The MONY's Success Story

Delivering a fixed-price turnkey solution with an XML target

MONY's Annuities Division strategy called for a lean, scalable infrastructure to support flexible and innovative product design and ease of doing business in service delivery with channel partners and clients. Strategy execution required consolidation of multiple legacy mainframe systems to a single technology platform for all annuity products. UCT delivered with solid and proven conversion tools and services.

MONY's Business Challenge

In January, 2002, MONY made a strategic decision to align the organization with a line of business focus. Also, MONY planned to grow their business through channel penetration, including entering into the independent brokerage channel market. With this decision came the need to offer attractive products and services to the independent agents in addition to the captive career financial professionals.

Taking a waterfall approach to their strategy, MONY first determined the products they would like to offer based on consumer profiles and buying preferences, and then designed the appropriate business processes to enable them to deliver and service effectively, while also attracting the desired channel partners. Only with a clear strategy and a well-defined business plan did MONY then look to the technology that would enable their vision.

Key to MONY's approach was the close partnership between their business and IT operations with common strategic business objectives focused on the good of the company. MONY made a conscious decision to enable the business side to take control of their own destiny, knowing they would need to work in concert with the IT organization to achieve the desired results. Business and IT are closely aligned at MONY as they focus on attaining common objectives and selecting and working with outside vendor partners to complement their in-house skills and resources.

The Solution

With the vision and strategic plan defined, MONY's Annuities Division decided to look to new technology to offer the desired flexibility in both product and process design to support current and future product offerings. In addition, they opted to consolidate their various legacy mainframe contract administrative systems (VANTAGE, CyberLife, and their in-house developed TOPS) and move all in-force annuity products to the new platform to better support new product introduction and product enhancements/modifications, while also reengineering back-office new business and customer service processes, and reducing overall maintenance costs. After an extensive RFP and evaluation process, the single-platform selected was the AdminServer AdminLife & Annuity (AL&A) System, chosen due to the underlying technology, product and process design flexibility, and the commitment to XML and ACORD standards throughout the system design.

While the business and IT operations worked with AdminServer to design the new products and business processes, MONY needed to simultaneously address the formidable task of converting the in-force blocks of business to the new environment. With limited in-house experience and concerns about the project being too expensive and too complex, with little payback, MONY sought an outside expert to assist in the conversion effort. MONY selected UCT to spearhead the conversion effort, in large part due to UCT's proven track record in the insurance industry and their knowledge of the intricacies of insurance transactions and MONY's existing administration systems. The internal IT staff was an integral part of the conversion team, but MONY looked to UCT to guide them through the process and provide the necessary conversion tools and expertise to ensure a smooth and quality conversion effort.

The fixed-price contract offered by UCT was also quite unique and enabled MONY to mitigate their financial risk and make their decision based on a known cost. Other conversion consultants MONY evaluated offered a large range of costs with too many "it depends". While the low-end estimates were palatable, the range often spanned millions, with the high-end estimates being far too great and too risky.

The Implementation

Critical to our success was that we started the implementation with a new platform and a 'blank sheet' approach born out of process design rather than trying to implement a technology around an existing product and business process. We really used the new environment as a way to implement the 'ideal'. We intentionally started with a simple product with a relatively small in-force base, enabling us to get a quick hit and build the team's confidence. This controlled and pragmatic approach also allowed us to master the AdminServer platform, test and refine the conversion process, and learn to work well together as a team with our vendors.

The initial implementation included a concurrent effort that entailed an initial conversion along with the development of a new fixed-annuity product on the AdminServer solution. As the development of the new product and related business processes was underway, the implementation team was also duplicating an existing product, adjusting business processes, testing product and data, data mapping, transferring the data, and performing balance checks.

Both efforts were extremely successful. A pleasant surprise from the conversion included minimal out-of-balance and very few policies/transactions that required research. There was little need for exception handling, due to the high quality of the source data as well as the UCT conversion software and methodology. However, the initial system converted was a fairly new product without a great deal of history. As conversion efforts continue with older blocks of business, MONY does anticipate uncovering a greater number of surprises and suspect data.

Benefits to MONY

They include a streamlined new business process, with MONY now able to process a fixed-annuity application in an average of 10 minutes, compared to 20 minutes in the previous environment. With the single AdminServer platform, MONY is seeing a significant gain in end-user efficiencies. The user benefits are obvious with this holistic approach in that there is no need for users to master multiple systems or toggle between environments. Savings in IT maintenance costs appear as disparate legacy environments are no longer supporting the Annuities product line.

Client Testimonials

"Our decision to work with UCT proved to be a good one. In addition to their proven expertise and fixed-price contract, we found that UCT brought tremendous discipline and project management to the conversion effort. They understood that conversion is more science than art and were able to apply their past experiences and knowledge gained over the years. UCT brought rigor to the process and gave our team a clear path of execution."

Carol Macaluso
Vice President / Chief Financial Officer, Annuities Division
MONY Life Insurance Company

"Working closely with our vendors (UCT and AdminServer) made the initial implementation very successful. UCT's discipline and experience proved invaluable in the effort and the AdminServer solution has the flexibility in product and process design as well as the capacity we needed."

E.P. Rogers
Senior Vice President and Chief Information Officer
The MONY Group