



## Speed-to-Market and Agility: ASPs Continue to Find Broader Acceptance, Especially Those that Offer Custom Configuration

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Managing growth and achieving profitability benchmarks for property and casualty insurance carriers has become an increasingly challenging goal. In response, some carriers have been employing a variety of alternatives, in addition to traditional price-driven approaches, to optimize their book of business and maximize their profitability. Yet other carriers entertain more creative approaches by identifying unique niche market segments, and introducing specialty boutique programs to address their business development and growth objectives.

However, in order to take full advantage of any specialty target market before their competition has an opportunity to take residence, it is essential for these carriers to have the agility to introduce products quickly, and be well-positioned to technologically support those products through contemporary web-based real-time automation.

When considering automation, the current trend for the property and casualty industry seems to continue to point toward decentralized processing through legacy systems using various layers built on a Service-Oriented Architecture (SOA), as opposed to an Application Service Provider (ASP) solu-

tion that can combine a multitude of business processes otherwise supported by disparate systems. Bringing together various processes under a single ASP platform is attractive as it can achieve data processing efficiencies and through the utilization of existing resources. SOAs have traditionally been attractive in that they offer carriers the ability to implement various levels of customization as overlays to their legacy system architecture to articulate desired business functions, an ability that has been sparse in many areas of the traditional ASP landscape.

Although fragmented approaches may be an appropriate solution for handling large volume-driven insurance portfolios, they may not be the best solution for handling the automation needs of ever-growing specialty or boutique niche products markets, especially considering that application configuration and customization is becoming more readily available through ASP software solutions.

In seeking a solution, carriers should consider:

- *Is the mainframe solution the most cost-effective?*
- *Does it lend itself to rapid deployment; speed-to-market?*
- *Is it adequately agile to quickly sup-*



*port changes and modifications?*

- *Does the complexity and “excess baggage” of adapting legacy software solutions help or hinder the success of new product ventures?*

There’s a growing school of thought that suggests that speed-to-market, cost and systemic flexibility also require consideration of alternative approaches and perhaps a departure from legacy-based solutions, in order to successfully support specialty lines of business. ASP models represent but one of these alternate approaches; ASP systems like Maple Technologies’ Aspire Information System.

When considering the need for speed-to-market delivery, with customizable configurations, and while also addressing inherent mission-critical nuances for a specialty line of business, it is important to weigh a software vendor’s capabilities and capacities to provide, manage and meet a carrier’s expectations. ASP software solutions provide alternatives to the industry that can address desired delivery timelines. For instance, Maple is able to deliver a custom-configured production ready system generally in 90 to 120 days for a niche mono-line product.

More importantly, when considering market dynamics and emerging trends, very often the need arises for the carrier to make modifications to its product and/or add new products subsequent to initial system deployment. In this instance, similar capabilities must be quantified when selecting a software solution to ensure that the vendor and their ASP product can be responsive to a

carrier’s needs to leverage such emerging market opportunities, and not be tied into a technological straightjacket.

A good example of this type of response capability involves one of Maple’s Florida-based insurance carriers. In a bid to take full advantage of the hard property market in Florida, this carrier turned to Maple to add new product lines consisting of 8 property programs under a Commercial Package Policy (CPP) format. Having the agility afforded by its contemporary system architecture, Maple was able to deliver full support for all 8 property programs in 30 business days. The deployment included all of the elements necessary to support every aspect of policy and claims management administration, including:

- Application Processing
- Risk Binding
- Policy Issuance
- Endorsement Processing
- Premium Billing and Accounting
- Claims Handling

This type of resource capacity is invaluable, allowing a carrier to respond quickly, and capture market opportunities that ultimately bolster performance and speak to growth and profitability benchmarks.

More importantly it introduces an entirely new perspective when considering legacy-based solutions requiring substantial customization, which can be very costly to a carrier, both in terms of the lost opportunity, waiting for customization to be com-

pleted, as well as the actual cost of development.

As a result, there has been renewed favor with regard to ASP models, and especially those few that also offer high-levels of custom configurability.

Although the main client-base for ASP software solutions has been small carriers with small or non-existent IT departments, larger carriers are now weighing into the concept of hosted systems as a viable and more cost effective solution, eliminating many of the headaches and costly extended time commitments necessary to accomplish system delivery. Maple's recent delivery of a 50 state custom-configured ASP solution for Lexington Insurance Company (AIG) serves as an epitomization of this more recent type of ASP forward thinking by large carriers.

Furthermore, outsourcing to an ASP allows carriers to recommit their own IT resources more effectively and efficiently, which are generally overburdened and over-extended to begin with. Coupled with the fact that ASP software solutions also generally offer greater speed-to-market capabilities, lacking legacy infrastructure impediments that can hinder timelier rollouts, carriers can position themselves in a win-win situation.

The ASP model is also highly attractive to smaller carriers, or startups, providing a more controllable means by which to address their technological requirements, without blowing out their budget, and while

also providing for scalability so that their system plant can grow manageably over time as their business platform grows.

At Maple Technologies, we have supported this type of client scalability, where a carrier has started with single product line, and over time, has expanded its product portfolios adding more product lines to its original system implementation.

This type of managed scalability offers cost efficiencies to these small carriers, as it allows them to incrementally manage their business technology requirements through an a-la-carte style approach, avoiding the route of a costly full-blown system development that may or may not anticipate their future needs. And because of the modular integration capabilities generally offered by an ASP software solution with a sound architecture, carriers don't have to be concerned that they are trading off full system integration capability through incremental implementations.

When further weighing costs, unlike in-house systems, ASP solutions also eliminate the need for carriers to invest significant budgets in developing expensive hardware data centers and disaster recovery infrastructures to support their operations. Similarly, when approaching a solution through an ASP model, there is no need for carriers to internally employ elaborate project management infra-structures that can add significant cost and cause time delays to a project's implementation. These are responsibilities that are absorbed by the ASP.

With the evolution of robust Internet security, traditional concerns over ASP security are also diminishing. Transacting business over the Internet has become a mainstay in virtually every area of our lives. Consumers have embraced the convenience and benefits of online transactional processing whether it involves shopping for personal goods, managing their financial account information, or purchasing insurance policies over the web.

The Internet offers instant accessibility to products, services and information offering web-based clients instant gratification, which has become the new standard for the electronic information age. ASP software solutions speak to the technologies that

drive that type of instant gratification, and are therefore gaining more acceptance blending into the traditional business landscape for electronic transactional processing. This translates into a more efficient platform, with carriers delivering higher levels of personalized customer service capability, bolstering client retention and consumer confidence.

With the capability to offer customized configurations, ASP software solutions, such as Maple's Aspire Information System, bridge yet another gap in the industry, making ASP models increasingly attractive, as cost effective and highly responsive solutions with speed-to-market agility.

Maple Technologies, LLC, with corporate offices out of Manalapan, New Jersey, is a software development company whose primary focus is web application development for the property and casualty insurance industry. Its main product, Aspire, is a comprehensive web-based Internet insurance policy and claim management system. Aspire boasts cutting edge technologies that combine intuitive user interfaces with intelligent data structures. Through integration of the latest in web and database technologies, Aspire allows real time access to data while offering full policy and claim management capabilities that respond quickly. For more information visit us on the web: [www.maple-tech.com](http://www.maple-tech.com)