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Q: WHAT WERE YOUR KEY BUSINESS REASONS FOR BRINGING IN NEW DATA WAREHOUSING AND REPORTING TECHNOLOGY?

A: From the business perspective there are two main things which make information even more important for an insurance company than for others. We have an enormous issue in that when we set the price for a product, we don't know a large proportion of the cost – because that comes from claims which might be years later. It means we must have very good business models and a good understanding of trends.

The other thing is the nature of the insurance business, which is cyclical. The market will attract additional capital which drives prices down, leading to losses which drives capital away – so there is always a period when the industry is making money and a period when it is not making money. Pricing is an issue, as is the ability to understand where you are in the cycle – so information is very, very key.

Q: WERE YOUR EXISTING INFORMATION SYSTEMS NOT UP TO THE JOB?

A: Because information is so important, Chubb has always had reasonably decent management information systems. We are quite lucky in that we have a single scorecard system across the business – a PowerBuilder application that gives profit and loss across the whole business.

But we also had older mainframe-type reporting systems, and some reporting out of our underwriting systems in Europe, plus local databases and Excel spreadsheets, and there were issues in rolling all these up. We also wanted to get to a much lower level of detail, to look at the performance of particular products and territories and our work with particular brokers.

Q: WHAT NEW SYSTEM DID YOU ADOPT?

A: We have a data warehouse that takes information from very many different databases. This information is loaded using Informatica and we use Cognos to analyse and report on that data.

In terms of databases, the choice was pretty easy. We are essentially an Oracle house.

With Informatica, Chubb in the Sates had already purchased a number of licences and could essentially provide us with one for free. But we had already been thinking about Informatica as a tool and we have certainly found it is a lot quicker to process data using it.

With Cognos, there was more of a choice involved. We brought in a consultant to help with building the data warehouse and with software selection. After a first pass, Cognos was in the lead in terms of meeting our functionality and the company being around for a few years.

We then found the US were doing a similar review; they had looked at all the products we had looked at plus a couple of others, and had got to Cognos as well.

Q: HOW DOES THE NEW SYSTEM OPERATE?

A: We have a single data warehouse but with many subject areas within it. There are five different elements to EMIR (European Management Information Repository). The first thing we rolled out in June 2003 was the profitability module, which enables us to look at our results and in particular pick out future trends. Then in September 2003 we introduced the broker view – which allows us to see profit and losses for each broker we work with, and this was very key.

We then brought in the claims management module, looking at the performance of our claims department. In May 2005 we brought in profitability management, looking at our sales processes, new business, lost business and how profitability has changed. We then extended the brokerage system and, most recently, we brought in a module looking at

our budget and tracking performance against this.

Q: HAVING INSTALLED THE NEW REPORTING OPTIONS, HOW DID YOU GET MANAGERS TO ACTUALLY USE THEM?

A: What we did upfront was to articulate that we were in the business of cultural transformation – it sounds pretentious, but it makes sense to us. We wanted to develop a culture where reliance on good management information is central to what Chubb is as a company.

We saw that communication about EMIR was incredibly important, and our approach was like what you might get with a new Hollywood movie – there were lots of different ways of telling people about it. We set up an intranet site; we began showing prototypes at management meetings; we sent out glossy newsletters across Europe; and we worked with senior business people to get them to get the message across. It's a bit like the build-up to King Kong, though we didn't have plastic figures!

All this led up to the first training sessions where we got 20-30 very senior people together in London and showed them that they could do things that they couldn't do before. For example, if there were losses, then I drilled down to where those losses came from, to individual policies. I said, "I did that as an IT person, imagine what you can do as insurance experts".

We didn't let anyone use the system until they had had training on it. People had already heard a lot about it so they would look at it over other people's shoulders, and people who'd had the training would come to meetings with all these numbers that others couldn't get. So people would come to the training sessions with an enthusiastic mindset. Then we always tried to show them that they could do something they couldn't do before, using live data.

We have around 1,200 people

across Europe and EMIR is being used by 450 of them – a lot of people. These are managers and junior managers across most parts of the business – underwriters at all levels, and the people running the different countries and departments, claims, actuarial and some financial and accounting people, and people managing the operational and services data entry teams.

Q: HAVE YOU EVALUATED THE BENEFITS OF EMIR?

A: One of the problems is that the decisions we take today, we don't know their impact until 5-10 years time. But we anticipated 100-120 people using the system and we have 450. These people aren't stupid. They are using it because it produces business value – the usage is much higher than we anticipated and people are also using it in ways we hadn't anticipated.

For example, it's being used in marketing to aid in cross-selling. The ability to identify cross-selling opportunities between lines of business and between countries has been very important to us.

Q: HAS THE SYSTEM HAD ANY DIRECT IMPACT ON CUSTOMERS?

A: It's giving us much more information about brokers. For example, if we have a meeting with a broker, we can get information on how our book

of business with them has gone up or down. Previously it would take 5-7 days to assemble a report on what we are doing with a broker, now it can be assembled in seconds.

We will take the information to meetings and print out EMIR reports and send them to brokers. That's been a big part in us saying that Chubb has got its act together in terms of information, our numbers are right. One of the things we want to do in the future is provide direct access to some elements of EMIR to brokers.

Q: HAS THE SYSTEM GIVEN YOU A 'SINGLE VERSION OF THE TRUTH' ACROSS THE COMPANY?

A: We are about 80% of the way there. We have one key element of the business to roll out which is exposure management, looking at how much excess is deducted on policies, measuring our level of exposure in different areas, and how that has changed over time. We aim to have that out during 2006 and that will get us 95% of the way there.

Q: HAVE YOU HAD ANY PROBLEMS?

A: It's a challenge to get people to use it more proficiently. We have done a number of things such as offer refresher courses and one-to-one sessions where we help them put together reports. We have also changed the training model. In the first phase we brought people to

London. Then we went to their own country – if everyone in the room is from Italy, they can focus on their real business problems.

With the software, we have had some minor glitches but both Informatica and Cognos have been very responsive when we have had issues.

Q: WHAT ARE YOUR FUTURE PLANS?

A: We are developing a corporate dashboard. Release 8 of Cognos has been important to that; Cognos Report Studio gives us a lot of what we actually need for a dashboard and we now have a prototype that we have just put out with a group of senior managers.

Another area that we have not touched on that much is expense reporting, finance are quite interested in that. We are also looking to bring more data in from other European systems. Also the Blackberry has taken over in our organisation and we are looking to put some stuff on Blackberry.

Q: WHAT'S YOUR OVERALL VIEW OF THE PROJECT?

A: I'm pretty proud of what we've done. This has had a bigger business impact than any other IT development I have been involved in. We set out to make a cultural transformation within the company and I'm quite happy to declare victory on that.