

PMW & Lunos Solution Overview

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Solution Overview

The PMW / Lunos solution from Systemize / Silvermoon has been designed according to IBM's insurance application architecture (IAA). IAA is an insurance business and IT architecture framework, which was developed in collaboration with more than 100 global insurance companies and has been licensed by more than 70% of the world's largest insurers. Aspects of IAA were subsequently donated to ACORD in 2009 and are being used to enrich the ACORD standards.

The use of this framework ensures the PMW / Lunos solution uses industry best practices that embody the planning, thinking, execution and experience of all the companies that participated in its design over the past 18 years.

Systemize IT was founded in 2008 to deliver a Managed Service Solution for a start-up insurance company that was launching an innovative new product into the market at low cost and shared risk using the Silvermoon components.

Systemize's key offering is the Product Management Workbench (PMW) solution for managing insurance product definitions.

Systemize also provides the following services that are associated with PMW and the product modelling approach:

- Requirements capture and analysis services in support of implementations utilising the Systemize / Silvermoon solution.
- Full solution delivery in collaboration with its business partners.
- Education and mentoring services.

Silvermoon was founded in 2003 and is an international insurance software company specialising in the implementation of its software solution, along with supporting management and IT consultancy services.

Its flagship insurance software solution - Lunos - was commercialised in 2007, having been designed and developed using IAA. The solution supports all lines of business for example, Life, Non-Life, Health and Group Insurance.

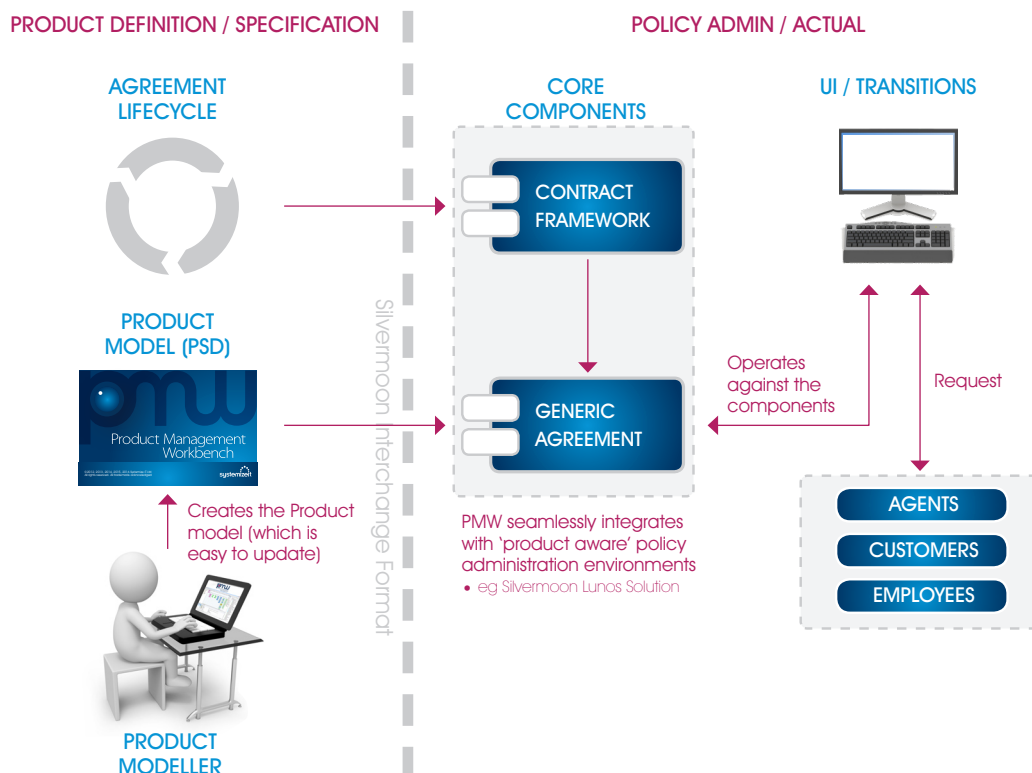


fig. 1: The PMW / Lunos Insurance Solution

Heritage

The PMW / Lunos solution has its origins in the IAA labs of IBM. Directors from both Systemize and Silvermoon were working in the IBM Labs during the late 90's / early 2000 when the models were being migrated to their current formats and the notion of product modelling was formalised as we know it today.

Since then, Silvermoon has focused on delivering the Lunos software components that satisfy the execution aspects of a policy administration system.



Systemize has focused on the product lifecycle and governance of the product specifications and built the PMW to support it.

Both companies still play an active role in the evolving standards of product definitions within the industry. It is important to note that although the overall solution is provided by two companies, the 'blood-line' for the solution is consistent and the underlying principles, vision and dedication to the approach are shared.

Key Benefits of the PMW / Lunos Solution

PRODUCT INNOVATION

- Externalising product definition and not embedding it in core system code, makes it easier to maintain product definitions and modifications, and enable product innovation.
- Each product definition drives the behaviour of the core system, making the whole system dynamic and quickly responsive to business requirements.
- Any line of business can be run on the same platform.
- Any new type of product can be invented and run on the same platform, including hybrid products.
- The solution comes with a systematic way to define products across countries, product groups and business silos.
- The absence of core system changes and the reuse of implemented rules and calculations means reduced time to market with timescales measured in days and weeks instead of months and years. A Systemize / Silvermoon customer was able to respond to a competitor's new product with 2 weeks of the competitor's launch.
- It's very quick, inexpensive and easy to launch niche products.
- It's very quick, inexpensive and easy to change existing products.

BUSINESS COLLABORATION

The powerful party-centric approach to the solution enables segmentation based on the channel to market. For example, it is possible to ensure that external agents, brokers or business partners can only search and see information that they have been responsible for capturing (effectively treating a single database as if it were a separate database per channel).

The secure approach to externalising information means that these business partners can be provided with access to central information in a secure and controlled way using industry-recognised security architectures and designs for business in the World Wide Web.

FINANCIAL CONTROL

- PMW / Lunos delivers previously unprecedented levels of business control and regulatory compliance. In particular, having one agreed definition for the product ensures a high degree of control.
- Information is under control and reports are generated from the source data.
- There is total traceability of each transaction with lineage. Every transaction is traceable. A company that conducted an end-to-end replacement of their legacy systems with a PMW / Lunos solution has now experienced totally compliant audits for multiple years in succession.

LOW COST OF OWNERSHIP

The PMW / Lunos solution is a single platform for all lines of business. No additional core code needs to be written to accommodate new insurance products over the life of the system. Any duplication of code and systems is avoided and maintenance costs are reduced. Although the platform already offers significant low cost of ownership for a single line of business, exponential benefit can be gained for companies wishing to extend across multiple lines of business.

Key Features of the PMW / Lunos Solution

We believe that the key to providing a successful solution for your organisation is a comprehensive, mature and proven architecture. Such an architecture is critical for providing the business flexibility required by a modern organisation.

The speed at which Insurance companies need to adapt to market and customer requirements does not permit sufficient time for engineering, or re-engineering, the foundation on which administrative capability is deployed. Hurried implementations of additional functions or products only result in an expensive, inflexible infrastructure being developed over time.

The PMW / Lunos solution is available in component form and is configurable and customisable to meet the exact business requirements of your organisation. These components are re-usable in multiple solution domains. Because these components are field tested and proven, they significantly accelerate the delivery, and reduce the overall risk associated with introducing new insurance solutions.

The PMW / Lunos solution offers more flexibility than standard package solutions. The pre-built components will position your insurance business on a single platform and the use of IAA, and open technology standards, will make it easier for your company to evolve and remain current.

The following key features are core to the PMW / Lunos solution:

- Proven Industry Model - The solution is built to the specifications of IAA's proven industry models.



- ACORD - In 2009, ACORD adopted a subset of the IAA models and continues to consume them in the process of transforming and consolidating its own standards (specifically in the areas of the Information Model and the Product Diagramming).

The PMW / Lunos solution is committed to support the ACORD standards as they evolve and members from both companies (Systemize and Silvermoon) actively contribute to the standards process in this area.

People interested in getting involved are invited to join the ACORD Product Diagramming Community at the following location:

www.acord.org/Community/Architecture/FrameworkGroup/Product_Diagramming/

- SOA - The solution is component-based, in line with IBM's SOA Solution Stack.
- Customisable - The solution is fully customisable to customer requirements.
- Client-centric design - In the solution, the client relationship is the central organising principle providing a view across all agreements, claims or other involvements that a party (customer, broker, agent, etc.) may have with the Insurance Company.
- Adaptive Systems - PMW / Lunos components lead to a flexible, reusable, extensible and easily customisable architecture, enabling the insurer to:
 - Be more adaptive and to respond quickly to changing customer needs
 - Focus on achieving competitive differentiation
 - Identify and leverage best practice behaviours across the organisation

Conclusion

The PMW / Lunos solution is unlike traditional solutions. It is founded on the most extensive business intelligence ever assembled in the financial services industry and has been refined over two decades.

The objective has always been to provide a solution to the industry challenges of legacy constraints, the difficulty of new product introduction and high administration costs.

We firmly believe that the solution will position your organisation for today's requirements whilst protecting you from "restrictive" or "constrained" solutions that fail to evolve with the business need.