



Business Intelligence

delivering proven ROI and benefits

A look at how Chubb Insurance Company of Europe uses business intelligence to support a European-wide reporting system and grow the business.

In the insurance sector, a significant element of expense is not fully known at the time that the price of a policy is set, namely the claims that a policyholder will make. Indeed, in some lines of business, claims may be made decades after a policy was written. Furthermore, the industry features price cycles that extend over several years. Understanding turning points in the cycle is crucial to investment and underwriting strategies. So, while good management information and analysis is key to any company, it is the lifeblood of an insurer.

"Being able to make judgements about the future is make or break for an insurance company. It's not just about knowing where you are now, but also about using past performance to make accurate predictions about trends," explained Peter Thomas, VP of European management information technology at Chubb Insurance Company of Europe.

Chubb Insurance Company of Europe SA is part of The Chubb Corporation, a worldwide insurance organisation providing specialised insurance programmes to individuals and a wide range of businesses through independent brokers.

The global organisation has over 130 offices worldwide and assets in excess of \$35 billion. Its European subsidiary covers 11 countries and has an annual turnover in excess of \$1 billion.

The challenge

Chubb Europe has always had a strong focus on management information. However, over time, its existing reporting systems had become fragmented. This made obtaining a complete and detailed picture of company performance challenging.

Chubb Europe was keen to address these issues by

providing a single version of the truth through better analysis tools and improved access to the detail behind summary figures: in short, by delivering a unified business intelligence solution. The underlying business goal was to make a stepped change in the decision-making processes at all management levels across Europe. This was seen as critical to supporting profitability, improving planning for growth and business innovation, and increasing productivity.

The solution

Chubb Europe's strategic response was to develop a European Management Information Repository (EMIR). This would bring together information from many different corporate systems into a single, central database accessed through modern, web-enabled reporting and analysis tools.

The first report family, EMIR Profitability, was launched in 2003. This was closely followed by EMIR Producer Management (focusing on broker relationships) in October 2003 and EMIR Claims Management (supporting the claims department) in June 2004. At this time the versions of Profitability and Producer Manager were also revised. There is a full programme of further report families with roll-outs planned through to the end of 2006.

EMIR sources data from several different databases in both Europe and the US. This is restructured and consolidated using Infomatica's extract, transform and load (ETL) tool. Information is then presented using Cognos PowerPlay Cubes for analysis, Cognos PowerPlay Web Reports for fixed format reporting and Kio, an in-house tool, for detailed lists and drill-down.

Cognos' technology is an integral component of EMIR and means that key personnel across all areas of the business have access to state-of-the-



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art reporting and analysis capabilities. Combined with the wealth of data in the EMIR database, this allows them to:

- Report and analyse past performance and segment profitability in more detail than before
- Make more informed judgements on the future performance of the business
- Build better relationships with insurance brokers
- Improve operations within the claims department and better assess staff performance
- Improve portfolio management through better knowledge of business performance

"Cognos' technology was selected as the basis for EMIR following an in-depth analysis of the options available today. We found that its market-leading solutions best met the specific requirements of the project," explained Thomas. "In addition, long-term relationships are key in our industry and Cognos has the financial strength and technology know-how to support our company for years to come."

Building the EMIR database was a major technical challenge but education was also recognised as crucial to the success of the project. Since the start of the project, over 300 managers from all parts of the business have taken part in in-depth EMIR training sessions. The programme focuses on the business aspects of EMIR with real examples based on the use of live data. So from day one, managers could see how EMIR could help them fulfil their day-to-day responsibilities. Over 90 per cent of those trained on EMIR are now active users.

The results

Since launch, users have accessed EMIR nearly 200,000 times. Demand for access has run at more than twice the levels anticipated. In the first six months of 2004, the average user went into the system over 50 times a month.

There is no longer any need for managers to manually collate data since it is available instantaneously in EMIR at the required level of detail. Time thus saved can be put to better business use.

There is a more consistent and transparent approach to reporting across all the European offices. A user in the Netherlands can not only have greater insights into their own business, they can much more easily compare their results with counterparts in other countries or other departments. This leads to greater accountability.

By making access to all levels of information quick and easy and highlighting any discrepancies, EMIR has also helped to improve the accuracy of Chubb Europe's data.

Award-winning EMIR gives managers timely and accurate information and the tools to analyse it. Data can now be 'sliced and diced' according to industry segment, size of policy, size of loss, broker or broker group and many other business dimensions. This allows managers to better identify growth opportunities and to capitalise on the most profitable parts of the business.

Thomas continued: "As well as monitoring whether a strategy that's in place is working, EMIR users can also pick out trends that were previously difficult to discern. The tools we used prior to the development of EMIR were less flexible and could not support the sophisticated analyses we have available today."

"People no longer have to manually compile reports or transcribe data to spreadsheets for analysis. This frees up time that can be spent on more creative and value-added activities. EMIR also makes us a more agile business, able to make faster, more accurate business decisions," Thomas added.

What the future holds

There are several new EMIR report families in development. These include Portfolio Management, Exposure Management and Service & Workflow. Subsequent releases will be introducing even more detailed information, supporting dedicated business unit reporting.

The success of EMIR in Europe is driving plans to leverage EMIR in Chubb's Latin America and Asia Pacific operations.

The team is also looking at providing a corporate dashboard for senior managers to access key business performance indicators. Allowing some external parties, such as brokers, to access the system is also being considered.

Finally, there are also plans to develop a mobile EMIR, which can be accessed by users regardless of whether they are in the office, working from home or on the road.

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