



Insurers: Achieving a Single View of the Customer



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Welcome to the forum, Pamela. Tell us about last year's challenges.

Insurance portfolio investment strategies saw insurance executives increasing the use of alternative investments and more complex products. The limitations of legacy systems have either delayed or limited the implementation of these strategies or forced expensive manual or semi-automated workarounds to support the business. Investment data management is another issue that continued to challenge insurance companies. Automation and consistency across the multiple investment systems is a daunting task in an organization that has separate systems for trading, compliance, portfolio management, accounting, data warehousing, performance measurement, etc. Another issue is the reconciliation of data. Insurers continue to struggle with multiple reconciliation tools as well as semi-automated and even manual procedures.

Key next steps?

Insurance executives must make important decisions in their investment systems and support strategies. With the aging technology of legacy systems and the challenges presented by new instruments and strategies, these decisions must balance the cost versus return of building proprietary solutions, buying new software products, and/or outsourcing functions.

A good data integration strategy?

Integration should be approached strategically and allow for Rapid Application Development. It should include a flexible toolkit that provides an XML API for ensuring tighter coupling of disparate systems. To integrate with other approaches within the Web services arena, the toolkit should include implementation of an adaptive architecture environment. This includes middleware, messaging-based communications and capabilities; component architecture; and service-based component interactions.

Straight-through processing?

Derivatives are here to stay. Their complexity and use will only increase and new solutions must focus on the entire trade life cycle processing, from instructions, matching and reconciliation to accounting and valuation. As insurance companies begin to implement and enhance solutions to overcome legacy limitations, they must look to a strategic, and in the end, less risky approach. Such an approach would make it simpler for business users to test and implement, would give management measurable deliverables, and would reduce risk to customer information.

