



Case Study: Insurance

LifeAdmin Core™ BPaaS solution speeds product launches

Consolidating legacy systems helps mitigate risks and ensure compliance.

Created through a series of mergers and acquisitions over several decades, this U.S.-based life insurance and investment company struggled to maintain disparate, often duplicative legacy systems. The company supported 13 policy administration systems, half of which were outdated and nearly 70% of which created potential noncompliance and other business risks due to non-standard manual processes. This complicated the IT landscape and resulted in high operating expenses, which reduced the company's capability to fund research for new products and prevented it from moving toward a modern digital environment that many of its systems could not support.

The company was not ready to make a significant capital investment in a new system but knew it needed to rationalize and consolidate its applications into one platform to keep pace with its competition and avoid potential penalties for noncompliance. The company approached its long-time IT provider, Cognizant, to come up with a solution to simplify its IT landscape. However, Cognizant realized that the business

At a Glance

Following several mergers and acquisitions, this U.S.-based life insurance carrier was left with 13 different policy administration systems. Many of its systems were duplicative and outdated, and 70% of them created potential business and noncompliance risks. While the company wanted to implement modern digital capabilities, its legacy systems could not support such efforts. The company engaged its long-time IT partner, Cognizant, to develop a business-process-as-a-service (BPaaS) solution that would modernize its core infrastructure without requiring a significant capital investment.

Modernizing core infrastructure enables new, digital capabilities

Modern platform

A strong foundation supports today's needs and tomorrow's digital initiatives.

risks the company faced were as much the problem as its disconnected IT environment.

To address the company's business and IT concerns as well as budget constraints, Cognizant proposed building a proprietary solution based on a business-process-as-a-service (BPaaS) approach that it would host and maintain. In return, the company would agree to use the platform for a specified time to allow Cognizant to recoup its investment. The solution would save the company money, help protect its intellectual property and boost its technical currency. The company agreed, and Cognizant built LifeAdmin Core, one of the first BPaaS solutions in North America, designed specifically for the life insurance industry.

Cognizant selected Oracle's Insurance Policy Administration (OIPA) to power LifeAdmin Core because of its simplicity and capability to protect the company's intellectual property. LifeAdmin Core provides a flexible, rules-based policy administration solution that supports policy issue, billing, collections, policy processing and claims in a single system. The solution provides a full range of services, including new business underwriting, policyholder services, claims and compensation. It also automates business processes and supports rapid deployment, enabling quick new product launches and reducing total cost of ownership. In addition, standard compliance changes are managed globally by Cognizant at the platform level, helping further mitigate business risks.

Outcomes

- Consolidated policy administration systems to a single modern Platform—ultimately moving from 13 down to one.
- Reduced price per policy by 46%.
- Reduced operating costs by 20%.
- Enabled maintenance of the technology currency
- Enabled rapid deployment of new product launches

Having nearly completed year two of a six-year engagement, to date Cognizant has migrated two of the largest applications to the new platform with a third expected over the next few months. These three applications alone comprise 75% of the total policy volume. By moving the critical mass of customer policy data from the legacy platform to LifeAdmin Core, the company can provide better customer service and begin enabling new digital technologies that improve customer satisfaction. In the meantime, Cognizant continues to migrate the other applications to this single modern platform, providing a strong foundation that will support the company's future digital initiatives.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 193 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @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

European Headquarters

1 Kingdom Street
Paddington Central
London W2 6BD England
Phone: +44 (0) 20 7297 7600
Fax: +44 (0) 20 7121 0102

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