



Insurance Success Story

ASSU 2000: Multichannel Pricing System

Based on ACTICO Rules

actico
Smarter Decisions

Project Goals

- New global pricing system lets ASSU 2000 apply its pricing policy quickly in all distribution channels
- Uniform, high-performance platform with an open architecture
- Ease of use for non-technical professionals, such as marketing specialists and business analysts
- High transparency & traceability to satisfy Solvency II legal requirements

With 400 agencies and more than 500,000 customers, ASSU 2000 is a leading independent insurance broker in France, with seven subsidiaries specialized in insurance, and two specialized in consumer mortgages. Established in 1975 and located in Noisy-le-Sec, near Paris, the company offers motor vehicle, home and health insurance, as well as mortgage refinancing services. In 2014, ASSU 2000 started its search for a new global pricing system to respond to digitization, increased market demands and competition.

The situation: performance issues and high maintenance costs

When ASSU 2000 and ACTICO met, the insurance broker had been using an in-house pricing system for 10 years. The application was essentially a platform that used simple expressions to implement corporate pricing policies. This method of expressing business rules created a cumbersome system with high maintenance costs. Integrating it with other applications was very difficult and the system was plagued by performance, scalability and reliability problems. Solving these problems became a top priority when ASSU 2000 was



confronted with a number of challenges: its new distribution channels were increasingly digitized, it faced a rapidly-changing competitive environment marked by price transparency and policies that had to be flexible enough to adapt to a range of factors. Consequently, ASSU 2000 executives decided to look for a new rules-based pricing system.

Pricing process and multichannel requirements

A look at the high-level pricing process at ASSU 2000 makes it easier to understand the company's business requirements for its pricing system. This process is typically business-driven, meaning that it is the responsibility of the marketing department, which continuously monitors the insurance market. Once a week, the company's marketing professionals compare their product prices with those of their competitors. When specific criteria are met, they adjust the company's own pricing policies.

The pricing policy can vary depending on the distribution channel a customer uses. Currently, customers can use three major distribution channels: local agencies, the group's websites or a referring partner website. In the price-sensitive insurance industry, agility and a rapid time to market for changes are critical to success. That's why the future pricing system has to support this entire business process with all its variables and be easy to use even for non-IT staff like marketing professionals or business analysts.

Rules-based multichannel pricing system

The global pricing process uses rules-based models to map and automate pricing across the distribution channels. For this reason, ASSU 2000 relies on the business rules management technology as a basis for the future pricing system. When the IT and business staff started their search for a business rules technology, they initially focused on some key IT requirements. First of all, the system had to be stable, scalable and fast with high-performance execution capabilities. This was required to support rapid company growth.

Second, the technology had to have a state-of-the-art architecture. In other words, the architecture had to be open to other systems. This was important, because a number of critical applications communicate with the global pricing system. Seamless integration was required to ensure that price changes could be implemented quickly to the website and external partner applications. But the analytical systems also had to be integrated to close the loop of policy modeling, implementing, execution, data analysis and pricing policy optimization.

Third, the new pricing system had to be an integrated solution supporting a uniform pricing workflow, including all of the necessary modeling, execution and monitoring tasks, while at the same time offering full traceability and auditability to satisfy the new Solvency II legal requirements. A single common toolset was needed to ensure process consistency and improve collaboration between business and IT staff.

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*Mr. Huxi Li,
Application Architect at ASSU 2000*



Fourth, and finally, the technology had to be user-friendly. It had to offer a graphical approach that was easy and transparent to enable business users to maintain their pricing models themselves without any programming skills. Usability and user acceptance are crucial factors for IT systems, especially when users spend a lot of time with tools.

Ease of use and high performance – ACTICO stands out

ASSU 2000 employees were evaluating business rules management systems (BRMS) from all of the major commercial and open source vendors and decided in favor of ACTICO Rules. “What impressed us most was the ease of use and the high performance of ACTICO Rules.” says Huxi Li, the application architect at ASSU 2000 in charge of the global pricing system. With ACTICO Rules at its core, the global pricing system went live in January 2016 and has not been taken offline once as of the publication date of this story in May 2016, setting internal company record at ASSU 2000. Even during spikes in activity, execution is stable and reliable.

With more than 500 implemented rules, the most complicated pricing situation takes about 150 milliseconds, a fivefold reduction compared to the previous application. Besides meeting the technical requirements, ASSU 2000 was impressed by the system’s intuitive modeling capabilities: “It’s a pleasure to model” describes Huxi Li who emphasized the high level of user acceptance. From the beginning, marketing specialists were in charge of maintaining pricing models in the form of flow rules and decision tables. Due to the criticality of the project, ASSU 2000 formed a new team of marketing and IT professionals dedicated to maintaining and improving the pricing process based on ACTICO’s business rules management system.

Benefits

- Strengthened competitive position due to a rapid time to market
- Improved collaboration between business and IT through a single uniform platform
- Reduced maintenance cost
- Full scalability, high performance and availability
- Ease of use for business and IT users alike
- High transparency and full traceability

About ASSU 2000 Group

The ASSU 2000 Group is a French network of insurance brokers with 400 agencies and more than 500,000 customers. It offers insurance services in the fields of automobile, motorcycle, home and health as well as services in the fields of house mortgage renegotiation.

ASSU 2000 was founded in 1975 and has grown to become one of the biggest insurance brokers in France. In 2006, ASSU 2000 together with Maxance and Euro-Assurance formed an economic interest group (groupement d'intérêt économique) called GIE AMAE.



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ACTICO is a leading international provider of software solutions and technologies for decision management.

In a digital world it is necessary to process large volumes of data and make fast, consistent and auditable decisions; that is where our software solutions provide an advantage. Business rules and processes can be easily adapted and executed automatically, which improves the efficiency and agility of our customers in their competitive area. This also enables them to accelerate their growth, innovate effectively, stay compliant and as a result, increase profits.

ACTICO provides software solutions for the areas:

- Credit Risk Management: Assess and monitor credit risk
- Loan Origination: Automate credit checks and decisions
- Compliance: Enable transparency, comply with regulations and avoid fraud
- Claims Management: Make claim settlement processes quicker, consistent and cost-effective
- Client Management: Handle sensitive customer data securely – from onboarding to reporting

ACTICO's roots go back to 1997 and Innovations Software Technology GmbH, which became part of the Bosch Group in 2008. ACTICO was formed when Bosch spun off its financial software operations in November 2015. As an independent company, it supports its international customers from locations in Germany, the U.S., and Singapore.

More information: www.actico.com