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Product Architecture

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March 5, 2012

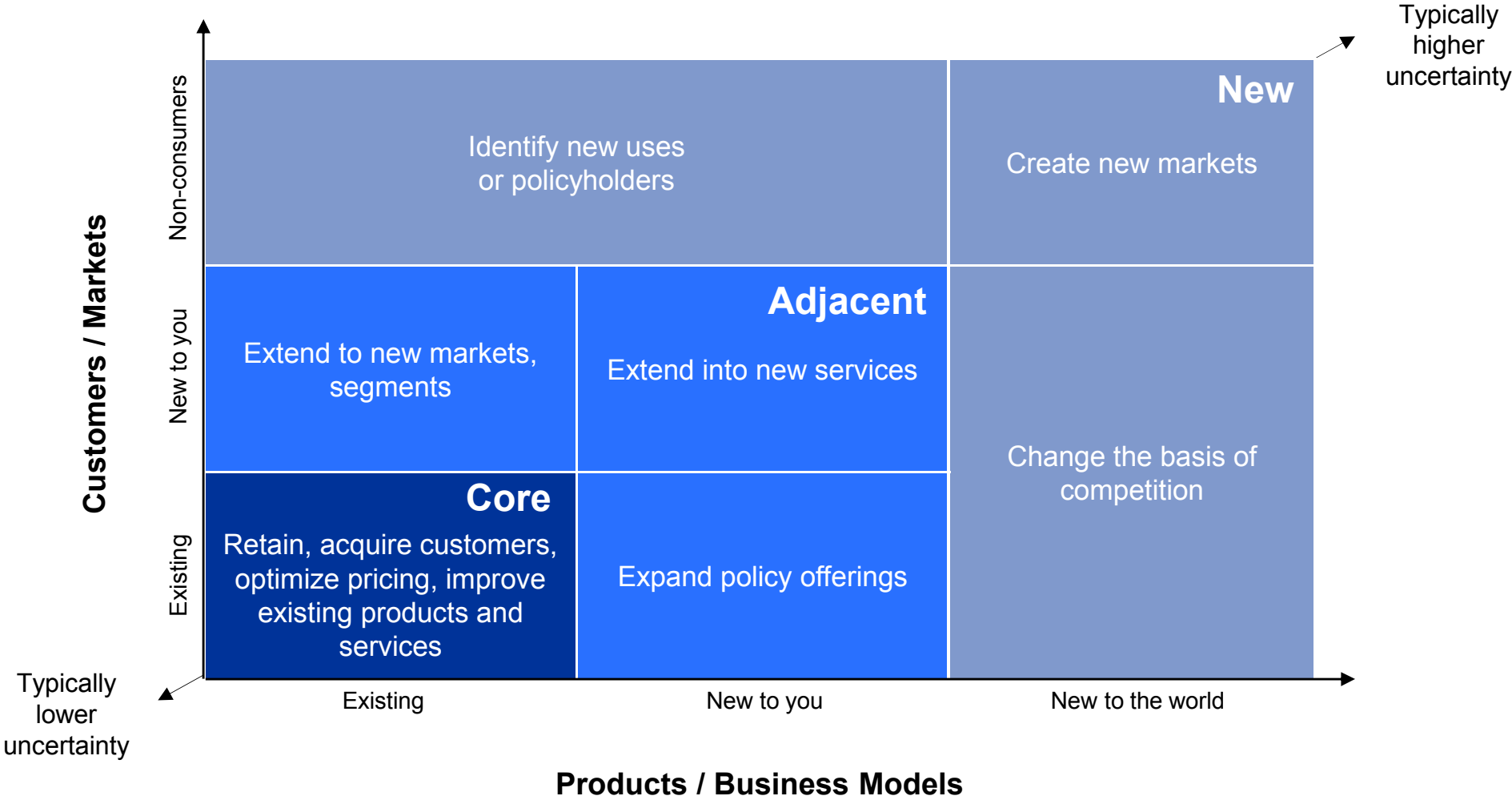
Agenda

Leading practices in Product Management

What is Product Architecture?

Examples

Strategic product objectives focus on top-line growth



Insurers are reengineering and innovating rather than circling the wagons and defending the status quo

Challenges when executing on growth objectives

- Deciding which investments will deliver the most value
- Data and expertise to build new products
- Obtaining resources and funding
- Capabilities to execute

Leading practices to address challenges

- Product rationalization and simplification
- Process improvement
- Investing in data and expertise
- Investing in technology

Product units and IT connect to build product architectures and find opportunities for reuse

What is product architecture?

A comprehensive mapping of the components, dimensions, and rules of an insurance product with a focus on isolating the reusable assets

Typically, a product architecture for a P&C product would consist of the following:

Components

- Lines of Business
- Coverages
- Subcoverages

Dimensions

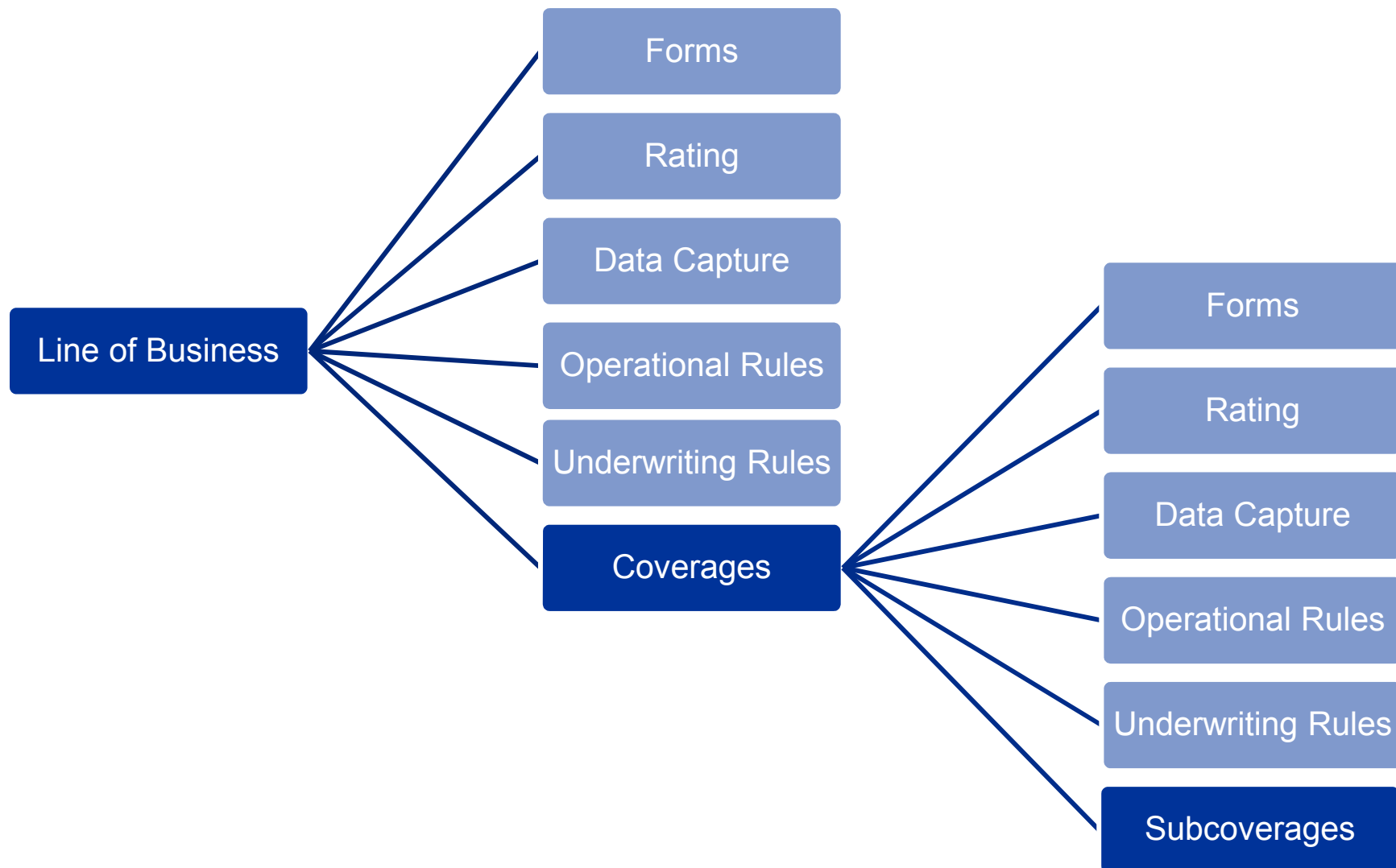
- Deductibles
- Limits
- Exposure Basis
- Rating
- Forms

Rules

- UW rules
- Rating rules
- Pricing rules
- Form rules
- Workflow rules

What is product architecture?

Product information is organized so that the elements can be reused to create new market offerings or to facilitate product updates



Steps in developing a product architecture

Inventory

- Review products to identify go-forward product portfolio
- Deconstruct products
 - Lines of business
 - Coverages
 - Rating plans
 - Target markets
 - Forms
- Create a product inventory to map products to various components, dimensions, etc.

Design

- Review product inventory to identify commonalities
- Design a product architecture structure that allows for reuse
- Identify or create “abstract” products which can be used as templates to build market offerings

Implement

- Configure the system using on the product architecture
- Collect specifications for each go-forward product and populate the system
- Conduct change management, communication, and training activities

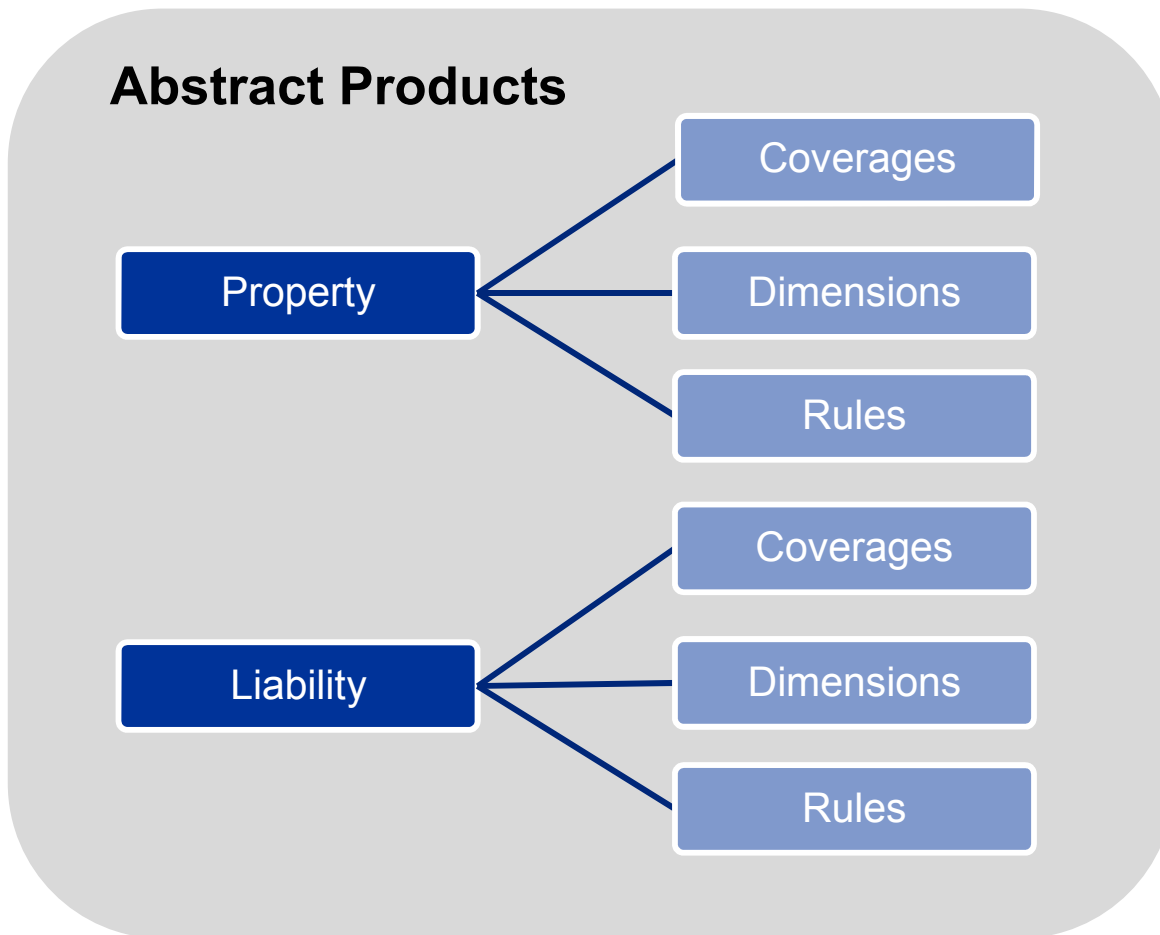
Benefits of a modular product architecture

- Better business intelligence
- Eliminates redundant work in creating new products
- Creates options for product offerings from a single filed product
- Reduces the workload associated with product enhancements

Reducing the workload and shortening development timelines increases “speed to profit”

Example: product development

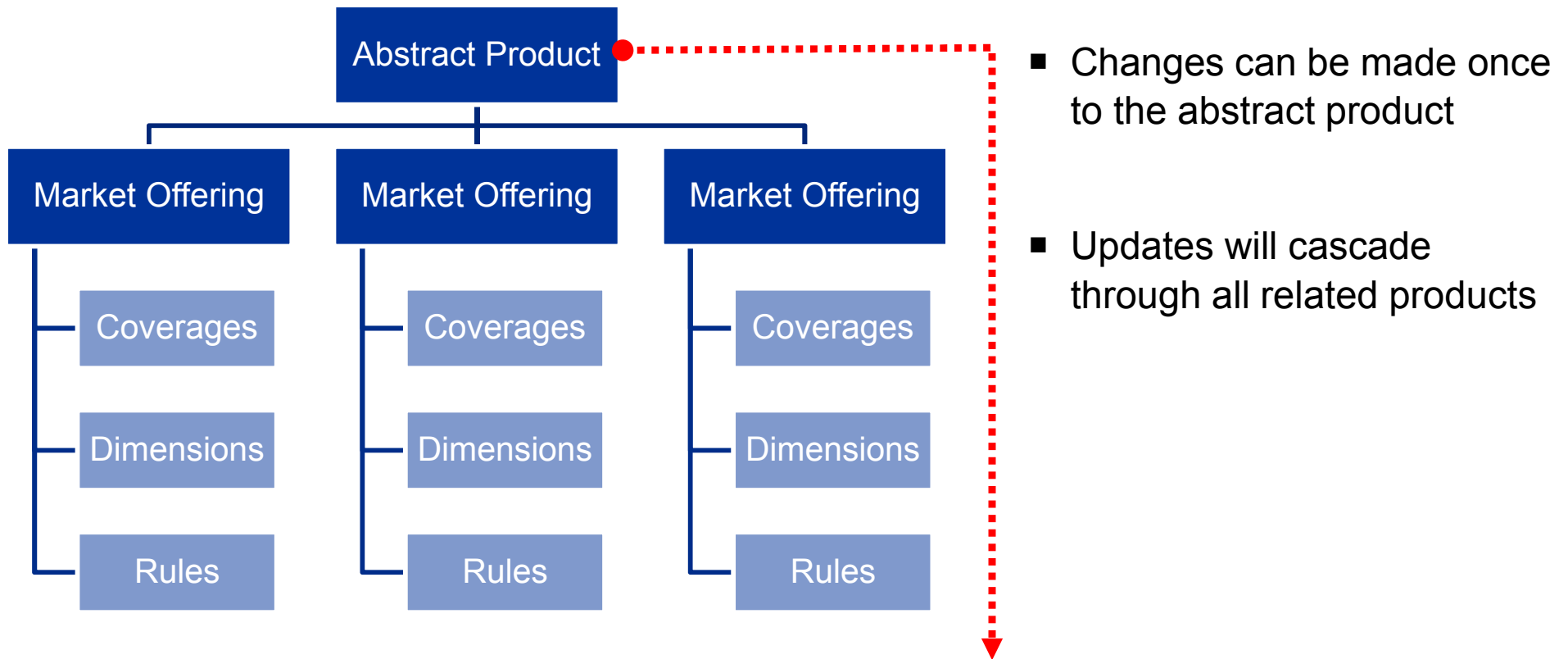
New market offerings can be created by reusing or modifying any of the components, dimensions or rules



- Leverage base filed products to create tailored market offerings
- Assemble monoline products to create package policies
- Modify coverages, dimensions, and rules for unique risk characteristics of target market

Example: product maintenance

Product maintenance processes can be streamlined, minimizing errors and aiding compliance



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