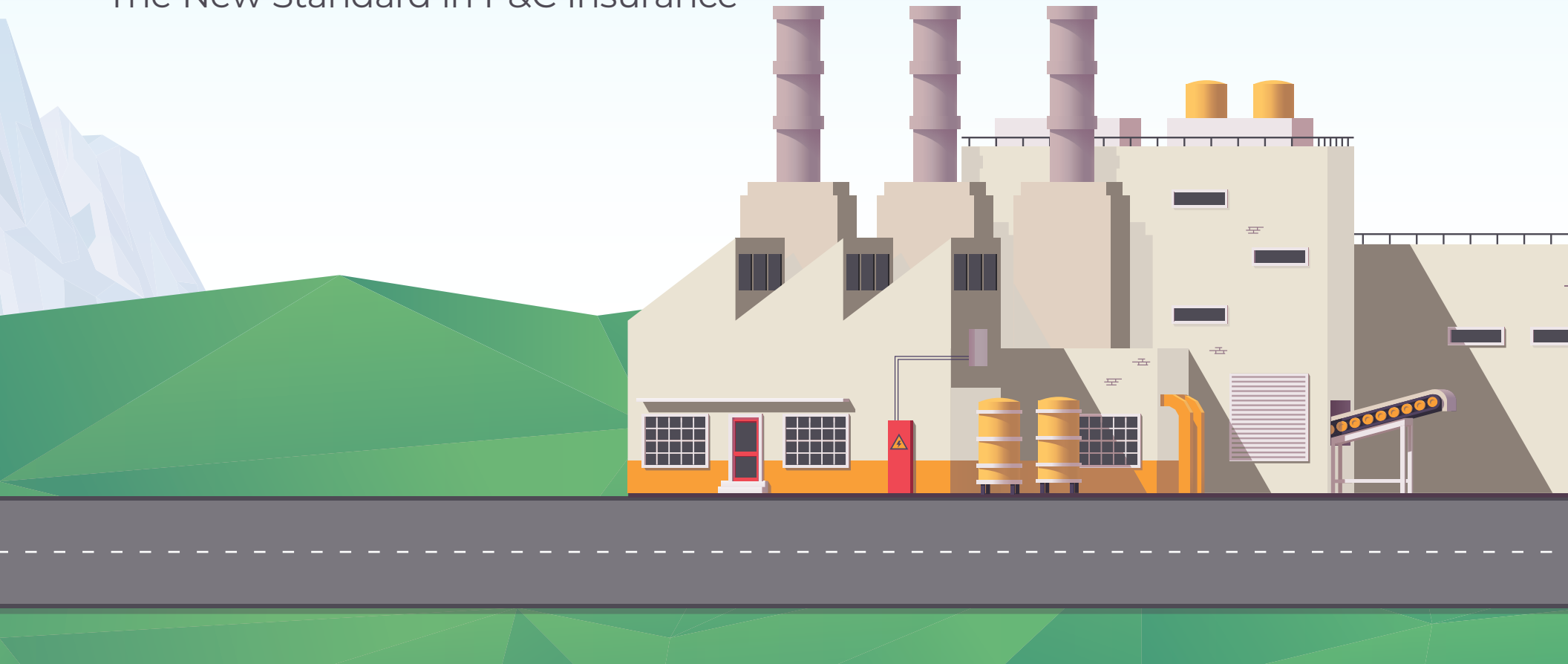




Duck Creek
Technologies

Build a Product Factory

The New Standard in P&C Insurance



The New Standard in P&C Insurance

Dream, then do. Create adequate and accessible coverage for the most complex specialty risks.

There's a new standard in P&C insurance in terms of the efficiency, execution, and innovation required to better protect people, property, and organizations.

One key aspect of achieving this new standard is insurers building product factories. Product factories enable insurers to innovate new, market-relevant products, reusing common product definitions across their portfolios, allowing them to offer tailored coverages without creating a massive library of products that are expensive and time-consuming to maintain.



What Exactly is a Product Factory?

A product factory is a methodology for developing product hierarchies using low-code configuration tools that enable insurers to establish a set of base products which are used as the foundation for product variations in order to tailor coverage for specific market needs.

In the highly regulated world of insurance, carriers need ways to differentiate themselves from the pack. Offering insurance products tailored to specific markets and addressing coverage needs that other insurers overlook is one way to create that separation. One major challenge insurers face in creating tailored products is the expense of constantly maintaining and refreshing their product definitions in order to keep their products relevant and competitive. A key component of the product factory approach is the ability to define and maintain a robust inheritance model that supports reuse of common elements and definitions across products. Product inheritance is the ability to define an item, for

example at a country level, that can then be used across lines of business and even coverages. By defining the item at that country level, any changes made to that item are automatically inherited by the line of business and coverage level unless the definition is overridden to break inheritance. To sustain a tailored product business model, insurers need to design the right product inheritance structure, built on a low-code SaaS platform, which is continuously refreshed with enhancements that incrementally provide insureds with more capabilities.

The process for implementing a product factory will vary by insurer, based on their current applications and operational processes; however, there are general processes that can be used in any organization. Ensuring product factory success is addressed from both a business and technical perspective.



On the business side, three areas of focus for success include:

- Staffing – using a capacity model and managing to business priority
- Change management – disciplined communication of product changes is critical to end user communities
- Innovation focus – attaining world-class efficiency and speed is a journey; a constant focus on innovation and improvement is key

On the technical side, three areas of focus for success include:

- Product hierarchy – design for reuse and commonality across products

- Product rationalization and standardization – achieving efficiency through product rationalization and standardization, diverging only to align with an insurer’s true market differentiators
- Automation – leveraging automation in development, regression testing, and deployment/release management

Implementing these key factors while transitioning from the old standard to the new standard may take time; however, a disciplined product factory will pay off in the long run - start basic, then test, grow, and refine.



CASE STUDY: AXIS INSURANCE

“With the Duck Creek Suite, AXIS can upgrade easily, standardize reports, process claims more efficiently, streamline sales and quoting, and mine deeper data insights—all with less maintenance.”

Darryl Catts, **CIO, Insurance IT**
AXIS Insurance

AXIS Insurance has undergone a technology and business transformation which has resulted in the creation of their own product factory. AXIS realized that in order to remain competitive, it needed to rationalize products and eliminate manual processes and legacy systems, resulting in a 75% reduction in costs and delivery time.



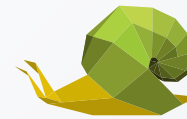
READ MORE

Scan this QR code or [click here to see how Axis is setting a new standard](#) in insurance operations.

Exploring The New Standard

Many insurers today are using the “old standard” approach to design, build, and maintain products for a variety of reasons, and one of the most common reason is limitations with their legacy applications. With rigid legacy applications, insurers are forced to maintain products individually via application coding. The concept of product definition reuse is technically impossible in these legacy systems, thereby eliminating the concept of single point of change. And as the insurance ecosystem continues to expand, an integration for one ecosystem partner into similar products is maintained at each individual product level. These “old standard” processes are expensive to support and consume resources that could otherwise be used for more innovative initiatives.

In contrast, running a highly efficient product factory is the new standard, built on a modern, low-code SaaS platform that exploits a robust inheritance model allowing carriers to standardize and reuse common product definitions across multiple product lines. A product factory allows carriers to create and maintain products through a single point of change, reducing overall product maintenance costs. And it allows insurers to develop a lean and efficient product development organization, consisting of both IT and business team members, that delivers market-relevant products utilizing innovative technology.



The Old Standard



The New Standard

Unique, individual product definitions	➤	Build a baseline set of products where definitions are used across multiple products
Customizations	➤	Low-code Configuration
Integrate with the bare minimum vendors	➤	Leverage an insurtech ecosystem where new solutions are continuously added
Implement the same updates to multiple products	➤	Develop an inheritance structure that supports a single point of change across products

How to Get There

Developing a product factory is a journey, a process that evolves over time as insurers find the right balance that works for their organizations. Commitment to success requires involvement from both business and technical organizations. Assemble a team who can prioritize product rationalization, determine common elements used across products, architect a product hierarchy that supports single point of change, and iterate on a regular basis to evaluate, design, and implement product enhancements based on market demand.



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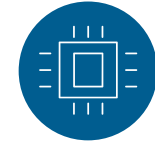
The Right Products, Right now. Made on Duck Creek



**Build Products
More Efficiently**



**Drive Product
Innovation**



**Improve Pricing and
Underwriting Strategy**

Dream, then do. The days of being restricted by outdated legacy applications that stifle product innovation and force insurers to spend a large portion of their IT budgets managing and maintaining large product catalogs are gone. Modern, low-code solutions that offer a product inheritance structure empower insurers to build product factories, allowing them to create and maintain tailored products with lower costs, providing more opportunity to deliver market-relevant solutions faster.

- ✓ Low-code configuration tools
- ✓ Content-rich commercial templates
- ✓ LOB product accelerators
- ✓ Ecosystem integrations
- ✓ Product definition inheritance
- ✓ Single point of change
- ✓ Robust best practices guidelines

Duck Creek offers modern, cloud-based SaaS solutions that natively support the inheritance model structure needed for product factory success. Along with Duck Creek's Policy, Rating, Commercial Templates offering, LOB content, and ecosystem accelerators, the Duck Creek Platform offers the tools insurers need to drive and deliver innovation. An insurance product factory made on Duck Creek is the new standard in P&C insurance, with endless possibilities.



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