



## Global Financial Services Provider Extends Policy Management System to Enable Greater Operational Efficiency

### Business Situation

The customer is a wholly-owned subsidiary of one of the largest financial services and insurance groups in the U.S., with an international presence in Japan, Brazil and the UK. Its Japanese subsidiary started business in December 2000 and specializes in individual annuity products.

By emphasizing product development and risk management excellence, coupled with superior customer and distributor service, this client has become a leader in the retirement savings, wealth creation and financial protection solutions space and is focused on meeting the needs of Japan's expanding retirement income market. In 2006, the customer launched a new variable annuity product.

### Challenge

With its affiliates, this client sought to enhance its Ingenium policy administration system to accommodate repetitive automated annuity payout management functionality to address business needs in Japan and the UK, as well as future international expansion.

The objectives included the following:

- Leverage an internally developed annuity payout solution (Ingenium), globally.

- Leverage global development capabilities in a cost-effective manner.
- Add payout processing for fixed and variable annuity products to Ingenium.

This client wanted to replace manual work-arounds and reduce inefficient, manual processes in its Ingenium-based annuity business system to facilitate greater business integrity. The annuity payout framework in Ingenium was identified as software that could automate the company's payout process.

To configure the base Ingenium package to accommodate repetitive payouts for variable/fixed annuity products, the annuity payout system needed the following capabilities:

- Variable and fixed automatic annuity payouts with history tracking.
- Multiple options for payout (partial and lump sum).
- Multi-currency payout and notification to clients.
- Annuity contract maintenance.

The client hoped that the engagement would enable:

- On-time annuity payouts.

- A framework for annuitization, which would improve turnaround time for annuity payouts for a future annuity product suite.
- Cost savings via global delivery.
- Increased reusability, which would reduce overall effort.

## Solution

Our approach required the base system to be configured for repetitive payouts for variable and fixed annuity products, with the capability of automatic annuity payouts with history enabled. Other features included:

- Multiple options for payout (partial and lump sum).
- Multi-currency payout.
- Notification to clients.
- Annuity contract maintenance.
- External system interface.
- Annuitization deferral.
- Renewal of accumulation policy.
- Conversion to new products.

We provided a complete solution, including requirements gathering, solution design (both functional and technical), testing and support for systems integration testing and business acceptance

testing. This approach completely satisfied the client in achieving its business objectives.

Technology used included:

- **Application:** Ingenium 6.5 on Solaris
- **Languages:** MF-Cobol, Jscript, Rexx
- **Front-End:** HTML / Pathfinder
- **Back-End:** Oracle

Human resources engaged:

- Onsite and offshore ratio: 30%/70%
  - 2008: 90 employees (peak strength)
  - 2009: 75 employees
  - 2010: 40 employees

## Benefits

- Ability to make annuity payouts on time.
- Cost saving due to effective utilization of global delivery centers.
- Reusable components for global deployment.
- Successful creation of an annuitization framework.
- Productivity improvement through maintenance of the test cases repository.
- Successful creation of a knowledge repository.

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**Cognizant**

### World Headquarters

500 Frank W. Burr Blvd.  
Teaneck, NJ 07666 USA  
Phone: +1 201 801 0233  
Fax: +1 201 801 0243  
Toll Free: +1 888 937 3277  
Email: [inquiry@cognizant.com](mailto:inquiry@cognizant.com)

### Cognizant Japan KK

2F, Kojimachi Miyuki Bldg.  
3-4 Ni-bancho, Chiyoda-ku  
Tokyo - 102-0084, Japan  
Phone: 81-3-5216-6888

### India Operations Headquarters

#5/535, Old Mahabalipuram Road  
Okkiyam Pettai, Thoraipakkam  
Chennai, 600 096 India  
Phone: +91 (0) 44 4209 6000  
Fax: +91 (0) 44 4209 6060  
Email: [inquiryindia@cognizant.com](mailto:inquiryindia@cognizant.com)