

## **CALIFORNIA DEPARTMENT OF INSURANCE – ENABLING ENTERPRISE MANAGEMENT via the ENTERPRISE INFORMATION PORTAL**

This nomination is being submitted under the award category of **Digital Government – Government to Business** because the use of the Enterprise Information Portal by the Department supports a consolidated departmental view of the business of insurance in which the Department regulates.

### **EXECUTIVE SUMMARY**

The California Department of Insurance (CDI) has a collection of software applications that support business operations. Collectively, these applications store their data in an Oracle database termed the Integrated Database (IDB). While the data from these applications are located in one central repository, they are highly “silo’ed” making it difficult to access and use information across business areas. For Executive Staff this poses a critical problem. It is both difficult and expensive for executives to obtain information on Departmental operations, and in some cases even their own Divisional operations. This results in excessive resource investment within Divisions in support of Executive requests. CDI Executive Staff require information that is current, accurate and readily available. In order to solve this business problem, an Oracle-based Business Intelligence (BI) and Data Warehousing (DW) software solution was developed giving management access to key performance indicators (KPI), metrics and operational status through a single, user-friendly, self service web Portal.

This system is known as the Enterprise Information Portal (EIP) which was deployed in November 2006 and is utilized by Executives, mid-managers and key personnel. The EIP, which is a business intelligence/data warehouse solution, enables CDI to manage across the organization more consistently, accurately and timely. In turn, this benefits the businesses that interact with CDI in several ways. First, increased efficiency in researching decisions and increased accuracy and completeness of those decisions reduces the costs of the Department, which are partly borne by the insurance industry. Secondly, interaction between CDI and the businesses they work with is improved and streamlined by EIP as it provides simple to use and immediately useful information to a wide variety of Department personnel. This makes it easier for businesses to work with and get results from CDI. Finally, EIP greatly improves the Department’s ability to foresee possible issues for a given industry entity and act on it sooner than previously possible through the integration of data in the data warehouse and the smart interaction with that data, turning it into knowledge using the various business intelligence tools and methods employed by EIP. This makes the relationship between business and CDI more pro-active and less reactive.

EIP features key performance indicators (KPI) which are pre-defined measures displayed in a graphical format that enables management to obtain a pulse as to what’s going on in their operational business areas. For example, in order for the Licensing Division to measure their progress on agent renewals, there is a KPI designed to measure and display the data on a weekly basis. If there is a reason that renewals are taking longer or exceed the ‘target’ then the EIP tool provides a place for the manager to comment on why the renewals are affected.

Another feature of the portal is the ‘Alert’ feature. Alerts are generated on the portal page when certain defined thresholds are reached in terms of insurance company performance or predefined actions occur in CDI’s business areas. There is also a reporting feature of EIP where one can not only access predefined reports but CDI can now create adhoc reports using Oracle’s Discoverer portion of the system.

To conclude, the EIP solution is a high level management tool where decision makers can check their KPI’s and alerts daily, collaborate, take action, provide information on changes in the insurance industry or develop adhoc reports in one consolidated Portal. This, in turn serves the insurance industry as well as California consumers since their data and information is now readily accessible in order to serve their needs and requests much more efficiently.

## **Full Write-Up**

### **Digital Government – Government to Business**

#### **Project Description: Enterprise Information Portal – Enabling Enterprise Management**

## **INTRODUCTION**

The Office of the Insurance Commissioner has the responsibility to enforce the insurance laws found in the California Insurance Code, California Code of Regulations, and other related laws. The role of the Insurance Commissioner is to regulate the insurance industry, thereby protecting California consumers from abusive insurance practices.

In order to serve businesses and consumers in California, the Enterprise Information Portal was deployed in November 2006 which is a business intelligence/data warehouse solution. The EIP system puts information at the fingertips of decision makers quickly and reliably.

## **BACKGROUND**

The CDI regulates the largest insurance market in the United States with over \$105 billion in direct premiums written in the State. In fulfilling its responsibility to protect California's insurance policyholders, the Department conducts examinations of insurance companies and producers to ensure that operations are consistent with the requirements of the Insurance Code and that those insurance companies are financially viable and able to meet their obligations to policyholders and claimants. The Department also investigates complaints and responds to consumer inquiries; administers the conservation and liquidation of insolvent and delinquent insurance companies; reviews and approves insurance rates; and is a major contributor in combating insurance fraud.

CDI's data computing environment is made up of multiple client/server systems, web-based systems and commercial-off the shelf (COTS) systems. Approximately 85% of CDI's data is maintained in one Oracle integrated database (IDB). As the name implies, the IDB is a collection of software applications and data stores that reside in a common, enterprise-wide technical architecture. Staff, management and Executive personnel across geographically dispersed organizational units utilize the IDB to support core business functions. The other data sources include a variety of systems such as the CalSTARS financial system, the National Association of Insurance Commissioners (NAIC) systems, and various CDI business area Microsoft Access databases.

### **Problem Statement:**

CDI is organized into ten branches (Administration and Licensing, Consumer Services & Market Conduct, Rate Regulation, Enforcement, Legal, Financial Surveillance, Community Relations, Policy and Regulations, Legislative and Executive Operations). Each Branch consists of multiple divisions and bureaus. Typically, each business area has its own client/server systems that make up the IDB. The original intent of the IDB development was to have a single cross-organization information source for the Department. However, as the IDB has evolved, the database has become a warehouse of multiple silos of information serving the specialized interests of the Department's program areas. While this development has resulted in numerous applications that efficiently service CDI's lines of business, it does not lend itself well to providing global Department-wide information. This approach has resulted in duplicative information in a variety of business area silos.

For Executive staff this poses a problem, as they do not have a simplified method to access critical Department-wide business information due to the "silo-ing" of application information and the various areas' representation of the data. This is problematic as Executives want to ensure they have reliable data at their fingertips in order to stay abreast of the overall health and welfare of the Department—or at a minimum they want access to the information in their business areas that they direct. CDI

Executive staff requires information that is current, accurate and readily available that presents an image of the Department's business activities in a self service format.

### **Solution:**

In November of 2006, CDI implemented the Enterprise Information Portal (EIP) solution which is a business intelligence/data warehousing solution utilized by Executives and mid-managers and key personnel. EIP enables CDI to manage across the organization more consistently, accurately and timely. In turn, this benefits the businesses that interact with CDI in several ways. First, increased efficiency in researching decisions and increased accuracy and completeness of those decisions reduces the costs of the Department, which are partly borne by the insurance industry. Secondly, interaction between CDI and the businesses they work with is improved and streamlined by EIP as it provides simple to use and immediately useful information to a wide variety of Department personnel. This makes it easier for businesses to work with and get results from CDI. Finally, EIP greatly improves the Department's ability to foresee possible issues for a given industry entity and act on it sooner than previously possible through the integration of data in the DW and the smart interaction with that data, turning it into knowledge using the various BI tools and methods employed by EIP. This makes the relationship between business and CDI more pro-active and less reactive.

Key features of the EIP system include:

#### Alerts –

- Sends automated notifications to key decision makers via the Portal when thresholds are exceeded
- Permits CDI to create automatic monitoring of specific program/interest areas
- Enables rapid response by CDI management to address critical internal or external conditions
- Distributes alert information by user subscription

#### Key Performance Indicators –

- User-defined business measures for management decision making
- Enables long-term trend analysis on standard business metrics
- Enables exception-based management
- Utilizes **red, yellow, green** thresholds to draw focus clearly and quickly
- Shares information across the organization enabling collaborative and holistic view of the Department

#### Centralized Reporting –

- Consolidated standard and ad hoc reports for program areas
- Enables CDI management to access desired reports from a single interface
- Fully-featured ad hoc functionality is available to power users

#### Technology – an Oracle centric solution

- Oracle 10G Enterprise Suite including:
  - Portal
  - Warehouse Builder
  - Balanced Scorecard
  - Reports
  - Discoverer
  - Application Server
  - Database

## **Significance to the Improvement of the Operation of Government:**

With the EIP system in place, data on insurers and producers is obtained quickly and easily. Prior to the deployment of the EIP, this information was located in each individual business area with access limited to those staff that had the appropriate access and knowledge to navigate through their systems to find the information. Now, this critical information is consolidated for easy access and viewing. With access opened up and the data arrayed in a way that is easy to understand, insurers, producers and consumers can expect to obtain better service from the Department of Insurance by consolidating departmental data in the EIP.

## **Benefits Realized by Service Recipients, Taxpayers, Agency or State:**

Objectives Attained:

- Increased analytics for strategic and tactical decisions from a consolidated data source
- Increased sharing of CDI and data from the National Association of Insurance Commissioners – Financial Statement data
- Reduced reliance on IT staff to develop queries to support management decision making
- Effectiveness of CDI's programs in meeting established targets, goals and performance objectives in serving the Insurance companies, producers and consumers.

## **Realized Return on Investment, Short-Term/Long-Term:**

Although this system is in its early stages, it is expected that the CDI will achieve the following:

- Reduced response times to the insurance industry and producers (licensed agents selling insurance)
- Reduced response times from constituents, Legislature, control agencies and other stakeholders
- Early warning of financial instability of Insurers since the information is now located on the EIP (quarterly financial statement data)

## **Conclusion:**

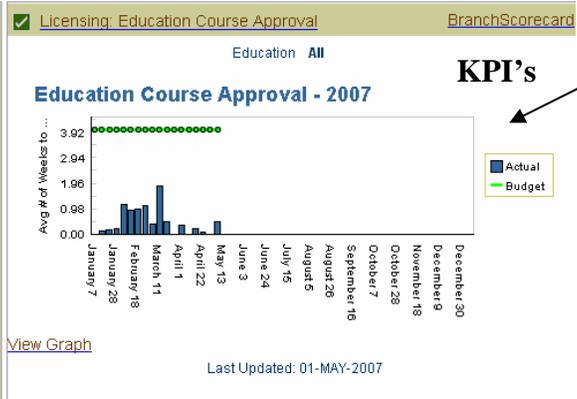
The EIP solution is a high level management tool where decision makers can check their KPI's and alerts daily, collaborate, take action, provide information on changes in the insurance industry or develop adhoc reports in one consolidated Portal. This, in turn serves the insurance industry as well as California consumers since their data and information is now readily accessible in order to serve their needs and requests much more efficiently.

# Enterprise Information Portal - Enabling Enterprise Management

[EIP Online Tutorial](#) [?EIP Help](#)

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	<a href="#">Program Percentage for Fraud - Property/Casualty Not Within Allowable Threshold</a>	05-Jun-2007
	<a href="#">Program Percentage for Fraud - Workers' Comp Not Within Allowable Threshold</a>	05-Jun-2007
	<a href="#">Program Percentage for Investigation - Non-Life and Non-Auto Not Within Allowable Threshold</a>	05-Jun-2007
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	<a href="#">Surplus_Downward Change for NY - [REDACTED]</a>	18-Apr-2007
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	<a href="#">Surplus_Downward Change for OR - [REDACTED] INSURANCE CORPORATION</a>	18-Apr-2007

Alerts



KPI's

## CDI Branch Scorecard

<b>Consumer Services Division</b>	<ul style="list-style-type: none"> <li>✓ CSD: Closed Aging Report</li> <li>✓ CSD: Complaint Acknowledgement</li> </ul>
<b>Financial Surveillance Branch</b>	<ul style="list-style-type: none"> <li>✗ FSB: Compliance with 18 Month Exam</li> <li>✓ FSB: Compliance with 5 Year Exam</li> </ul>
<b>Fraud</b>	<ul style="list-style-type: none"> <li>✗ Fraud: % of SFC's Closed for Lack of Resources</li> <li>✓ Fraud: Indirect Time Ratio</li> </ul>
<b>Investigation</b>	<ul style="list-style-type: none"> <li>✓ Investigation: Total # of Reported Susp Violations</li> <li>✓ Investigation: Indirect Time Ratio</li> </ul>
<b>Licensing Services</b>	<ul style="list-style-type: none"> <li>✓ Licensing: Current Licensee Paper Renewal</li> <li>✓ Licensing: Education Course Approval</li> <li>✓ Licensing: Education Provider Approval</li> </ul>
<b>Market Conduct Division</b>	<ul style="list-style-type: none"> <li>! MCD: Billable Hours</li> <li>✗ MCD: Number of Companies Examined</li> <li>! MCD: Exam Aging</li> </ul>

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**CDI News** **NAIC News**

- [Poizner Signs MOU with German Ins. Department](#)
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