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spotlight

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Darwin Professional Underwriters

From the Ground Up

Simplicity and restraint — and established governance processes — guide CIO Robert Asensio in building Darwin's technology infrastructure and integrating applications.

By Lisa Valentine

NOT MANY insurance company CIOs get an opportunity to do what Robert Asensio, CIO of Darwin Professional Underwriters, has done — build an entire technology infrastructure from scratch. One way to approach such a monumental task might be as an overexcited child in a candy store, grabbing a little bit of this and a little bit of that from among a wealth of technology offerings available on today's market. But Asensio exercised restraint in his technology purchasing — partly because Farmington, Conn.-based Darwin (\$100 million in gross written premium) is a new company with a small technology staff and budget, and

partly because he's learned from large insurers that technology purchases can quickly spiral out of control, leaving companies with "too much technology stuff," says Asensio.

Still, while avoiding acquiring too much technology, Asensio has brought in plenty. In the two years since Darwin's inception, Asensio installed 21 servers, including mostly IBM (Armonk, N.Y.) X345s and X346s running WebSphere on Linux, and an Oracle (Redwood Shores, Calif.) database server running on Linux; Cisco (San Francisco) network equipment, including a PIX 515e firewall and 6500 series router switch; and a multiflex T1 line to connect to the outside world. Additionally, Asensio has implemented policy administration, accounting, billing and claims systems, as well as a Voice over Internet Protocol

carrier report

company profile

- **Company:** Darwin Professional Underwriters (Farmington, Conn.; \$100 million in gross written premium).
- **Lines of Business:** Director and officer liability (D&O) and errors and omissions (E&O) liability.
- **History:** Established in 2003, Darwin is a subsidiary of Allegheny Insurance Holdings (New York). Darwin founder Stephen Sills is the former CEO and founder of Executive Risk (now a subsidiary of Chubb), a specialty insurance company.
- **Recent Initiatives:** Darwin has built its technology infrastructure from the ground up. Highlights include development of its i-bind Web-based underwriting system on the OneShield (Westborough, Mass.) Dragon policy administration platform; implementing Valley Oak Systems' (San Ramon, Calif.) claims system; and deploying a Cisco (San Francisco) VoIP telephone system.



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executive profile

- **Name:** Robert Asensio, CIO
- **Career Path:** After graduating with a B.A. in Economics from Bates College in Lewiston, Maine, Asensio took a job as a computer programmer with United Technologies. He also did some consulting work before entering the insurance industry. Prior to joining Darwin two years ago, Asensio spent 13 years at Chubb (Warren, N.J.), where he was responsible for the integration of the company's risk systems.
- **Hobbies:** When he's not working, Asensio enjoys spending time with his family, and fly fishing and playing golf near his home in Connecticut.
- **Greatest IT Accomplishment:** Being able to accomplish so much at Darwin in only two years with a very small staff, all while still being fiscally responsible.

phone system from Cisco.

An overriding theme of Asensio's technology decision making, he says, is simplicity. "Simplicity is a huge consideration for us," relates Asensio. "The opposite of simplicity is a complex environment that requires a lot more people and time and effort."

Simplicity was the No. 1 reason the insurer moved to VoIP, which enables the convergence of data and voice onto a single network. "The key reason we chose VoIP is the simplicity of the infrastructure," Asensio explains. "Staff who know networks can also run our phone system. There's one wire going to each desk."

Guided by Governance

To ensure that every technology decision makes sense, one of Asensio's first tasks was to establish a governance process that he says tightens the involvement of senior management with IT. He explains that each technology initiative must have an owner who is responsible for building the business case, including a statement of benefits and costs. This sets the expectation that every technology investment is a company-wide decision for which the entire management team takes responsibility, he asserts. To keep the technology environment as simple as possible, Asensio adds, as part of the IT governance process, Darwin limits purchases to technology that is compatible with its existing environment.

The first system Asensio attacked was policy administration. "We needed to be dynamic as a business, and our systems would have to respond quickly to changes in products and ways of distributing products," he recalls.

During his search for a solution, Asensio found the Dragon policy administration and workflow system from OneShield, a relatively new vendor based in Westborough, Mass. Though he considered solutions from more-established vendors, Asensio says none of the large vendors offered the flexibility the company needed to customize its specialty lines of business and take advantage of changing distribution methods. "What's interesting about Dragon is that it's a rules-based engine so you are not really coding and developing in a traditional sense, but you are configuring it," says Asensio. "It's infinitely adaptable."

But, given Darwin's relatively small IT staff (eight professionals), Asensio also wanted a system that would be easy to configure. "We were looking for a policy administration system that would make us not only efficient internally, but one that was efficient to develop," he says. "With Dragon, we've taken a step or two out of the traditional development cycle." Within six months, the policy administration system was up and running.

Asensio also wanted to ensure that Darwin would not be hindered by its technology vendor. "I wanted to take ownership and control over our destiny," he explains. "With a lot of vendors, carriers are at their mercy for enhancements, partly because they are strapped by their own legacy [systems]. They may want to move to new architectures, but it's too difficult to do that and keep their existing customers happy."

Of course, there is risk involved in working with a new vendor, but Asensio says there is risk no matter which vendor you select. Plus, OneShield's aggressive pricing fit within Darwin's modest budget, he notes.

Ties That Bind

With Dragon in place, Asensio and his team turned their attention to creating an underwriting system in-house. Called i-bind, the under-

writing system is more than just a Web-enabled application — it allows a producer to complete an end-to-end insurance transaction online. Producers are able to submit and bind new accounts, renew and service existing accounts, and view account and policy details.

i-bind is unique in the traditionally manual specialty lines business, Asensio relates. "We're trying to get people to think differently and that they don't need to spend so much time doing underwriting. We're proving that underwriting can be done very accurately," he relates. "i-bind already is paying off by allowing us to respond to customers more quickly than our competitors can."

Several hundred rules embedded in i-bind facilitate a dynamic interview process between producer and client, and determine how the system handles risk, Asensio explains. Without the help of an underwriter, producers can receive an almost instantaneous quote. Darwin's underwriting team is notified in real time that a quote has been delivered. Today, i-bind is available for management liability insurance transactions for private companies and will be rolled out to other lines of business on a strategic basis, according to Asensio.

i-bind is a good example of how IT and the business are aligned at Darwin, Asensio points out. "Our top people — including the CEO, CIO and CFO — were involved in assigning underwriting rules and guidelines

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and determining the look of the system. You don't see that in most insurance companies," he says. "Technology decisions typically are delegated down to a level where they become ineffective. We had top people put their stamp on i-bind to make sure it did what we needed it to do."

Darwin also just recently made a decision to purchase an IBM WebSphere integration server. "I'm really excited," says Asensio. "I think it's a great way to go about integrating systems, and it is a great example of learning from the past and trying to approach integration with a singular tool set and similar way of doing things. It will allow us to do integration faster and require less maintenance."

Bottom-Line Challenges

While Asensio acknowledges that he's fortunate to be able to undertake technology initiatives without legacy baggage, he says the freedom can create a challenge to keep the IT staff focused on activities that have a bottom-line impact to the business. But the involvement and contribution of the business helps, he observes.

For example, in addition to being very involved in the development of i-bind, the business units took ownership of selecting Darwin's Valley Oak Systems' (San Ramon, Calif.) claims system. "In IT, we spent most of our time preparing the environment and making some minor system configuration changes," Asensio relates. "The business is responsible for making sure they are happy with the system."

To further keep his IT staff motivated, Asensio says Darwin has created a culture that emphasizes giving people what they need to do their jobs. And, he says, the company is characterized by informality, even at the executive level. "We have lots of laughs and we do lots of hard work," Asensio relates. "Thankfully, we're not hampered by politics or process."