adaptik

What is the Adaptik Difference?

It's no secret that most P&C policy admin solutions can handle the simple stuff—but only Adaptik can turn difficult-to-administer lines into true opportunities for growth. Read on to discover why Adaptik is like no other P&C policy administration solution on the market.

POINT NO. 1

Why Adaptik is Different: Intelligent Data Completeness

Policy administration systems must capture certain pieces of information to carry out their functions, such as underwriting, rating and printing. This is not as straightforward as it sounds; *which* data items are required and *when* they are required varies greatly in the context of each policy.

For example, the answer to an underwriting question may be required for locations that are in close proximity of an ocean, while it may be optional or even irrelevant for other locations.

Effective page layouts and a well thought-out navigation path will help reduce inadvertently missed data items. However, it takes much more than that to enforce data completeness effectively. Above all, it takes a design that makes use of system intelligence to intervene only when missing data items are absolutely necessary and, when they are, to devise a truly convenient way of entering them.

This is the design approach behind Adaptik's Intelligent Data Completeness, which consists of four distinct features. Each feature uses a combination of configured rules and policy data as intelligence.

The first feature dynamically controls the content of web pages to show and capture only those data items that are relevant for each policy.

The second feature indicates which data items must be populated on each page. Typically, only a few data items are so configured; the information for the remaining data items may remain missing when a page is submitted. Most of those data items are configured as "required" only when it is time to execute a certain function.

For example, some information may not be needed until the policy is rated or issued. Not requiring the information until it is actually needed is helpful when some information on a page is not available, or when there

is a chance it will never be needed. A number of data items are typically necessary only for policy issuance, and it may be a waste of time and effort to capture them before making sure the customer will actually want the policy after seeing the premium.

The third feature of Intelligent Data Completeness automatically triggers when a user initiates a function such as rating or issuance, checking whether any of the data items configured to be required for that function are missing.

If none are found to be missing, the system goes on to execute the function. If any missing data is detected, the fourth feature, Adaptik's user-friendly Completeness Wizard, takes charge. After providing a summary of the missing data, the wizard walks the user though the pages that contain missing items, highlights each missing item, and enables the user to enter the required information.

Contrast the experience of this user with one who gets a bunch of missing field messages while trying to rate a policy, and must then somehow navigate to the right pages to enter the missing data.

You, too, will become a believer that graceful data completeness enforcement is an essential element of providing a first-rate user experience.

POINT NO. 2

Why Adaptik is Different: Configurable Product & Coverage Definition

The Adaptik policy administration solution handles product and coverage definition the way it handles nearly everything—through configuration.

The Product Designer module possesses a comprehensive set of capabilities that enable users to define a library of coverages that can then be assembled into various products/product offerings, and provide the ability to make product-specific adjustments.

In Product Designer, coverages are selected for a product, and coverage behavior is specified by setting the coverage properties. Examples of coverage properties include Applicability, Selection Default, Grandfathering, Required and Parent Coverage. Beyond such coverage properties, the user can also declare whether the coverage will require data capture for one or more insurable items (schedule) related to the coverage.

Adaptik handles data capture for coverages with multiple templates (views) that allow the configuration team to present many user interface (UI) options to the business.

These include selection-only coverages, additional questions and schedules with either limited or extensive amounts of information. Selection default allows the system to automatically add coverages to the policy, but then allows the coverages to be removed or changed.

If some coverages are required, the system will automatically add them to the policy and disallow the end user from removing them. Also handled through configuration is coverage behavior that differs by state, region or program, as well as coverage patterns which enforce the selection of one coverage before allowing, defaulting or requiring another coverage.

If a user has complex inclusion or exclusion rules for coverages (e.g., if these two coverages are present, then a third coverage is not allowed) Adaptik handles them using a rules framework built into the product.

When a coverage is selected and its properties are defined, it will be for "countrywide" use. Exception, Variation and Versioning functions (different ways to say "if") enable users to modify a coverage's definition under different business contexts. This includes coverage properties as well as the applicable questions (like limits or deductibles), along with sets of valid answer options for them. This variable behavior can be based upon any combination of information captured on the policy, or in session variables prior to applying the rule, such as "State = Massachusetts," "Program = Preferred," or "Vehicle Type = Motorcycle."

Adaptik's product model is metadata driven, enabling it to accommodate any product structure without requiring changes to the software, including the introduction of new coverage properties or levels below coverage in the model. Adaptik also supports default sets of coverages for your agents to select as a starting place from which to build a quote, and allows them to use and adjust them individually.

Speaking of quoting: Do you want to save the agents time on quotation? We offer "quote versus application" modes of data capture. This is accomplished by allowing the configuration team to designate which questions are needed to get to a rate, and which questions should only become "required" at issuance. This includes schedule information that you might gather (e.g., "At issuance, ask for the schedule that includes all necessary data, including date purchased, cost new, model number, serial number, and so on").

For large, complex products with many coverages—such as package policies—we offer varying ways to organize and display the data. We can set up tabs of related coverages and enable search features to find the coverage in question. For large policies, users can search by coverage attachment level (building, location, vehicle) and then drill down to the coverages associated with them.

Adaptik's coverage definition was engineered to be flexible and powerful. How about your current system?

POINT NO. 3

Why Adaptik is Different: Performance & Scalability

Today's leading P&C carriers deal with large quantities of policies, online transactions and batch transactions—and the volume is always growing. That means that a legacy policy administration system that works today will likely be inadequate tomorrow.

High-performance, scalable policy admin solutions are no longer "nice to have." They're absolutely essential—for every P&C carrier.

To ensure seamless handling of both online and batch requests, policy administration systems deployed by large personal line carriers must be adaptive enough to:

- Support thousands of active users
- Maintain approximately 30 million in-force policies
- Process 175 million online transactions per year, including 200,000 per hour during peak load periods
- Process 35 million batch transactions per year, including 150,000 renewals per hour during peak load periods
- Scale to take full advantage of available hardware

Even under optimal conditions, many P&C policy administration solutions cannot meet those metrics—or barely do.

In a 2013 benchmarking study conducted by Adaptik, Oracle and CGI, Adaptik easily exceeded the theoretical transaction volume and scalability requirements of even the largest insurers.

Tests conducted on Adaptik measured the system's end-user response time, scalability and throughput under various load levels, starting with 40 million pre-populated policies. Online policy processing was simulated by four business transactions. First, a new personal auto policy with two operators and two vehicles was created and issued. Then it was changed by adding

an operator and a vehicle. After that, the policy was cancelled and then reinstated. Batch policy processing was simulated by selecting business policies for renewal, and then creating and issuing renewal transactions.

Results of the tests—executed against a database deployed on an ExaData X3-2 Oracle Database Server, with requests delivered by Apache's JMeter v2.9 r1437961 testing tool and batch processing provided by IBM WebSphere MQ Server 6.0.2.5—were as follows:

- Adaptik proved capable of processing more than 1 million online transactions and 1.85 million batch renewals per hour while serving more than 10,000 concurrent users. This exceeds transactional volumes needed by the largest carriers by factors of 5 and 12 for online and batch processing, respectively.
- Transaction throughput doubled each time hardware capacity doubled—representing near-perfect scalability.
- The average response time of requests from a browser to the application server was below 0.6 seconds, with sub-3 second response times 98 percent of the time.

This test proved that Adaptik is more than capable of serving the needs of even the largest P&C carriers—today and tomorrow. Simply put, the software is as capable as the hardware it runs on.

Need to accommodate additional policy or transaction volume? Simply purchase more (or upgraded) server racks—you'll never need to worry about whether Adaptik can handle the load.

POINT NO. 4

Why Adaptik is Different: Integral Evolutionary Prototyping

Prototyping, the iterative modeling of a system, enables users to be actively involved in the development process.

The methodology—which provides a working model of the system throughout development—ensures that errors, missing functionality and confusing or difficult functions are detected early, reducing risk of sub-optimal ROI on the finished project. Prototyping also gives users a greater sense of involvement—leading to increased internal organizational visibility, stakeholder buy-in and funding.

The purpose of prototyping is to reduce the risk of getting it wrong—but if third-party prototyping software presents you with developmental hurdles, it may actually reduce the chances of getting it right.

Though prototyping software is widely available, all solutions are not created equal. What if the solution is incapable of representing something your real solution can support? What if it lets you do something your real tool does differently? And what if—at the end of the prototyping effort—you're left with something that still needs to be translated and configured into the real tool?

COMMON PROBLEMS WITH PROTOTYPING

Many prototyping solutions utilize so-called "throwaway" methodology, in which a model is created, only to be eventually discarded. The steps involved are typically:

- Write preliminary requirements
- Design the prototype
- Modify prototype based on user testing
- Repeat as many times as necessary
- Write final requirements
- Discard the prototype
- Develop a production-ready system

While useful for generating feedback from end-users, throwaway prototyping can result in significant duplication of effort—as well as several common problems described on Intelligence On Tap:

End-User Issues: A prototype is a work in progress. It will evolve throughout each stage of the project and—in the case of a throwaway prototype—eventually be scrapped entirely. However, many users will view a prototype as a near-complete model, drawing incomplete conclusions on features that are meant to be changed—or they may assume that the prototype is near complete, and won't change at all.

Developer Issues: It can be difficult for developers to focus on a holistic view of the completed project when presented with a prototype. Rather than using the prototype as a tool to assist in a proper analysis, they can easily get caught up in insignificant minutiae of the prototype itself—resulting in a final project that doesn't meet proper architectural standards.

Efficiency Issues: Developers must strike a balance between developing a prototype that is only half-baked and one that is near completion. An effective prototype should be developed quickly and assist in the fine-tuning the finished product. It is only when these requirements are met that a prototype can be considered successful—and if they aren't, productivity and efficiency are sacrificed.

"IF ONLY WE COULD VALIDATE THE DESIGN IN THE ACTUAL SYSTEM..."

Adaptik is different. Integral to Adaptik's P&C policy administration solution is "evolutionary prototyping" methodology—a significantly improved approach over throwaway prototyping. Evolutionary prototyping allows for the structured building and refinement of prototypes into finished software. The first prototype represents Version 1 of the application, and each subsequent iteration gets you closer to the production-ready version of the system.

Evolutionary prototyping enables the development team to routinely add features and make changes that couldn't be conceived during the requirements and design phase.

Do your users ever change their mind about what they want once they see it built based on their specs? Of course they do! So why not begin the project with the ability to adapt to inevitable changes?

LEVERAGING ROBUST CONFIGURATION TOOLS

Adaptik lets you configure nearly everything—a page, an item, a coverage, a rule, page flow order, user interface layout feature—then immediately review it in the end-user test environment.

Don't like it? Change it. Like it? Keep it—it's immediately ready for use, with no translation, no reconfiguring and no coding. It really is as simple as that. What's more, system behavior is also driven by configuration—a fact that remains true throughout design, development, integration test, model office, UAT and production environments.

Integration is simple, too. Adaptik's interface integration capabilities—built on industry-standard XML—enable you to adjust an interface by simply appending a data element, then send example XML or XSD to a services developer with a few clicks.

Adaptik's integral prototyping is based on leading-edge technology that has earned multiple patents.

The capability that Adaptik's prototyping brings our clients—who save time, money, and frustration by not throwing away good development work—isn't just evolutionary. It's revolutionary.

POINT NO. 5

Why Adaptik is Different: Disruption-Free Upgrades

You're about to invest in a brand new vendor policy administration system (PAS). The current functionality seems almost perfect for your needs. You will invest 12 to 18 months to implement and roll out the new solution.

So far, so good...for Day 1. But have you thought about Day 2? Are you signing up for another 12-month project every time you make a new release?

Software upgrades are a natural part of vendor PAS product evolution. They should be expected, and must be analyzed in terms of both the effort and the disruption that implementing the upgrade will cost your business. You will want, need or even be required to take upgrades, but even if you can skip some, it is never a viable business plan to skip upgrades forever.

In your initial evaluation process of competing PAS vendors, find out specifically what they have done to ensure the ability to smoothly support upgrades to their software without losing your customizations and configuration, without disrupting ongoing business and maintenance, and without requiring an initial implementation-size project for each upgrade.

Understand their history of upgrades with existing customers, but be fair: Determine what portion of each upgrade timeline was due to a customer's own procedures and which aspects could not be avoided.

In the market right now, some leading vendors proudly tout "successful" upgrade projects that took *more than a year* to implement. When we first heard of this, we thought we misunderstood. Then we started to analyze the differences between their products and Adaptik.

Three major differences became apparent once we took a deeper dive. First, where we have carefully considered backward compatibility in our upgrades, others have not. Adaptik makes sure that customer-specific configuration is completely unaffected when there is a software upgrade.

We compare this to reports from carriers that show their "configuration" (which is really proprietary scripting language code) had to be largely rewritten to work with their vendor's software upgrade. So if it took six months to write the "configuration" the first time, it would take almost the same amount of time for the upgrade. Again, not so with Adaptik's Adaptik, because there is no need to reconfigure.

Second, out of the box, Adaptik provides a facility to take in a software upgrade such that business development and maintenance configuration can continue without disruption *simultaneously for both the old and the new releases*. Compare this to our competitors, who recommend freezing business development and maintenance for the duration of the upgrade process. Telling the business there is a 6-12 month moratorium on changes does not win popularity contests.

Third, one of the inherent strengths of Adaptik is its integration architecture, which is specifically designed to be codeless. The beauty of the design is not just in how rapidly we can integrate with almost any service out there, but also in what it means when there are upgrades on either side. When a competitor's software is upgraded, APIs to integrated services typically must also be redone. If 50 services are used in the solution, you can see how the effort balloons. Not so with Adaptik. You don't have to rewrite anything because all integration is achieved through configuration and therefore unaffected by software upgrades. The services will continue to work.

Your company may have its own processes it applies to upgrades, and we at Adaptik can't necessarily reduce that time. But we can get your product upgraded and ready for testing *in days, if not hours*. Compare that to 12 months.

POINT NO. 6

Why Adaptik is Different: Innovative Data and Rule Alignment

Imagine needing to change the policy effective date after already having entered a quote or policy application with all the required information.

If the rules for the new date are different, your policy administration system will probably tell you to start over and reenter most or all of the information, because some of what you just entered may now be inconsistent with the new rules. (For example, under the new rules, a coverage may no longer be applicable, another coverage may become required, and the valid choices for a limit or deductible may not match those already entered.)

One may find reentering information annoying but may consider it a low priority issue if it happens infrequently. However, this situation occurs rather often because it does not only arise by changing the policy effective date. Similar inconsistencies can result when changing any data item that affects the rules. These data items are not limited to the well-recognized policy determinants such as state, business class, or vehicle type; even a simple "yes or no" question may impact the relevancy and permitted values of other data.

The same situation arises at renewal time when the policy effective date is typically changed by one year. Unfortunately, such annoying, time-consuming issues occur rather often.

The rules may change considerably within a year due to regulation and product evolution. Before issuing each policy renewal, the inconsistencies brought about by these changes must be detected and addressed.

How does your policy administration system handle this? Having users manually review and adjust information on each renewed policy is not operationally attractive or efficient. Worse yet is continuously adding custom programming to automatically detect and address each potential inconsistency that may arise at renewal.

After a few years, the software becomes clogged and unmanageable due to the accumulation of custom programming additions—analogous to plaque build-up in our arteries. Unfortunately, a combination of these two approaches is practiced today even with the "state-of-the-art" policy administration systems.

In contrast, with Adaptik, whenever the value of any data item on a policy or quote is changed, all the necessary adjustments to the rest of the policy are made *automatically*.

For example, a coverage that becomes required will be added, a coverage that is no longer offered will be removed (unless it is grandfathered), new data items that become applicable will be added, and data items that are no longer applicable will be removed—without additional coding.

Adaptik will also ensure that the value of each data item is valid. This is controlled by configuration for each individual data item. For example, if a particular coverage limit value is no longer valid, the configured instruction options include setting it to the nearest higher value, nearest lower value, or to require user intervention.

This indispensable feature, named "Rule Reapplication," completely eliminates the data inconsistency issues mentioned above—without the need for any manual work or coding. Adaptik has been architected from the ground up to implement this innovative data and rule alignment as a general algorithm that applies to all insurance products. It does not need to be changed or adjusted when existing products are changed or new products are introduced.

The resulting avoidance of custom programming to address "special situations" is what sets Adaptik apart.

POINT NO. 7

Why Adaptik is Different: Comprehensive Rule Management

It is generally agreed that policy administration systems should keep business rules separate from the programmed application behavior, and should provide easy access to business rules so that users can view and change them directly—without the need for programming or database changes.

The rules that govern user experience and integration with external systems are also increasingly being controlled through configuration, so that they can be changed easily and are not impacted when new software is released.

At a minimum, most insurers require the ability to simultaneously configure multiple sets of rule changes. Also needed are the means for dealing with frequently occurring complications. For example, when a filing is not approved in time, an operationally effective way must be provided for altering the planned sequence of changes to be introduced.

In the past, when the rules used to be imbedded in the software, various source control applications such as the open source Subversion and Visual SourceSafe by Microsoft were employed to manage rule changes along with changes to software.

Despite serious shortcomings of this method (discussed below), such an approach did provide the required basic controls which are often perilously missing in some newer configurable systems.

As a simple example of rule management needs, consider an insurance product for which one set of rule changes are to become effective in June and another in July. To prepare these sets of changes simultaneously, the configuration staff typically creates two new rule versions that are both based on the May version, and then makes the required changes in each. When ready, the June version is tested on its own. However, due to the

assumed order of implementation, the July version is tested after merging into it the changes from the June version. Now, if the order in which these two versions proceed to production is reversed, there will be a need to "un-merge" the June changes from the July version, test the July version on its own, and then merge its changes into the changes that are in the June version (which may now be referred to as the "August version") and then test the resulting combined version.

Insurers also need to control how a new rule version may apply to existing policies. For example, it may be desired to make the June version above apply to existing policies only at renewal while the July version may be made applicable to all transactions. Often, changes for the same effective date need to be grouped in two versions so that they can be assigned different applicability settings.

Source control applications which are built to be used by programmers are not a good fit for these needs. They are difficult to use for rule management since they track both software and rule changes. They are also particularly lacking when it comes to merging two versions that both have changes in the same parts of the code. In those cases, the changes must be merged manually which is laborious and error prone.

COMPREHENSIVE CHANGE CONTROL CAPABILITIES

With our PAS suite, Adaptik has sought to go beyond the functionality of source control applications and create a comprehensive set of change control capabilities specifically designed for effective rule management. Adaptik users don't need to be programmers to configure rules and manage configuration versions. All the functions to support the examples given above, and more, are provided via a user-friendly interface within a true multi-user environment. Any configuration version can be modified, deleted or moved to a different date. When needed, a powerful merge function automatically combines the changes from two configuration versions after comparing each of their elements. A detailed business-friendly report about the way in which encountered conflicts are resolved is also provided.

Configuration has become the nerve center of modern policy administration applications given the frequent changes due to state regulatory requirements, competition among insurers, and the new opportunities for improving user experience and reaching customers through alternate channels.

An effective configuration change management facility is both an operational necessity and a competitive tool.

POINT NO. 8

Why Adaptik is Different: Large Policy Management

P&C carriers have traditionally taken an ad hoc approach to large policies. Sometimes they're split into multiple pieces for easier handling by legacy policy administration systems.

Sometimes they're handled manually. Sometimes the carrier just doesn't bother—large policies, after all, can be rather challenging.

It's a problem that was long exacerbated by the fact that there was no policy admin solution that could:

- Function effectively on a large policy without negatively impacting performance elsewhere
- Import and export associated large schedules of insured items (vehicles, buildings, etc.) to and from Excel, thus reducing redundant data entry and improving information quality
- Empower multiple individuals to work on different aspects of the large policy at the same time
- Offer processing options for "sit and wait" (synchronous) and for "trigger and tickle" (asynchronous with alert when complete). These options are desirable for importing large schedules, validation and retrieval of additional information for a large schedule, rating of a large policy, etc.
- Handle robust filtering and sorting of large schedules of insured items
- Easily propagate changes to all or a selected set of items on a large schedule (e.g., adding collision coverage to all Private Passenger vehicles, or changing the deductible for comprehensive on all vehicles from $1,000 to $1,500)

Today, just such a policy admin solution exists. Adaptik has brought to market the true ability to handle large policies—addressing the challenges of P&C carriers large and small.

Adaptik met these needs by first asserting that P&C carriers should not be forced to compromise on applying rules, automated rating or fully managed out-of-sequence processing just because a policy is large. There may be legitimate business reasons to do so—but system limitations shouldn't force the choice.

Of course, no matter how fast any individual operation can be made, processing associated with a large policy always takes time. Adaptik is specially architected to manage performance stressors and improve the user experience by letting individuals move on to other tasks while the large policy activity completes.

On paper, a few minutes might not seem like much for a complex process on a 5,000 vehicle multi-state policy—but to a user sitting and waiting for a response, it can seem like an eternity.

POINT NO. 9

Why Adaptik is Different: Zero-Code Integrations

Adaptik was purpose-built to integrate quickly with external third-party and carrier systems—integrations that require no code changes, and can be triggered wherever and whenever needed in Adaptik.

For example, no code change is necessary when entering a VIN to pull back vehicle data, or when feeding downstream systems upon issue, or on-demand to call a rating engine.

HOW DOES ALL OF THIS WORK?

Interfaces in Adaptik define the data that needs to be passed into, received back and validated from both internal and external services. Interfaces are composed of multiple views; each view houses the data that will be considered during the processing of that interface, including view items (questions) that define the data passed between the systems.

For example, if we need to obtain a list of vehicle models for a client who has a license agreement with Polk, we simply create an interface called "ModelList" and add a vehicle view with three questions: vehicle type, year built and make. We then set up a single-action step to call the service and associate that action with the "Model" field on the end-user page.

This is all it takes to create a real-time, on-demand dropdown displaying available model information.

Every external call that Adaptik makes is accomplished with XML. Optionally, we can apply XSLT to the XML and then make the call; likewise, if we need to transform the return XML, we can use XSLT to do so. (And yes, we recognize that XSLT—while generally quite simple—requires some technical skills. Thus, we don't categorize it as "configuration." If another vendor does, be wary of their definition of the term.)

Service developers want to know exactly what they are receiving in terms of data and structure. Adaptik includes menu choices that enable the configuration team to share the exact structure via XSD and sample data.

Because Adaptik was purpose-built on the premise that integrations with third-party and carrier solutions need to be configurable, the concerns typically associated with an integrated approach do not exist in an Adaptik implementation. We have more than 75 interfaces currently in production with existing clients—sending and receiving data to and from homegrown apps, industry standards and everything in between.

EXAMPLES INCLUDE:

- Address Scrub (USPS)
- ITV (Marshall Swift Boeck)
- Rating (CGI's Ratabase)
- Billing (STG)
- Issuance—Forms (HP's Engage One)

The list goes on—and all such interfaces are done via simple configuration within our tool.

After all, Adaptik was engineered to be a good communicator. What about your current policy administration system?

POINT NO. 10

Why Adaptik is Different: Full Transaction Design Control

Does your P&C policy administration system give you the ability to control every aspect of the design of a policy transaction?

Most insurers find that each type of transaction has its own requirements in a number of different areas, starting from the very beginning with controlling who can create a transaction, and how.

For example, a rewrite transaction could be created and automatically issued directly from the user interface for an underwriting user. In the case of an agency user, that same transaction request may need to be presented to an underwriter for evaluation and approval before any rewrite is actually created. But the user interface for creating a rewrite may need to be exactly the same for both of those two user types; the difference occurs in what happens when the request is submitted. Another possible constraint could be that cancellation for non-payment transactions may only come from the billing system and not the user interface.

Adaptik allows requirements like these to be configured—rather than coded—to support the business needs and constraints of each type of transaction.

Once created, different transaction types may need to follow a different flow through the PAS application before being issued. Some, like a policy change, could require (or expect) user changes to the policy data before being issued. In that case, once the transaction is created, the policy admin web pages allow the user to navigate to the relevant parts of the policy to make updates as needed before the user requests a rate or issuance of the transaction.

Other transactions, like non-renew, may require no data updates before being issued. In this case, the transaction can go directly to an issued state when it is created, and not require a user to visit any additional pages.

Beyond the difference in user interactions, different transaction types also typically have a variety of integration requirements. Renewals may need to be reported to a data warehouse upon issuance. Cancellations require an interaction with the billing system as they are issued. Address or name changes in a policy change transaction may need to be reported to a client management system or the billing system.

With Adaptik, all of these interactions are configured rather than coded and may be changed by transaction type according to the insurer's requirements. Adaptik's architecture allows all aspects of a policy transaction type to be configured and controlled by the business.

The different facets may also evolve over time as the business changes, without requiring costly development. What can your system do for you?

Adaptik Corporation
1495 Valley Center Parkway
Suite 350 | Bethlehem, PA 18017
(800) 306-1062 | (610) 814-4845
info@adaptik.com | www.adaptik.com