

LIFE*fit* WITH OTHER SYSTEMS

Case studies in flexibility

A common challenge faced by life companies is the ability to react to market changes or new business requirements quickly. Their existing systems may act as a constraint, unable to support new products or distribution channels within a suitable cost or timeframe.

FIT presents the option of a solution that does not compromise an existing system, but when integrated, **adds the flexibility required** to react to market changes within the cost and timeframe desired.

Using its LIFE*fit* policy administration system as a base in the development of these solutions, FIT has achieved marked success in the integration of LIFE*fit* with other systems. This document highlights two particular scenarios.

1. BUSINESS REQUIREMENT: INTRODUCING NEW PRODUCTS QUICKLY

a. About the client

- A Netherlands-based life insurance group, who at the time was the sixth largest in the region (with a turnover of €1.2 billion), wanted to rapidly introduce a series of new unit-linked universal life products at each of its 5 branches (each with their own brand identity), in order to take advantage of the market opportunity.
- This would mark the group's first venture into the universal life arena, having previously only sold unit-linked products.
- The group's existing mainframe administration system was proving to be an obstacle, unable to launch and support universal life products within the desired timeframe that would provide a competitive advantage in the market.
- The group attempted to modify its existing mainframe system at great expense, which ultimately had to be discarded.

b. The business requirements

- The group required a stand-alone administration system that would:
 - support universal life products,
 - providing a quick time to market, being relatively fast to install, and with the ability to add new products quickly.
- The goal was to launch 6 high-volume products in 5 months, whilst ensuring that the new system was seamlessly introduced to the group without any disruption to existing systems or business processes.

c. FIT's tailored solution

- Following an extensive joint integration analysis and consultation with several FIT clients as points of reference, the group became satisfied that LIFE*fit* offered the flexibility and scalability it required for bringing new products rapidly to market.
- All data was to be held centrally (at the group's head office), and accessed remotely at local branch level via the group's WAN.

- The group made the decision to embed LIFEfit within their existing internal infrastructure, acting as an “insourcing operation” for products throughout the group. This implied the creation of several interfaces to existing corporate systems.
- The creation of interfaces to LIFEfit meant that core processes did not require re-invention, and ensured relatively seamless business processes. Interfaces were built with the group’s existing systems, including its:
 - central mainframe database
 - commission payment system
 - corporate ledger system
 - banking system
 - CRM system, and notably
 - an external illustration /quoting system, provided by a third party.
- Additionally, the group faced the challenge of producing complex, client-specific documentation that historically strained human and financial resources (in most cases, the production of up to 80 unique documents were required per policy).
- FIT installed its add-on DocServer application, which enabled documents that were held centrally to be directed to any local branch for printing. DocServer delivers *form field merged* documents to specified printers and print que’s in specified locations, and in the correct sorting and sequencing routine.

d. The results and into the future

- Training and working together with the group’s own development team, FIT delivered the system, with interfaces within the 5 month deadline.
- 5 months thereafter, the group increased their offering to 12 products, with plans for an additional 5 in the short term.
- Based on the successful initial delivery, LIFEfit is now fully integrated into the existing technical structure of the group. Future plans include a migration strategy to take advantage of the flexibility of LIFEfit, and enhance the existing products and service to distribution channels.
- Future plans include a browser-based application to support new business and policy enquiries for the group’s agents and staff, which has inter, intra and extra net applications.

2. BUSINESS REQUIREMENT: INTRODUCING A NEW PRODUCT INTO AN EXISTING, AND EXTENSIVE COMPANY INFRASTRUCTURE

a. About the client

- The largest bank in Malaysia, with an existing, well-established life operation, wanted to expand its bancassurance operation, and launch a new ground breaking product through its branch network of over 200 offices.
- The initial products were single and regular premium investment-linked plans, making the company the first domestic organisation to launch into the new unit linked market in Malaysia.
- The plans were to be based on 3 investment funds, available to individuals and corporations.
- The challenge that the company faced was that its existing technical infrastructure and policy management system was incapable of efficiently handling unit-linked products across its network.
- Additionally, staff were not experienced in supporting and handling enquiries about unit-linked business.

b. The business requirement

- The company required:
 - A vendor with a proven track record in the unit-linked arena, able to transfer related knowledge.
 - Training, as the company wanted to develop and maintain their own system independently over time, both adding and developing new products as required.
 - Consultation and assistance in developing unit-linked product procedures, financial audit controls, and call-centre scripting
 - An administration system with the scalability and flexibility required to:
 - administer new unit linked business across its vast network,
 - able to support both English and Malay language and the record-keeping for the production of each of the bank's branches,
 - whilst also making the addition of new products easy and involving limited technological input.

c. FIT's tailored solution

- As its second installation in Asia, FIT was familiar with the features of the region's life market.
- Before implementing the solution across the company's network, a "model office" prototype was installed. The training that took place within the model office was fundamental to establishing the core of expertise within the company, ensuring that they understood what needed to be done to gain maximum benefit for future product launches and system enhancements.
- The model office team included input from key personnel whose responsibilities included administration, accounting, actuarial, fund management, and IT.
- During the model office phase, FIT provided the technical and administrative support, as well as training for financial audit controls and call centre scripting (i.e. writing call centre scripts and instructing staff how to deal with queries from both clients and agents).
- FIT also developed procedures that dealt with the majority of aspects relating to administering life business from cradle to grave.
- Following the successful model office phase, the company was enabled to capture new business at each of the local offices on site, and then transferred electronically to the head office, where the data was subsequently imported into LIFEfit, as part of an automated input process.
- The LIFEfit was additionally integrated with the company's existing:
 - traditional insurance system
 - centralised risk register (across all product lines)
 - bank mainframe system (integrating the application process and payment processing).
- Additionally, FIT
 - developed specific chart of accounts for new product lines in conjunction with new statutory and banking regulations for unit linked products.
 - monitored and provided audit trail of performance of front line staff in accordance with ISO 9000 standards.

d. The results and into the future

- The installation throughout the network was completed over a 3-month period.
- As part of the installation, FIT provided a platform to launch additional products with minimal technical input, and created a core knowledge base within the organisation as to the design and delivery of future products. The company has since launched its own products as required.
- The company continues to grow, despite turbulent economic conditions in Asia, and is at the forefront of developing the investment insurance business in Malaysia. Additionally, they were recipients of the 1999 Life Insurance Company of the Year award.