Flexible System for Flexible Products

The Project

Start	October 2015
End	June 2016
Duration	9 months

in|sure
PSLife

The Challenge

Similar to other insurance companies, Debeka Group, based in Koblenz, is operating in a market environment that has clearly changed in recent years. Long-lasting low-interest phases make classic life insurance less attractive for customers. At the same time, insurance companies cannot invest money on the same terms anymore. Moreover, there are also the Solvency II Regulations that place other requirements on reserves of a life insurance. Thus, several concurrent developments have put pressure on the previous business models of insurance companies. Debeka faced this challenge with a new product approach. In the are of life insurance, it wanted to offer new, unit-linked products. The aim was to introduce flexible and affordable offers, so that each member could choose the offer best suited for their risk preferences.

The project was fittingly comprehensive: On the one hand, those in charge of the two product worlds (the classic and unit-linked life insurance) had to be connected with each other. On the other hand, this was not possible without bridging the technical systems. Modern, flexible products are not possible without a modern, flexible IT system. The Cobol-based system used by Debeka until then was ideally suited for classic life insurance products. However, it reached its limits with respect to flexibility and adaptability. The goal was to be able to present the new, unit-linked offers by July 1, 2016.

The Solution

Debeka has had the suitable addition for the introduction of a flexible IT system in-house for a few years: Since 2011, it has been working with the in|sure PSLife kernel in its dispositive area. The insurance group uses the solution as asupplement to the established system for mathematically complex areas. More than 500 existing rates are implemented in in|sure PSLife. Debeka has gathered comprehensive experience with the kernel already. Since 2011, there is a working group responsible for making all the relevant implementations in the kernel.

The decision-makers wanted to use the in|sure PSLife functions beyond the kernel for mapping the new products. This was possible with ease, because the classic system and the in|sure PSLife solution could be operated in parallel.

The Client
Debeka Insurance Group

With its diversified offering of insurance and financial services, Debeka Group is in the Top Ten in the insurance and home construction loans sector. It was founded in 1905 and has developed from a health insurance for civil servants into an insurance group that offers insurance protection for all private households and small and medium enterprises. Today, it is one of the most successfully groups of its kind in Germany.

Client's Infrastructure

Application-Server: **Weblogic 10.3.6**

Operating System (OS): **SLES11 SP2**

Database: **Oracle 12c**

> The system supports us, for example, in creating our annual financial reports. With in|sure PSLife, we are able to check our results very effectively. The fact that the system uses the Markov method instead of the classic cash value method really pays off."

Ralf Thommes – Project Manager in|sure PSLife introduction at Debeka

The contract management system from in|sure PSLife was to be used in the future. For aspects such as address management or central collections, on the contrary, the existing group-wide system could still be used.

The Project Timeline

Starting in October 2015, the project team began to develop the new IT solution. The start of the project was especially challenging: Despite the serious differences, the old and the new system had to work smoothly with the latest technology. The in|sure PSLife kernel had to work very early on: It provided the figures that the peripheral systems used to do their work. Thus, the project team tested the joint work of the kernel and the environment, as well as the interface operability.

Due to the special significance of the sales components, the people in charge designed a separate subproject for the sales system. This system, which could be used by up to 12,000 Debeka employees, was connected by the project team to the in|sure PSLife quotation system. The employees could continue to work with the software they were used to, while the data was transmitted to in|sure PSLife in the background. This way, sales did not need to worry about a new system, and could focus directly on advising potential customers.

The Outcome

On June 23, 2016, the first new contract was transferred from the acquisition system to the in|sure PSLife environment – and everything worked as planned in the foregoing weeks and months. On July 1, 2016, the people in charge enabled the application for all relevant office and field employees.

The system has been running ever since. "In the first three months, we experienced production downtimes of just a few hours," says Ralf Thommes, Deputy Project Manager, Life, Technology, Controlling Department, looking back on the early days. "A figure we are very satisfied with, considering the scope and complexity." Not only does the technology work, but the new unit-linked offers are well-received by members: **By the end of 2017, Debeka was able to issue more than 100,000 new policy contracts.**

"We were able to implement the project within this tight timeframe only because both the external colleagues from adesso insurance solutions and our own Debeka employees knew the systems and each other well," states Ralf Thommes, reflecting on the reason for the project's success.

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