



Electric Insurance Company Streamlines Policy Rating with Web Services

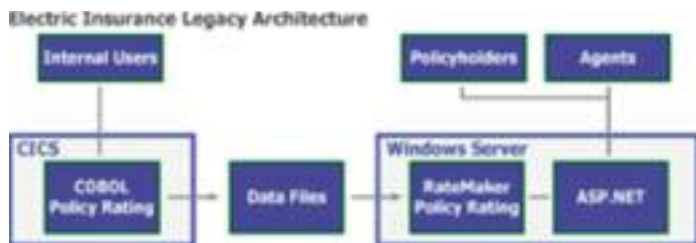
Electric Insurance Company, a national writer of personal insurance, was established 35 years ago to serve the needs of General Electric employees. The company now offers home, auto and umbrella policies to the general public in all 50 states.

Traditionally, the company directly wrote insurance policies for GE employees and those referred to the company by GE. Over the past six years, however, the company began to expand its marketing efforts by partnering with many Web-based insurance and rating services and enrolling independent insurance agents as well.

Challenge: Integrate Modern Web-based Systems with Existing COBOL Policy Rating Engine

As Electric Insurance began to roll out new Web applications to support new business lines, the speed at which they could bring pricing changes to market was a major IT challenge. This dilemma was worsened as they attempted to integrate the more modern Web-based systems with their existing COBOL policy rating engine.

Electric Insurance utilizes the mainframe for core GE and non-GE business, but at the same time had to copy the rating engine into the newer direct Internet group modules (see diagram below). Maintaining separate copies of the rating systems was redundant and expensive, so to improve operational efficiency, Electric Insurance wanted to eliminate the need for the COBOL rating engine and multiple copies.



Goal:

The ability to rapidly bring pricing changes to market to support new markets and new lines of business and eliminate redundant rating systems.

Why Electric Insurance Selected DataDirect:

DataDirect Shadow z/Services was selected because it enabled the mainframe to consume Web services functionality effectively to incorporate the mainframe into the service-oriented world of Microsoft .NET.

Business Benefits:

The company was able to expand its insurance offerings to a larger market, recruit independent insurance agents more quickly, and reduced the typical time of a price change by one to two months. This reduced time-to-market equates to an increase of revenue by as much as 30%.

Technical Benefits:

DataDirect Shadow z/Services enables the mainframe COBOL rating system (housed in CICS) to effortlessly consume a web service that resides within Microsoft .NET, thereby eliminating the cost of maintaining a redundant system.

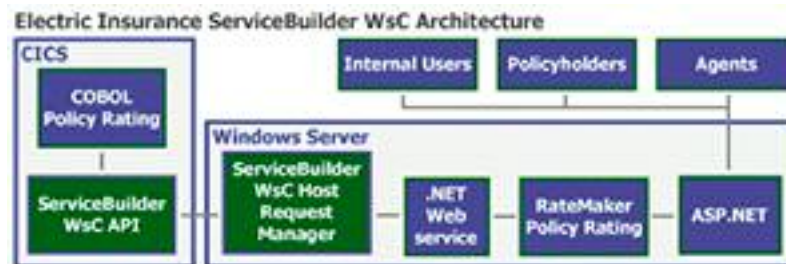
Solution: DataDirect Shadow z/Services Allows Mainframe to Effortlessly Consume Web Services

Electric Insurance chose VISTA RateMaker from Decision Research Corporation (DRC) as the de facto rating engine moving forward, and to effectively enable RateMaker to serve as the unified automated rating engine for both the mainframe and Web rating servers, Electric Insurance selected DataDirect Shadow z/Services (Web Services Consumption component).



RateMaker effortlessly compiles rating calculations into services, but to render this information accessible from Electric's CICS system, Shadow z/Services wraps the data as a .NET Web service message and delivers it to the mainframe system directly.

Shadow z/Services runtime component, which resides within CICS, then queries this Web service whenever a mainframe user needs to access rating functionality. In effect, the mainframe COBOL application, also housed in CICS, actually consumes a Web service that resides within Microsoft .NET. Thus, by enabling the COBOL system to effortlessly consume service-based functionality, mainframe users access the same DRC functionality that determines rating for the Internet group (see diagram below).



Results: Eliminate Costly Redundant Systems and Shave Up to Two Months off Pricing Change Time-to-Market

The ability to merge the two systems had a dramatic impact on Electric Insurance. First, the company opted to offer its umbrella insurance policies to the entire country. In the past, since the policy premiums were generated by the mainframe rating engine, it only offered umbrella insurance to GE employees.

Secondly, the company will revamp their home insurance application - the new system will also rely on Shadow z/Services for integration between RateMaker and mainframe applications. Also, the project has helped the company recruit independent agents. "We can set up a Web browser in their office and allow them to have instant access to all of our information," notes Steve Coyne, Manager of Information Technology at Electric Insurance. "We are going to grow the business in that way."

Finally, the implementation is helping to solve the pricing challenge. "We reduced the time of a typical price change and took one to two months out of the loop for upgrades and downgrades. Pricing can now control its world," comments Coyne. Electric Insurance institutes 60 to 70 pricing changes a year, and with reduced time-to-market, the payoff could be an increase of revenue by as much as 30 percent.

"By enabling the mainframe to effectively consume Web services functionality, Shadow z/Services engenders an impressive level of architectural agility as we truly incorporate the mainframe into the service-oriented world of Microsoft .NET," sums up Angelo Renna, Vice President - Information Technology at Electric Insurance.

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Angelo Renna
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