Consolidating Multiple PAS Systems for a Fortune 500 US Insurance Provider

CASE STUDY

Synopsis

The U.S. Insurance industry is experiencing numerous challenges related to Underwriting and Investment profitability. Insurers are in search of solutions that can provide them with agility and operational efficiencies. Post-merger, our client was dealing with multiple Policy Administration Systems (PAS) that had high operating and maintenance costs. We helped the client in consolidating the PAS systems running in parallel into one single, modernized PAS, resulting in cost savings, better system availability, and enhanced user experience.

About the Client

A not-for-profit fraternal benefit organization, the client has more than 2.3 million members in the US and approximately $180 billion of individual life insurance in force. It offers various financial products and services including life insurance, annuities, mutual funds, disability income insurance, credit union products, money management, brokerage services, retirement planning, and more.

Business Challenge

Due to the merger of various stakeholder companies into one single entity, our client had an imminent need to consolidate six different PAS systems running in parallel into one single, modernized PAS. These ageing legacy and non-legacy PAS were not only difficult to maintain, they were also complex and incurred high operating costs. Due to this, the client was facing difficulties in launching new products into market faster than the competitors, hence losing their competitive edge.

The client chose Coforge for this engagement on the basis of our proven experience in consolidating PAS systems. They wanted to leverage our Centers of Competence (CoC) to deliver custom, quality solutions in compliance with the regulatory requirements.

Our Solution

Our PAS consolidation team in no time assessed the client's legacy and non-legacy systems, and developed a detailed plan to help address their business needs. We relied on our prior experience, domain knowledge, and technical expertise to successfully implement the plans within the stipulated time frame. To ensure that consolidation of PAS application comprehensively addressed all of client's needs, Coforge leveraged its proven conversion estimation model for accurate estimates, unique methodology and framework for package implementation and policy conversion, and automated testing suite for functional and regression testing.

Given the system's criticality and to ensure future successful conversions, Coforge developed and used dynamic design with reusable tools to drastically reduce the effort involved in the consolidation process. After consolidation was completed, we also performed support and maintenance activities (product additions, enhancements, version updates) for the client. A decommissioning Center of Excellence (CoE) was also set up to decommission legacy and non-legacy systems. The CoE helped the client achieve their targeted goals.

Delivering Value

Delivering Value Using unique conversion methodologies, the client realized significant benefits as a result of the PAS consolidation. Coforge helped the client in consolidating six (legacy/non legacy) systems into a single PAS application. The effort also involved conversion of more than 1.5 million policies before the stipulated deadlines.

- **More Efficiency:** Automated testing resulted in better test coverage. Running weekly regression cycles from the development stage resulted in defects being caught early in the process. We achieved over 40% increase in application performance and availability.

- **More Accuracy:** Conversion accuracy of 99.9% was achieved using automated conversion tools.

- **More Savings:** We reduced operating and maintenance costs during the engagement.
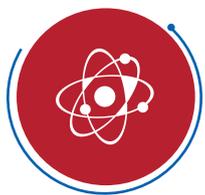
The Coforge Advantage

Coforge, with more than eight years of experience in PAS application implementations and a highly skilled pool of 250+ experts with exceptional domain and product knowledge, has helped the client achieve operational efficiencies by consolidating disparate PAS. Our meticulous planning and delivery of the project helped the client realize business value both in the near term as well as over a longer time horizon.

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