



Supporting Distribution—Why Sharing Data From Administration Systems Needn't Be Difficult

INTERVIEW



An interview between Jamie McGeachin, executive of CLIEDIS (the Canadian life insurance data standards group), and Simon Tomlinson of BlueSun describes how sharing data with distribution does not need to be a big hurdle to improving distribution support.

PROFILE—CLIEDIS

www.cliedis.ca

Overview:

CLIEDIS coordinates Canadian interests in the development of public life insurance data exchange standards. CLIEDIS partners with ACORD (Association for Cooperative Operations Research and Development) in support of ACORD's XML for Life standards in Canada. CLIEDIS supports the use of XML for Life and will assure that any future development supports the requirements of its Canadian users.

Founded:
1995

Headquarters:
Toronto, Canada

Mission:

CLIEDIS is a not-for-profit organization dedicated to common standards and conventions that enhance the efficiency of the Canadian life insurance industry to the benefit of all stakeholders, including carriers, distributors, associations and business partners. The organization supports this mission through training, development and industry advocacy activities.

The sharing of data between life insurance carriers and channel partners is a well known industry headache. To help solve this problem, DPM needs a regular extract of data from back-office administration systems to flow down to the channels. Although this does not necessitate any changes to the administration systems, extracting data from administration systems has still proved problematic. So is this a show-stopper for DPM?

An interview between Jamie McGeachin from HUB Financial and CLIEDIS (the Canadian life insurance data standards group), and Simon Tomlinson of BlueSun describes how getting the data does not need to be an impossible hurdle.

JM: *Simon, I've been working with standards bodies for a number of years and a message we consistently hear is that it is difficult for insurance companies to get data from their systems to share with their channel partners. You claim that BlueSun consistently manages to get data extracts from policy administration systems and that it can be quite straightforward – what is your experience of extracting policy data?*

ST: We've been extracting policy data from carrier systems and putting it into the hands of marketers for nearly a decade, so we've had lots of hard lessons. We've used that experience to streamline and simplify the process. For instance, in 2008 alone we connected BlueSun to 19 different policy systems, extracted details of over 16 million people and then distributed over 20 million life insurance leads into the sales channels.

JM: *So it's easy then?*

ST: Well, I wouldn't say easy! The technical process is generally straightforward, but as I know you appreciate, the real challenge is in aligning the right resources to get the extraction task accomplished.

JM: *How are you succeeding in getting extracts from carriers so prolifically where even putting standards together for data exchange takes so long?*

ST: There are really two different things going on here. We are

usually working with only a few stakeholders with a simple set of business scenarios. The standards bodies have the tough task of trying to level the interests of many different parties for many complex business scenarios. I'm sure you've experienced the escalating difficulty of getting to a solution when you've got many parties in the room. When you mix that with, for instance, the effort of getting people to agree on what a single data field means, you're going to need to bring a lot of patience to the table. For instance, just agreeing what a policy status of 'settled' means can be very tricky.

JM: And the difference for BlueSun?

ST: We have the benefit of dealing with the carriers serially and with an absolute focus on getting data to underpin a marketing campaign that's going to deliver a fast ROI.

JM: So you have a standard specification that you supply, that's implemented every time?

ST: I wish! All 19 of the integrations I mentioned in 2008 were achieved using different interchange specifications. We always start with a clear specification, but recognize that we need to be flexible to the limitations of the carrier systems.

JM: Well, how does the process work?

ST: It's been refined through our experience of working with carriers over the years. We made mistakes early on by trying to make it easy and just asking for all the data they could give us in their formats.

JM: And they then wouldn't know how to scope and size their effort or programming to get the data...

ST: Exactly, by trying to make it easy we caused more challenges. We found it was much more effective when we shipped a clear specification to the IT team for the data we needed. They could then more clearly bound their effort and work out how to get the data.

JM: So why do you end up getting so many different formats?

ST: Well, the specification works well as a basis for our interaction with the carrier IT teams. After they have the specification in hand we work closely with them to find the most effective way for them to get to the data. We mediate on the impact of missing or incomplete data. Everyone involved is interested in getting the job done as fast and effectively as possible.

JM: Doesn't that push the workload to BlueSun?

ST: Somewhat, but the truth is we're never focused on an overbearingly complex dataset to support the project we're implementing. The effort has to be expended somewhere and we're generally pretty happy to pick up the load when the carriers IT department may have less available capacity to do so. We have also built up a comprehensive set of templates and tools that allow us efficiencies in the process.

JM: And what form do the extracts generally take?

ST: We've dealt with many formats and protocols; standards based XML file transfer, web service integration, flat file transfer, whole database schemas – just about everything you could imagine.

About the Contributors

Jamie McGeachin is VP Operations at HUB Financial, one of the largest distributors of life insurance in Canada. Jamie is also an ex-chair of CLIEDIS and remains a vocal member of the executive.

Simon Tomlinson is CEO of BlueSun Inc., a software company focused on improving distribution within the life insurance industry.

JM: *What do you find works best?*

ST: They can all work fine. Assuming there is not a pervasive standard in place, such as ACORD, what seems to be the most efficient is to find a way for the carriers to extract their entire native file structures out of their systems and pass them to us for reconstruction our side.

JM: *Surely you don't want the whole system?*

ST: Correct - we only want the subset of data files required for the specification we're sharing. This type of extract has minimal impact on the host system.

JM: *What about the impact on computing resources at the carrier? Everyone has a shortening batch window – and some still have to pay for CPU cycles with their hosting company.*

ST: We usually see as close to zero impact on production systems as you could expect – (it's just a 'no locking' read of the files after all). In our experience with this approach, the systems resource required and time taken has not proven a problem for the carriers. Nor has finding a hole in the batch window – although I recognize that could be a problem for some.

JM: *So why do you find this approach works best?*

ST: It has the added benefit of being about as future proof as you could get. As we have more data than we actually need, we can often expand the scope of reporting or functionality without needing changes to the data extract at the carrier end. That's a great result for IT and Sales and Marketing.

JM: *So, to close, what of the push for standards? And of BlueSun's position with respect to standards?*

ST: We totally support the drive for a standards based interchange between the carriers and their distribution partners. As you can imagine if we find both parties ready to share data then having a standard feed to use only helps the parties get to the business benefits faster. Implementing a DPM solution brings some really close at hand ROI opportunity to justify the effort associated with implementing standards.

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