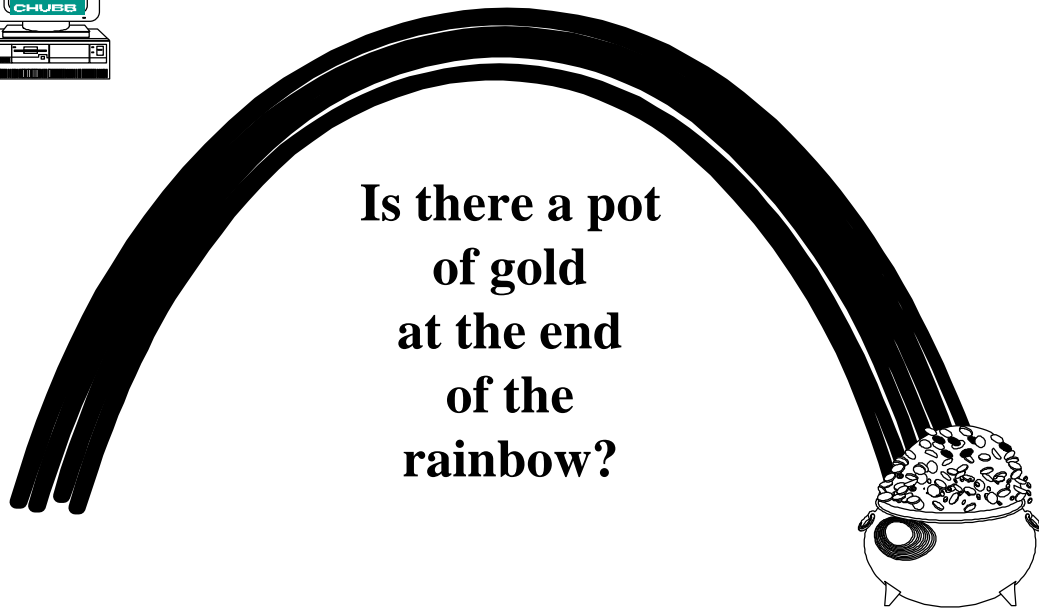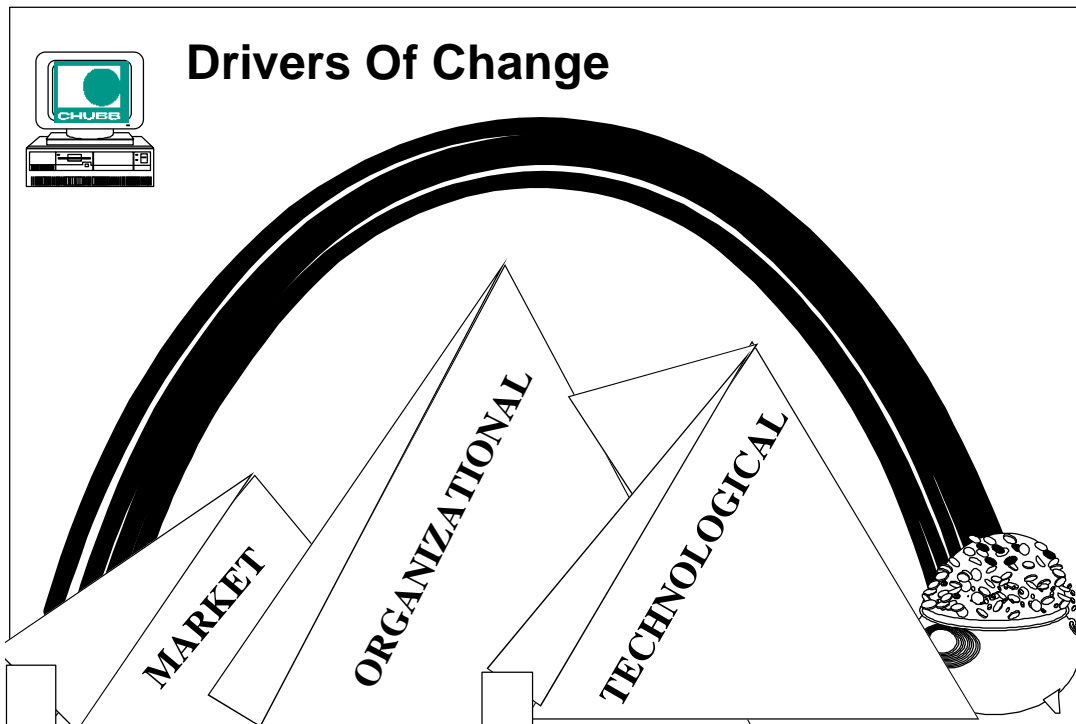**TRACK 2: MANAGEMENT**
SESSION 230

THERE IS A POT OF GOLD
AT THE END
OF THE RAINBOW

THOMAS MCMINN, CHUBB & SON, INC
JOHN CARDUCCI, CHUBB & SON, INC

Is there a pot
of gold
at the end
of the
rainbow?

Drivers Of Change

MARKET

ORGANIZATIONAL

TECHNOLOGICAL

Market Pressures:

- **More**
  - Regulations
  - Competitors
  - Customized products
- **Faster**
  - Product development

Organizational Pressures:

- Grow business and profit

- Expand global presence

- Focus on customer

- Reduce expenses

- Reengineer business

Technological Pressures:

- Less expensive

- Higher quality

- More scaleable

- More portable

- Interface with business partners, customers

- More maintainable, flexible

Chubb Story - Who Are We?

- Chubb Corporation
  - Chubb & Son Inc (Property & Casualty)
  - Chubb Life America   (Life & Health)
  - Bellemead Development Corp (Real Estate)
- 3rd largest US - 13th largest worldwide
- Revenues of $6 billion
- Total assets of $23 billion
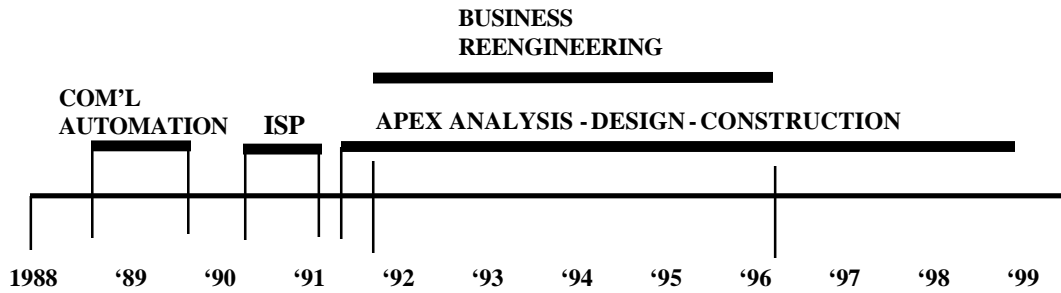- 100 offices worldwide
- 10,000 employees worldwide

Chubb Story

- Organizational response
  - Evaluate & redesign commercial products
  - Business sponsorship
  - Enterprise wide Information Strategy Plan
  - Cross functional teams
  - Evaluate 230 products and services
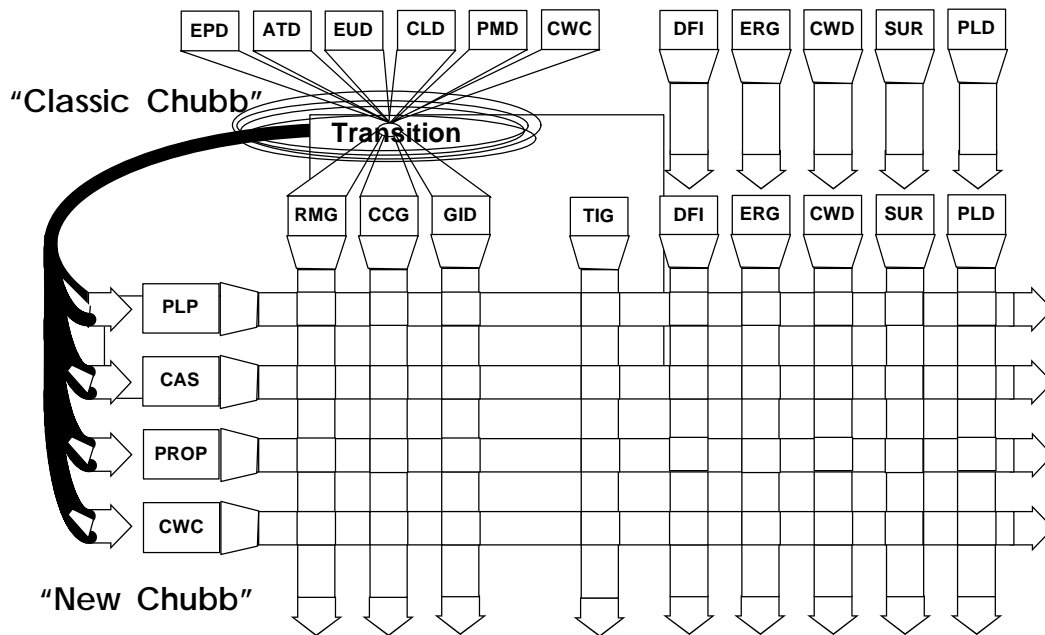 - Initiate Client and Product (APEX) projects
  - Reengineer business

BUSINESS REENGINEERING

COM'L AUTOMATION   **ISP**   **APEX ANALYSIS - DESIGN - CONSTRUCTION**

1988 '89 '90 '91 '92 '93 '94 '95 '96 '97 '98 '99

1457-9

Systems Owned by Departments prior to Reengineering

Departments	Auto	Pkg	GL	WC	Exp	Trst	Bond	B&M	Crgo	FP+	UAS
CLD	X	X	X	X	X						
DFI						X	X				
ATD								X			
PMD								X	X		
EUD										X	

1457-10

Business Reengineering

| EPD | ATD | EUD | CLD | PMD | CWC | | DFI | ERG | CWD | SUR | PLD |

"Classic Chubb"

Transition

| RMG | CCG | GID | | TIG | | DFI | ERG | CWD | SUR | PLD |

PLP

CAS

PROP

CWC

"New Chubb"

What is it?

Product Development Tool

Underwriting Information

Rating / Pricing

APEX

Quote

Policy Processing
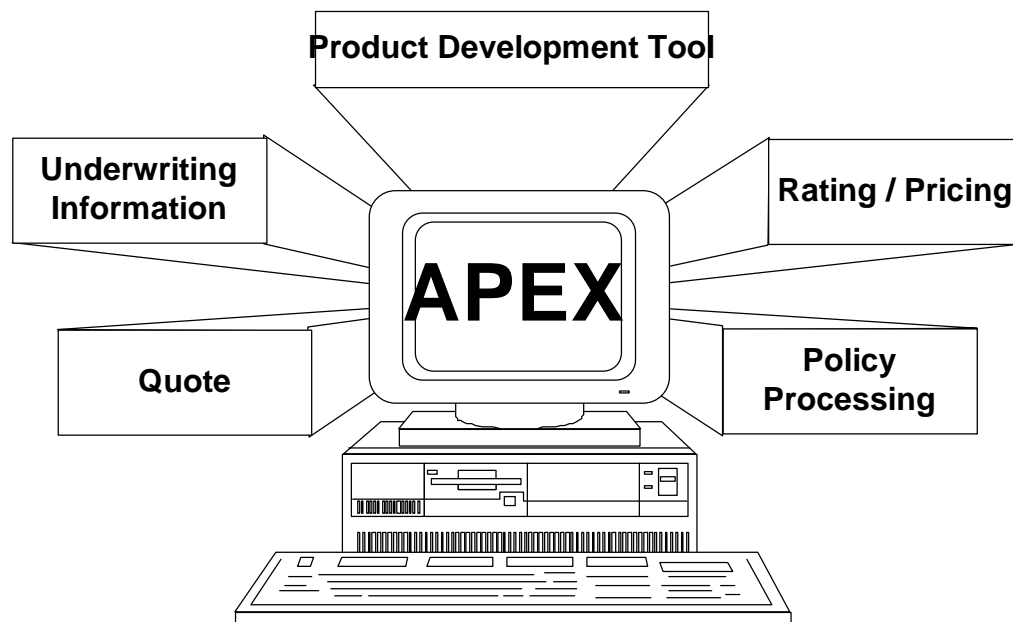
APEX - Product Management

Functionality

(What the system can do)

Business Rules

(What the business dictates)

APEX - Product Management

Functionality

(What the system can do)

Ability to process newlines, renewals, endorsements...
Ability to ask any question

Business Rules

(What the business dictates)

EDP Property requires raised floor information

APEX
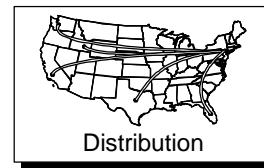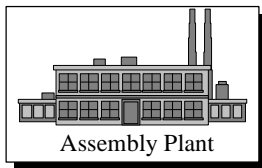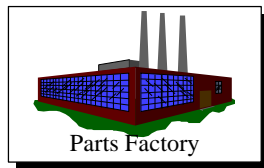
Functionality (Software)

STABLE

Business Rules (Data)

VOLATILE

1457-15

APEX

Functionality (Software)

| Parts Factory | Assembly Plant | Distribution |

Business Rules (Data)

VOLATILE

1457-16

APEX

Functionality (Software)

Parts Factory
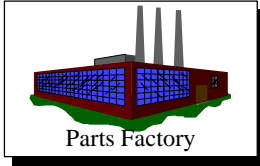
Business Rules (Data)
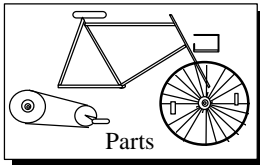
Parts

1457-17

APEX

Functionality (Software)

Parts Factory   Assembly Plant
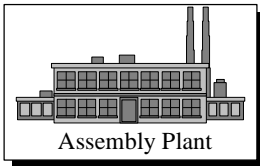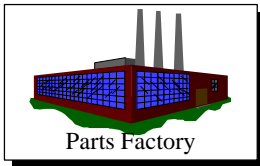
Business Rules (Data)
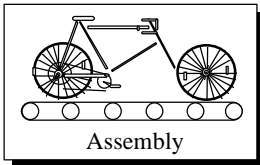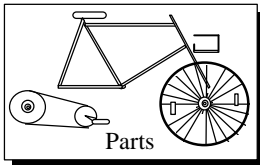
Parts   Assembly

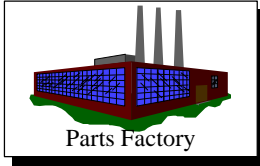*1457-18*

APEX

Functionality (Software)

Parts Factory

Assembly Plant

Distribution

Business Rules (Data)

Parts

Assembly

Finished Goods

1457-19

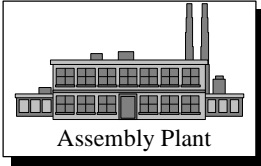**APEX**
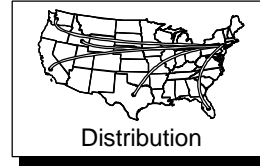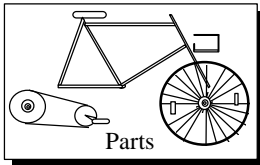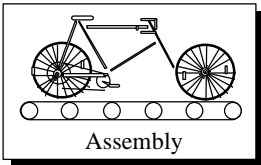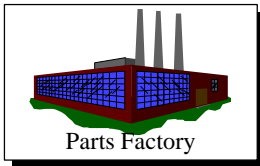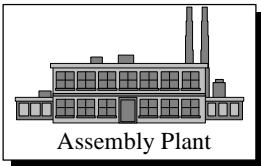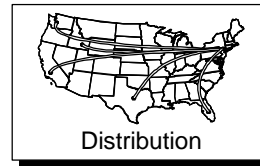
Functionality (Software)

Parts Factory

Assembly Plant

Distribution

Business Rules (Data)
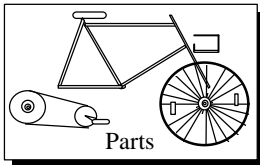
Parts
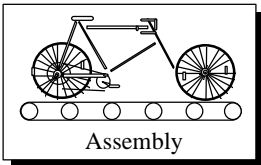
Assembly

Finished Goods

1457-20

*Practice
System*

*Customer
Group System*

*Policy/Service
Management System*

Concept to Market / Maintenance

Functionality (Software)

Parts Factory	Assembly Plant	Distribution

Business Rules (Data)

- General Liability
- Property
  - Building
  - EDP Equipment
	■ **Museums**
	Make product available to customers in NY and NJ
		■ **Museums**
		Product is available to customers in NY and NJ

Practice System	*Customer Group System*	*Policy/Service Management System*

1457-21

Customer Support

Functionality

Parts Factory **+** Assembly Plant	→	Distribution

Business Rules

Practice System **+** *Customer Group System*	→	*Policy/Service Management System*

1457-22

Customer Support

Functionality

| Parts Factory | + | Assembly Plant | → | Distribution |

Business Rules

| *Practice System* | + | *Customer Group System* | → | *Policy/Service Management System* |

APEX - Product Management

■ APEX can be the single policy processing system for all practices and customer groups.

■ APEX will:

– Enhance underwriting decisions

– Enhance customer service

– Quickly respond to the market

– Reduce new product cycle time

Impact on Change Management

Type of Change	Legacy	APEX
Add new attribute	6-10 weeks	30 minutes
Change range	2-4 weeks	20 minutes
Make coverage available	2-4 weeks	15 minutes

Create new product
  From existing coverages

  From scratch

* Changes do not include rating, print, and downstream changes

1457-25

APEX Characteristics

– Client processes = 350

– Server processes = 350

– Online transactions = 357

– Size

  • Objects = 412,360

  • Function points = 8,730

  • Entities = 411

  • DB2 tables = 411

1457-26

APEX use of Composer

- Development platform
  - OS/2, DB2/2, DB2, IBM C Set
- Target platform
  - OS/2, DB2, CICS, IMS, LU6.2
- Flexible "fat" or "thin" clients
- Platform independence
- Scalability
- Model Management

Lessons Learned

- Vision
- Senior business sponsorship
- Patience
- Constant internal marketing
- Transition - analysis to design/build team
- Manage to short term deliverables
- Methodology - clarifies path
- Data architecture - key tool for results

End of the rainbow ...

CHUBB

VISION

BUSINESS PARTNERSHIP

PATIENCE

TRANSITION FROM ANALYSIS

MANAGE TO SHORT-TERM DELIVERABLES

DATA ARCHITECTURE