

# The Phoenix Group



*Two-and-a-half years following the successful migration of 3.6 million policies, the partnership between TCS and The Phoenix Group continues to grow*

By **Kanchan Chakraborty**, Principal Consultant, TCS



The Phoenix Group has become the UK's largest consolidator of closed-book life funds—policies on insurers' books that are no longer being marketed to new customers.

The Phoenix Group saw tremendous opportunity in becoming a closed-life specialist. Instead of competing in the crowded field of life insurers seeking brand-new customers, the company became a highly-efficient servicing specialist, honing the ability to focus on operational excellence without the need to invest in extensive retail sales and marketing.

However, the organization's long legacy of mergers, spin-offs and acquisitions over many years had left it with a collection of legacy platforms and systems. There were no fewer than 11 core business systems and hundreds of satellite systems hosted across multiple mainframes and distributed servers, managed mainly in-house. The result was a mismatch: Operational costs were increasing even as the portfolio was declining through the natural run-off of the closed-book policies. In response, The Phoenix Group sought a full-service partner to take on the operational challenges through a flexible utility model.

In April 2006, Phoenix Life signed a 12-year deal with TCS to migrate more than four million policies and customer records across multiple brands and product lines

onto TCS BaNCS, operated through Diligenta, a UK-based TCS subsidiary established in 2005.

Diligenta embarked on a multi-year, multi-faceted transformation involving four legacy life insurance companies. The migration was completed in October 2011 – just five years and seven months after commencement of the project, representing the largest project of its type ever attempted in the U.K. life and pensions market.

The implementation of TCS BaNCS platform enabled The Phoenix Group to achieve lower cost of ownership with a simplified IT architecture, standardized business processes, and a variable-cost model for policy expense. (For more background, see TCS BaNCS Customer Newsletter #15.)

Jamie Macgregor, senior analyst at Celent, commented at the time of the announcement: "This is a significant deal that secures TCS BaNCS' position as one of the major platforms in the UK life & pensions industry. A platform transformation on this scale should deliver Phoenix's customers with a much improved customer experience, a more rapid response to change and a reduced cost to serve."

Tony Kassimiotis, Managing Director, Phoenix Group, said: "This move forms part of the Phoenix Group's strategy to be recognized as the industry solution for the





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safe, innovative and profitable decommissioning of closed life funds - by maximizing economies of scale and generating capital efficiencies through operational improvements. This transformation project will streamline services to improve the experience for our customers and we are delighted with the way TCS and Diligenta have ensured its smooth delivery."

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Commenting on the conclusion of this project, N Ganapathy Subramaniam, President, TCS Financial Solutions, said: "TCS BaNCS is now positioned with proof points to deliver significant benefits around business process re-engineering, product rationalizing and disparate data migrations. A simplified IT landscape not only enhances efficiencies for the Phoenix Group but also delivers best in class customer experience."

Suresh Menon, CEO of Diligenta, said: "This project not only demonstrates our growing stature in the UK but reinforces our leadership as a utility provider to the life & pensions segment of the UK insurance industry. Close collaboration was the key element of this landmark engagement, as Phoenix, Diligenta and TCS teams worked across regions and time zones to make this program a reality."

## Fast Forward

Through Diligenta, TCS BaNCS now supports the entire gamut of life and pensions products in the UK, made available through a vertically and horizontally scalable infrastructure tailored for UK life insurance companies.

Phoenix Group has realized numerous benefits by implementing TCS BaNCS. Having a single policy administration system with a simplified IT landscape has driven greater operational efficiency, improved speed of operations, and lowered the cost of making changes. In addition, the decommissioning of legacy systems and third-party applications has reduced total cost of operation. The transformation program itself has allowed for improvements in data quality and rectification of historically incorrect processing.

Efficient business processes now support a high proportion of "one and done" workflows, with intelligent business rules replacing the need for hands-on processing. As a result, front-office staff is able to take on a more diverse set of transactions with faster response times. The standardization of business processes also aids compliance and ensures uniformity in handling customer requests in a fair manner.

The Phoenix Group awarded Diligenta with additional business in the second half of 2010, with another 1.6 million closed-book policies being added to the platform. The transition involved migration from five major line-of-business systems from insurance companies RSA and Swiss Life. The project took two years, and was successfully completed by the end of 2012.

The Phoenix Group is also consolidating other business onto the Diligenta platform. TCS is currently involved in migrating onto TCS BaNCS approximately 65,000 live and 125,000 out-of-force policies previously held by another third-party administrator in the UK. The project is on track for completion in May 2014.

With the insurance capabilities of TCS BaNCS made available through the Diligenta platform, The Phoenix Group is in a stronger position than ever. ■





## FAST FACTS

- Phoenix Group is the UK's largest specialist closed life and pension fund consolidator with over 5 million policyholders and £68.6 billion of Group assets under management.
- Phoenix Group's mission is to improve returns for its policyholders and deliver value for shareholders. The Group intends to achieve this by realizing its vision of being the saver-friendly, 'industry solution' for the safe, innovative and profitable management of closed life funds.

## AT A GLANCE

### Company:

Phoenix Group Holdings (London)

### Business Challenge:

To ensure operational-efficiencies and scalable infrastructure in order to deliver improved customer service, long-term per-policy cost certainty and a platform for future growth.

**Solution:** Diligenta, powered by TCS BaNCS

