

AIG United Guaranty
One Partner. Countless Advantages.®

*Business Process Transformation
with Global 360 Case Manager*



About AIG United Guaranty



- Provides mortgage guaranty insurance for 1st and 2nd mortgages domestically and internationally.
- Wholly owned subsidiary of AIG.
- Providing the best in insurance products and services to mortgage lenders of all sizes since 1963.

AIG United Guaranty



- Domestic Residential Group (DRG) provides insurance coverage and value added services to lenders in the U.S.
- Domestic Consumer Group (DCG) provides credit insurance on 2nd lien loans as well as private education loan default insurance.
- International Group (IG) provides mortgage insurance products and services around the world and is currently operating in 17 countries.

Business Processes Affected



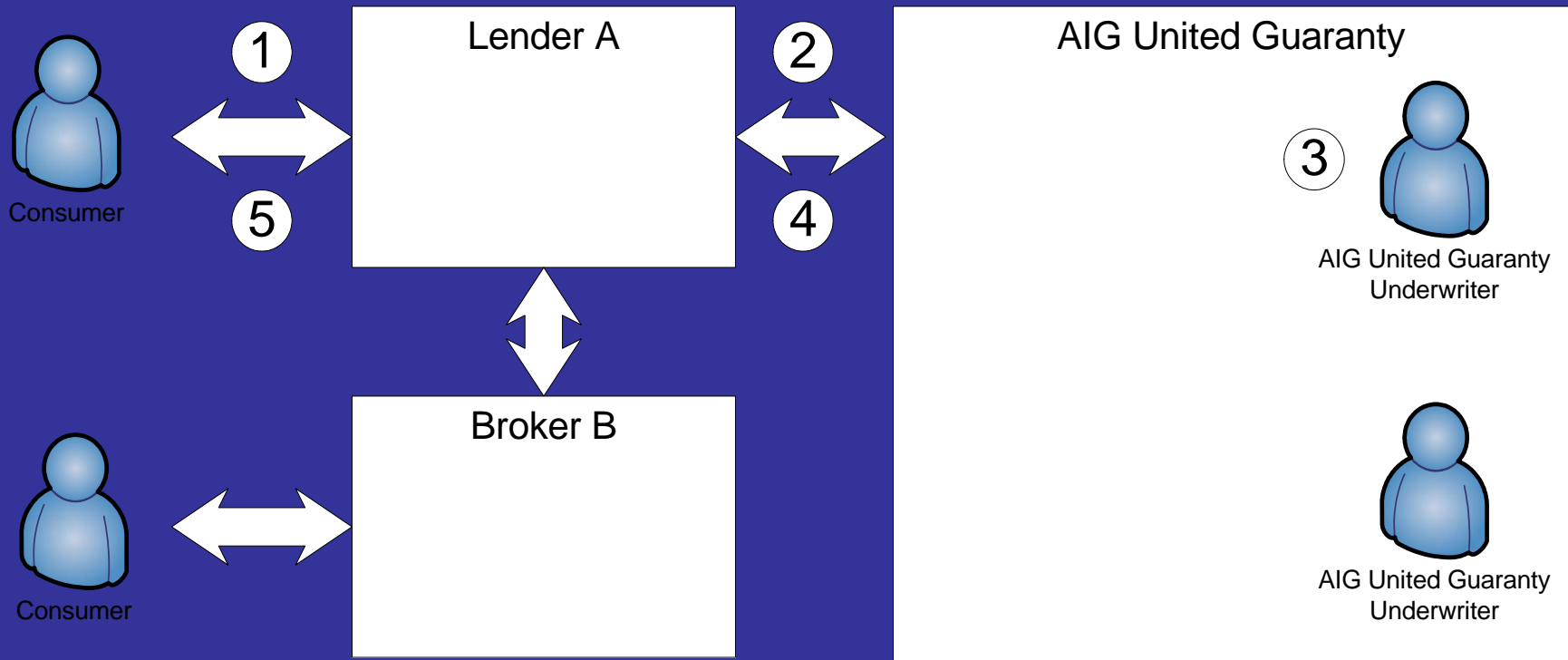
- DRG Underwriting
 - Focus on contract underwriting.
- DCG Claims Processing
 - A more recent implementation.
- International Group Underwriting
 - Currently supporting our Canada operation's exception underwriting.

Contract Underwriting



- Provides expert underwriting services to lenders to help manage volume and increase profitability.
- Involves underwriting for lender customers based on their (or their investors) guidelines.
- Underwriting requires analyzing data and documents involved in the mortgage process.
 - On average there are 5 updates to a loan after the initial submission.

Contract Underwriting - Diagram

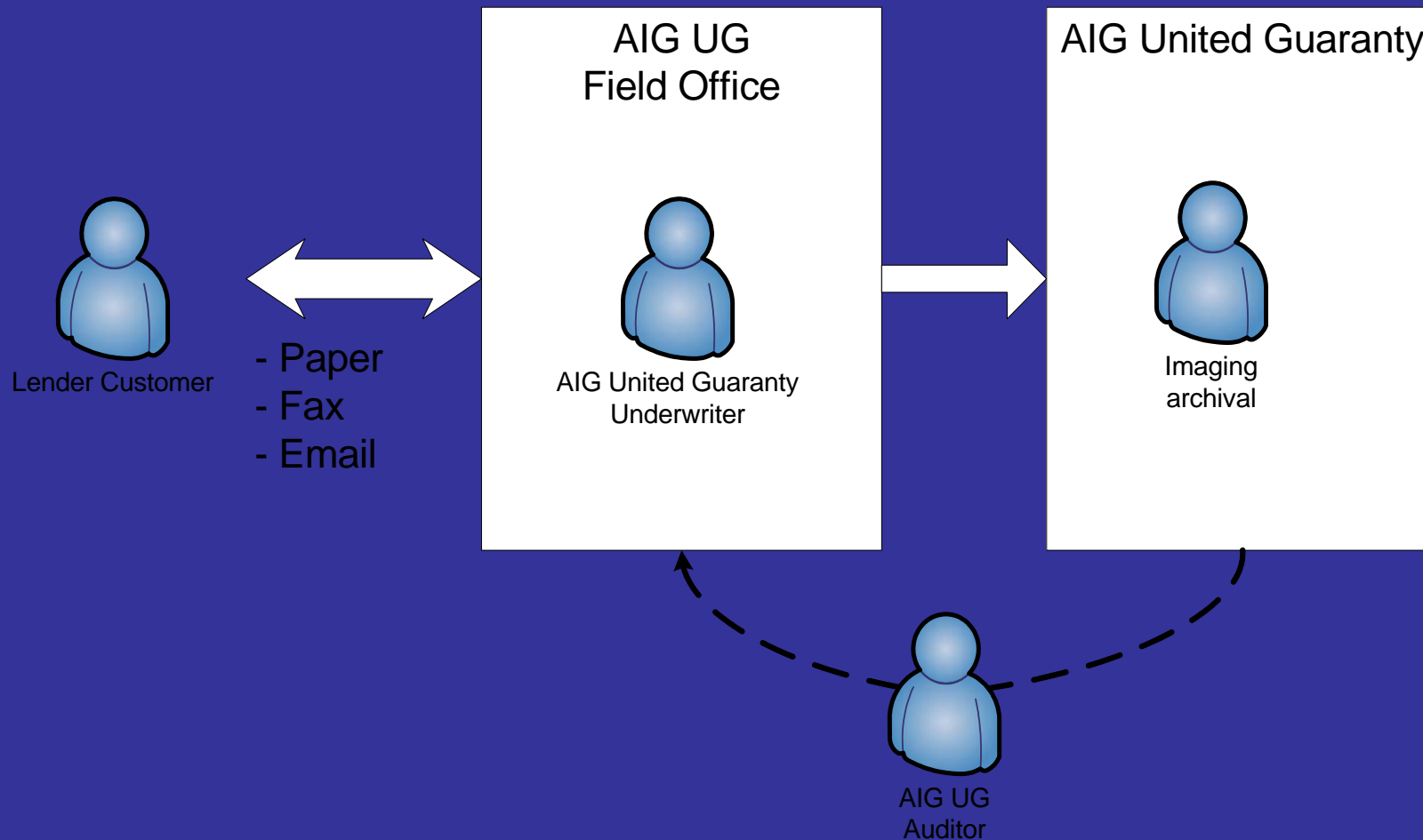


Business Process In 2003



- Customers sent paper, faxes and emails to ~25 offices distributed throughout the U.S.
- Underwriting capacity was constrained by geography.
- Underwriter productivity was limited.
- Physical paper shipped to corporate office for archival.
- Auditing was performed in field underwriting offices.

Business Process - Diagram



Transformation Goals



- Reduce cost.
- Increase underwriter productivity.
- Unify underwriting workforce.
- Leverage technology.
- Create future opportunities to re-think business processes.
- Minimize impact to customers.
- Improve business recovery.

Solution Overview



- Centralized imaging.
- Transition of field underwriting offices to at-home underwriting.
- Deployment of enterprise-class document management and workflow technology.
- Incremental roll-out.

Key Technologies



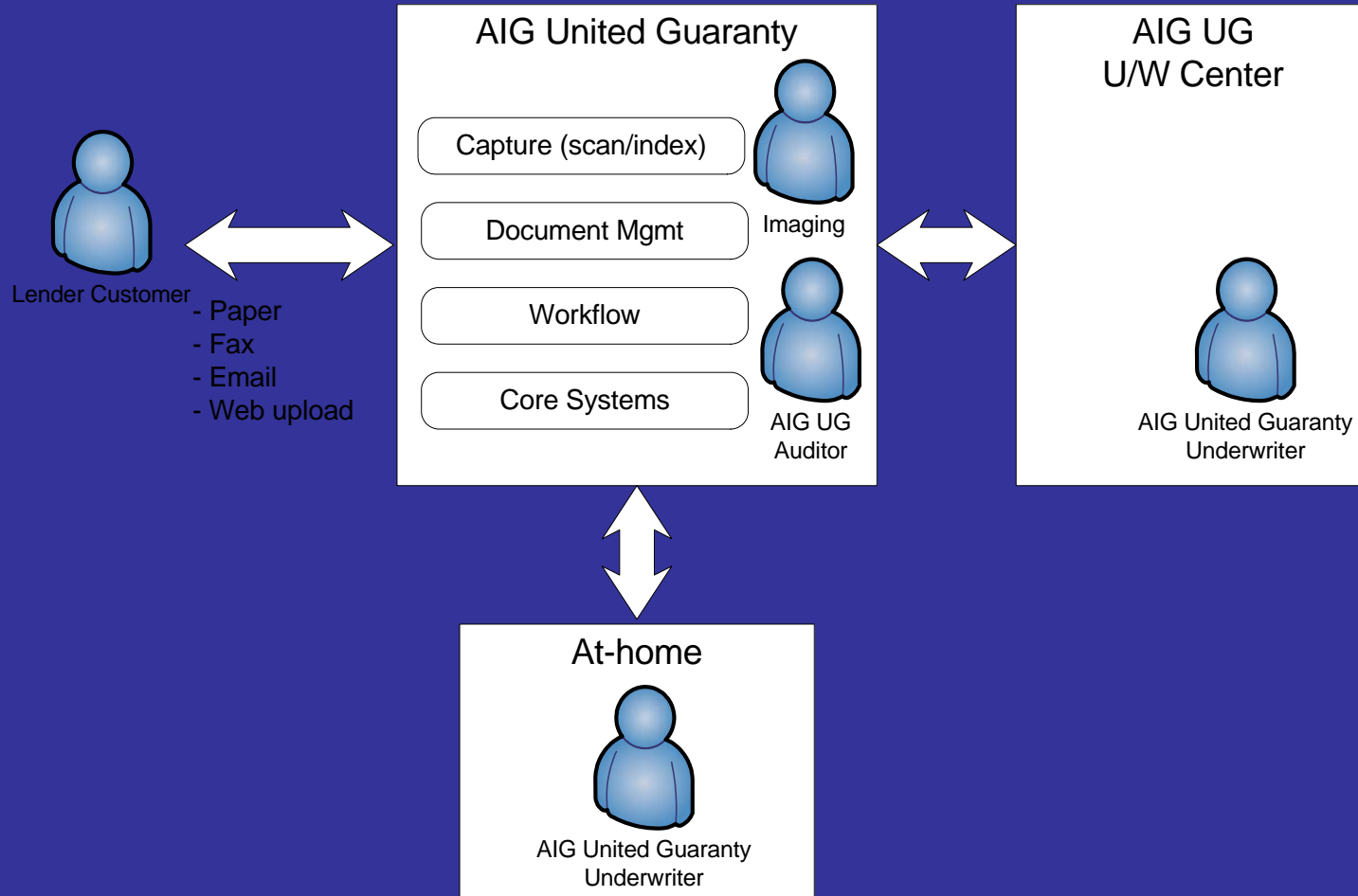
- Content Capture – Captiva's Input Acel.
- Document Management/Workflow – Global 360's Case Manager (J2EE).
- Application Server – Websphere.
- Fax – Captaris RightFax.
- VOIP – Cisco's Avvid.
- Storage – EMC's NAS.

Why Global 360?



- Technology
 - J2EE platform aligned with AIG UG core competencies and infrastructure.
- Product features
 - Combination of document management, case management, and workflow in a single solution.
- Partnership
 - From early on it was clear Global 360 wanted to be a partner, not just a vendor.

New Process - Diagram



Project Timeline



- Vendor selection – Jan to Aug 2003
- Proof of concept – Oct to Dec 2003
- Budget approval – August 2003
- Final decision/approval – Dec 2003
- Requirements/Design – Jan 2004
- Construction (iterative) – Feb to Jun 2004
- Initial production deployment – Jul 2004
- Enhancements – Jul to Dec 2004
- Enhancements – Jan to Dec 2005
- Enhancements – Jan to Jul 2006
- Significant change to business process – Jul to Dec 2007

Screen Shots – Work Queues



mioguide™		New Loans - Received <i>(Click column headers to sort)</i>					
Queries ?		Borrower	SSN	Cert#	LTV	Special Product	Originator
<input type="checkbox"/>	🏠	RONG, XIAO L	6	4	7875583	17.00	CITI MORTGAGE
<input type="checkbox"/>	🏠	ROBERTS, ELDER	5	8	7875568	29.00	EAGLE
<input type="checkbox"/>	🏠	C, MIRANDA	5	7	7875593	40.00	SUNTRUST
<input type="checkbox"/>	🏠	MOSLEY, ANTHONY C	5	1	7874558	49.00	EAGLE
<input type="checkbox"/>	🏠	MOSELEY, ANTHONY C	5	1	7875462	49.00	EAGLE
<input type="checkbox"/>	🏠	Jones, James J	2	0	7873876	50.00	Linda Eder
<input type="checkbox"/>	🏠	SEBASTIAN, CARLOS B	5	7	7875579	50.00	SUNTRUST
<input type="checkbox"/>	🏠	GASSWAY, JAMES	4	5	7875464	55.00	EAGLE
<input type="checkbox"/>	🏠	DUTRA, MANUEL J	5	9	7875569	58.00	SUNTRUST
<input type="checkbox"/>	🏠	MEDLEY, DUANE W	5	3	7875618	64.00	EAGLE HOME MTG
<input type="checkbox"/>	🏠	IFORD, WILLIAM L	5	6	7875639	64.00	EAGLE HOME
<input type="checkbox"/>	🏠	BROWN, JULIA T	2	0	7875642	64.00	AGIS WHOLESALE
<input type="checkbox"/>	🏠	KURFEES, JAMES F	2	2	7875455	65.00	TEST LENDER NAME
<input type="checkbox"/>	🏠	HOWELL, NORMAN L	5	2	7875594	66.00	SUNTRUST
<input type="checkbox"/>	🏠	CUTHBERT, ANDREW E	1	4	7875458	67.00	ACCUBANC
<input type="checkbox"/>	🏠	BRAUER, CRAIG	5	4	7875643	67.00	AGIS WHOLESALE
<input type="checkbox"/>	🏠	HERBERT, WILLIAM G	5	3	7875483	68.00	ALLIED HOME MORTG C
<input type="checkbox"/>	🏠	WOOD, MICHAEL W	5	1	7875461	73.00	ACCUBANC
<input type="checkbox"/>	🏠	Mitchell, Molly M	2	6	7873609	75.00	Linda Eder
<input type="checkbox"/>	🏠	Kurfees, James D	2	6	7874692	75.00	James
<input type="checkbox"/>	🏠	MONROE, JAMES	5	3	7875490	75.00	NATIONAL CITY MTG D/
<input type="checkbox"/>	🏠	JURINSKE, WILLIAM A	0	6	7874537	77.00	AGIS MTG
<input type="checkbox"/>	🏠	WALKER, JOSEPHINE	5	3	7875476	77.00	NATIONAL CITY MORTG
<input type="checkbox"/>	🏠	Jacobs, Jeffrey H	4	5	7874499	78.00	Chevy Chase Bank
<input type="checkbox"/>	🏠	COLEMAN, TIMOTHY	1	6	7874545	80.00	

Screen Shots – Case Folder



Content **Import**

- 1003->4-1-2004
- 1008->4-1-2004
- APPRAISAL PIC->4-1-2004
- APPRAISAL->4-1-2004
- CREDIT->4-1-2004
- MISCELLANEOUS->4-1-2004
- New Loan Document->4-6-2004
- PAYSTUB->4-1-2004
- VOD->4-1-2004
- W-2->4-1-2004
- LEASE AGREEMENT->4-1-2004
- Imported Documents**
- New Loan Document->4-16-2004
- htmlonly->4-16-2004
- dufindings->4-16-2004
- New Loan Document->4-16-2004
- du->4-16-2004
- testfindings->4-16-2004
- chase pre-closing form->4-6-2004
- chase closing form->4-2-2004
- TrailingDocs->4-13-2004**
- 1003->4-13-2004[2]
- 1003->4-13-2004[3]
- 1008->4-13-2004[2]
- 1008->4-13-2004[3]
- APPRAISAL PIC->4-13-2004[2]
- APPRAISAL->4-13-2004[2]
- CREDIT DU->4-13-2004
- CREDIT->4-13-2004[2]
- DISCLOSURES->4-13-2004
- ESCROW INSTRUCTIONS->4-13-2004
- FINDINGS-DU->4-13-2004
- MISCELLANEOUS->4-13-2004[2]
- MISCELLANEOUS->4-13-2004[3]
- MISCELLANEOUS->4-13-2004[4]
- PAYSTUB->4-13-2004[2]
- PAYSTUB->4-13-2004[3]
- PRELIM->4-13-2004

Route On

Search for Loan(s)

mioguide Menu | Feedback | Favorites | My MI Guide | Copy | Paste | Logout

Jeff Ferguson with UG

loan central

Comments

Registry | Loan Information | Compliance | Summary/Decision | Conditions | Documents | Comments

Loan Registration Certificate #: 7621641

Process Date/Time: April 02 2004 03:02 PM ET Receive Date/Time: Apr 02 02 PM ET

Borrower Registration

Borrower Name (first, MI., last, suf.) CHARLES R ROADARMEL SSN:

Co-Borrower Name (first, MI., last, suf.) YVONNE M ROADARMEL SSN:

To delete a borrower, select the checkbox at the far right and then select the Delete Borrower button.

Add Borrower Delete Borrower

MI MI/Compliance MI/Services MI/Pool (select one)

Originator Master Policy # MI Investor Master Policy # MI Find MP#

370173000 (example: 40390000) (example: 40390000)

Did you make the insurance decision? (STD) or was the decision delegated? (RAP) or UG+1 UG+3 (Select One)

Do you want to order a Credit Score? Yes No

Do not order a credit score if you are submitting the loan to DU or LP.

Undo Changes Close Continue

AIG United Guaranty

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Critical Success Factors



- Executive sponsorship
 - Especially within the business, but also within IT.
- Technology alignment
 - J2EE is an AIG UG core competency.
 - Case Manager has a robust API.
- Organizational transformation
 - Sensitivity and focus on the impact to people.
 - Many non-IT areas were addressed including human resources, communication with customers, and training.
- Iterative development and rollout.

Lessons Learned



- Organizational transformation
 - Digital imaging team moving from a back-end process to the front line.
 - It took time for the users to trust the system and understand some of the core concepts.
 - Initially concerned about transition to teleworking, but 90% of surveyed are very happy in this environment.
- Technology
 - Reporting and traceability were key.
 - It took a little while to mature the solution.
 - High availability.
 - Managing end-user activation.
 - Internal change management.
 - Developing some in-house expertise was essential.

Results



- Cost savings
 - 1st year projected saving \$850k.
 - After first 14 months
 - Actually saved \$1.4M.
 - IT development costs less than anticipated.
 - Closing brick and mortar offices yielded more savings.
 - Significant decrease in overnight shipping expenses.
 - 2006
 - Savings were expected to drop to \$500k, but we actually saved an additional \$1M.
 - Driven by increases in productivity.
 - 2007
 - Completed office migrations.
 - Continued to transform the business process.
 - Leveraged experiences and technology investment elsewhere.

Results - Productivity



- Underwriter productivity
 - Baseline
 - 4.8 loans/day/underwriter with paper process.
 - After the first 14 months
 - 10% increase in productivity.
 - At end of 1st quarter 2006
 - 28% increase in productivity.
 - 2007
 - Have realized about a 50% increase in productivity compared to the initial baseline.

Additional Deployments



- DCG Claims
 - Handles claims document submission and distribution to workforce.
 - Improved efficiency at a critical time in the business cycle.
 - Improved auditing capability.
- IG Canada Underwriting
 - Handles non-auto-adjudicated transaction processing.
 - Flexible workflow for a growing business.
 - Supports distributed underwriting.

Questions?



- Feel free to email any that come up later:

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United Guaranty...
A Partner You Can Count On®

