIVING AIU HOLDINGS, INC. SUBSIDIARY.

**Formed in 1999 as a subsidiary** of New York-based American International Group's property and casualty insurance division to serve high-net-worth clients around the globe, Private Client Group initially lacked an organized technology infrastructure. By 2003 the company was handling \$300 million in net written premiums, and growing by 70% annually. However, its cobbled-together applications' shortcomings manifested themselves in frustrated employees, independent agents/brokers and customers whose everyday challenges included inability to access information they wanted and needed, receiving conflicting and sometimes outdated information, and having to access multiple applications and systems for even simple tasks. Employee productivity and client satisfaction suffered, and barriers to new business opportunities abounded.



**Fazi Zand**

Vice President Marketing & Business Development, Exigen Insurance Solutions

**“THIS APPROACH ENABLES COMPANIES TO MANAGE CORE-SYSTEM TRANSFORMATIONS BETTER. BY HAVING AN OPERATIONAL LAYER BUILT, THEY CAN HANDLE CORE-SYSTEMS REPLACEMENT IN A MORE DELIBERATE WAY.”**

Private Client Group that year set out to modernize its systems and shed these business impediments. It started by hiring Karl Uphoff as chief information officer (CIO) and “transformational manager.” The company then sought a vendor with business-process management expertise that could help create one coherent transaction platform to improve account management, work flow, and document management functions.

Enter Exigen, a start-up with tremendous appeal, says Uphoff. “We recognized their advanced skills in BPM and putting together a solid platform,” he explains. “It was clear Exigen was an IT firm designed to satisfy potential of what their client may want to do. And it represented a partnership opportunity and a willingness to come along for the ride as we developed, rather than coming to us as a vendor with a rigid product.”

**NEW LIFE**

Within four months of signing a contract with Exigen, Private Client Group went live with a coherent platform wrapped in Web services. It then turned toward its back-end policy administration platform and breathing new life into the aging technology.

Private Client Group’s WINS system (think COBOL, AS/400 midrange system, batch cycle, greenscreen ...) for reinsurance, claims and billing remained powerful, but its uncompromising user interface rendered it slow and inefficient. Exigen built

a layer of services on this system allowing transactions to remain in WINS while users access them through a web-based browser. The company reduced 16 million lines of code to 6 million, and removed the transaction-control logic and user-interface layer, moving them into the BPM capabilities of the Exigen Insurance Solutions’ platform.

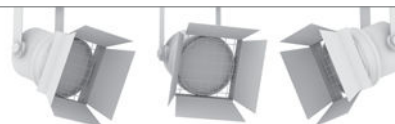
The new platform, ePCG, automates the account portfolio to better support internal staff and independent agents and brokers, and improves their ability to engage prospects and service clients. SOA allows Private Client Group to quickly integrate internal systems and external providers, and to provide best-of-breed functionality.

To achieve this, Private Client Group uses the Exigen Insurance Solutions Lifecycle Management solution and SOA platform to provide integration to all core systems via an ACORD-based business object model and a Web interface to all customer, account, policy, claims, and billing information and activity. Role-based, ePCG delivers appropriate access and support to all users. Its tight security and compliance management inherently resolve matters like HIPAA without having to initiate separate projects.

Fazi Zand, Exigen Insurance Solutions vice president of Marketing and Business Development, points out the beauty of SOA: “This approach enables companies to manage core-system transformations better. By having an operational layer built, they can handle core-systems replacement in a more deliberate way.”

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**VANGUARDS**  
IN INSURANCE PRACTICES



**PHASE II – BEST PRACTICE CASE STUDY**

**SECOND PLACE WINNER:** Farm Bureau Financial, Western Ag. (FBL) / Computer Sciences Corp.

**THIRD PLACE WINNER:** ICW Group / FirstBest Systems

**HONORABLE MENTION:** Commerce Insurance Co. / AgencyPort Insurance Services, Inc.  
Arrowhead General Insurance Agency / EMC Document Sciences  
Fidelity Investments Life Insurance Co. / Oracle Insurance



**Karl Uphoff**

CIO, Senior Vice President and Transformational Manager, Private Client Group

**“ACORD IS ACCEPTED AS THE INDUSTRY INTEGRATION STANDARD, AND IT WILL OPEN DOORS IN THE FUTURE TO INTEGRATION WITH ALTERNATIVE MARKET CHANNELS THAT WE MAY NOT RECOGNIZE NOW.”**

### OVERCOMING CHALLENGES

Private Client Group’s ambitious project’s first hurdle was to secure executive buy-in, not an easy sell in 2003. Uphoff and his team made the business case for SOA and approached the modernization initiative in incremental steps. To prove that SOA technologies were real, they started with a small successful project that has grown to encompass the entire technology operation. Ultimately SOA has changed the way the company operates.

Another challenge Private Group faced was training agents and brokers on how to use the system. An extensive education campaign was deployed, based on various agents’ and brokers’ operational models. Some received on-site training, while others tuned into webcasts or visited an online learning center. Eighteen months after the rollout, Private Client Group offered refresher training.

### CONCRETE RESULTS

Today’s 7,500 users — including Private Client Group’s employees and its network of independent insurance agents and brokers — have given the new technology high marks.

The new technology enables employees to do their jobs better, smarter and faster. For example, it has helped Private Client Group to achieve business growth of 30% in 2008 due to easier cross- and up-sell functionality; an IT expense ratio that is nearly half of the insurance industry average; a 30% reduction in time for new business quoting; and approximately 20% of automated underwriting for policy changes without underwriter review. In addition, the new platform has allowed internal staff to support three times the amount of equivalent business in 2005, and currently 37% of the data entry for new line quoting to brokers was offset.

“ACORD is accepted as the industry integration standard, and it will open doors in the future to integration with alternative market channels that we may not recognize now,” says Uphoff.

### EXIGEN

Zand of Exigen Insurance Solutions says, Private Client Group was facing a common and difficult problem. Exigen’s approach is to ensure that things make sense from the users’ point of view — in this case, Private Client Group’s employees and independent agent/broker network — not from the system’s point of view.

“Exigen has been an excellent partner,” says Uphoff. Private Client Group licenses software from Exigen Insurance and outsources support and new development work to an Exigen professional services team. When Private Client Group eventually replaces its AS/400 with a more modern system, it plans to continue working with Exigen.

### SUCCESS FACTORS

This multi-year, multi-level initiative has succeeded because Private Client Group has: a highly respected chief information officer who early on believed in web-services’ promise; a culture that embraces the IT team as an integral, strategic contributor to the business; a supportive executive team that encourages educated, calculated IT risk-taking; and an IT partner, Exigen, that has consistently generated strategic, on-target ideas, and delivered resulting projects on time and on budget.

Today Private Client Group is a \$1.4 billion business, and it has become a blueprint for global technology operations at AIU Holdings. Considered a “center of excellence,” the ePCG platform will be rolled out across the world to support international high-net-worth clients. ●