



MLC Life Insurance



Australian life insurer undergoes top-to-bottom transition with TCS BaNCS at the center

By Sarit Das, TCS Program Director, TCS Financial Solutions



MLC Life Insurance, with support from its new parent Nippon Life, is rebuilding its entire technology ecosystem from the ground up, replacing all the legacy solutions managed by its previous parent, National Australia Bank (NAB), which remains a 20 percent shareholder.

The transition program to independence has been dubbed *sanagi*, Japanese for “chrysalis,” the stage between caterpillar and butterfly.

The new ecosystem will span everything from base-level infrastructure for data, networks, and security; business systems for managing human capital, general accounting, payroll, and tax; and insurance-focused solutions for legacy Policy Administration Systems (PAS), inbound/outbound communications, and records management.

“This is an exciting time, and a landmark for us as a company,” says Sean McCormack, Chief Operating Officer of MLC Life Insurance. “Nippon Life is committed to making sure that we’re able to support our customers efficiently with digital solutions, and so they are setting us up almost as a greenfield company.”

In late 2016, MLC Life Insurance began a comprehensive and rigorous Request For Proposal (RFP) sourcing process that included technology providers worldwide. The shortlisted vendors were asked to participate in a proof-of-concept phase to evaluate the products as well as the subject-matter experts to be assigned to the project.

Next, a contingent of MLC Life Insurance executives visited the customer sites of the shortlisted vendors to learn about their experiences. “The customer references gave us a strong sense that TCS knows what it takes to deliver a data migration at the scale we require,” says Sean.

“We also felt encouraged by the partnership approach that TCS demonstrated when working with its customers,” adds Sean. “We want to work in a partnership where we understand what’s important to each other and are committed to each other’s mutual success.”

In May 2017, MLC Life Insurance awarded a nine-year, \$65m+ AUD contract to TCS, for the implementation, migration, and support of TCS BaNCS as the insurer’s primary PAS.

“This will be the biggest life insurance transition program in Australian history, and TCS’ wealth of experience in large-scale migrations and the modern, flexible application TCS BaNCS gave us confidence that they would be the best partner for MLC Life Insurance,” says Fiona Guscott, Head of Policy Administration Systems, MLC Life Insurance. “The expertise and knowledge of the individuals we have worked with, both in Melbourne and offshore, has been extremely impressive, and we are very confident that together we will successfully deliver this program which will see MLC Life Insurance leading our industry in Australia.”

Complete re-platforming

This will be the first implementation of TCS BaNCS in Australia for a life insurance and pension customer. "TCS demonstrated its preparedness to localize products to the Australian marketplace by dedicating a significant number of their people to work with us in our offices on a day-to-day basis," says Sean. "Through this partnership, we're both heavily invested in making this a success."

The first phase of the TCS BaNCS implementation, to be completed in August 2018, will allow MLC Life Insurance to accept new business in group life insurance schemes. This approach will thoroughly test the full capabilities of the new business ecosystem, which includes TCS BaNCS and all ancillary systems.

"We are completely re-platforming our customer experience from the top to the bottom," says Sean. "Before we add premium in-force worth hundreds of millions of dollars into the new ecosystem, we want to make sure that everything works, that we're able to provide great customer service from the start, that our staff know how to use it, and that we're able to meet our regulatory obligations."

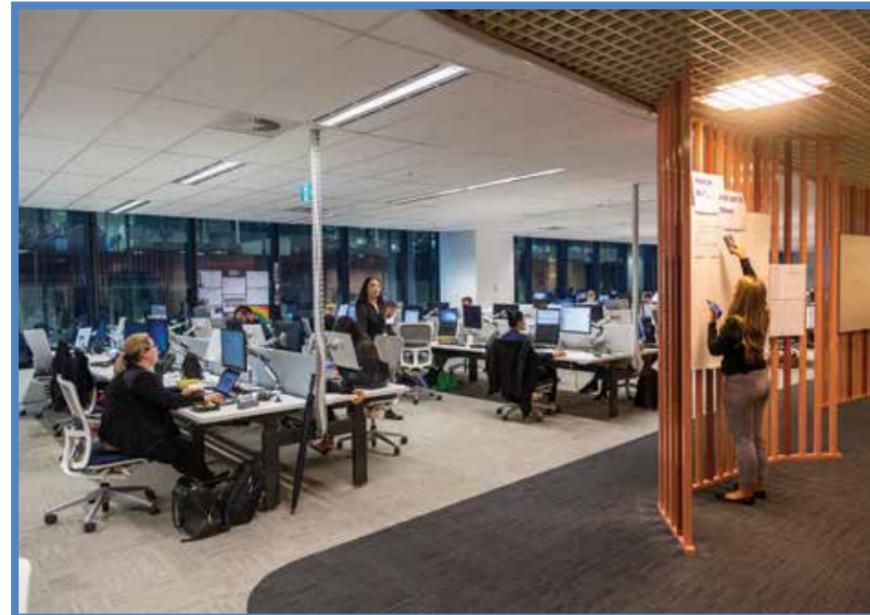
Following the successful completion of the first phase, MLC Life Insurance will migrate its in-force book of group insurance policies from NAB legacy systems to TCS BaNCS, with a target go-live set for mid-2019.

Meanwhile, MLC Life Insurance will be conducting parallel configuration and migration efforts for other insurance products currently running on six separate NAB-legacy policy administration systems. MLC Life Insurance, in conjunction with NAB along with TCS, will work to migrate each PAS in turn. The second migration, covering a range of retail products, will be completed by end of 2019.

The partnership between MLC Life Insurance and TCS has established the groundwork for success throughout these endeavors. "We've established a good dialogue at the executive level, and a good dialogue with the teams working with us on *sanagi*," says Sean. "In our day-to-day interactions, account management forums, and executive governance, we are communicating clearly with a high degree of understanding of mutual issues and working through resolutions in a collaborative manner."



Sean McCormack,
Chief Operating Officer,
MLC Life Insurance



Benefitting from a digital customer experience

MLC Life Insurance staff and customers eagerly anticipate the benefits of *sanagi*. "Our customers, our advisors, and our funds all tell us they want to interact with us digitally, but our current approach does not enable us to do that," says Sean. "We've had too many manual processes making it incredibly difficult for our staff to provide a high degree of customer service."

For example, under the old system, if a request came in through the contact center, it might be entered into one system and then moved through several different systems, often via copy-and-paste or rekeyed data entry. Then, to fulfill the request, someone would have to place the updated data into a Word template, print the document, and then manually fold and stuff the envelope. These multiple handoffs increased the time to fulfill a request, while creating multiple opportunities for error.

MLC Life Insurance's competitors have the same handicaps. "They're largely faced with the same system complexity, the same manual processes, and the same operational risks that come from these sorts of legacy environments," notes Sean.

Once *sanagi* is complete, MLC Life Insurance will have an entirely new ecosystem that will enable an entirely digital customer experience.

"We are engaging in a multi-million dollar transformation program designed to create great customer experiences, and are focused on delivering the most advanced digital and process infrastructure in the Australian life insurance industry," says Sean.

"Once it's deployed, and once our customers can enjoy the digital platforms, this is going to be a huge source of competitive advantage for us."

The new ecosystem will enable fast, efficient service. "We'll be able to enable our operations team to administer customer requests through automated, straight-through processes," says Sean.

"Incoming requests will be classified automatically into TCS BaNCS, administered through a well-defined workflow, and efficiently fulfilled with correspondence sent by email, SMS, or postal mail."

TCS BaNCS will also enable MLC Life Insurance to reach untapped markets. "We're really excited about the flexibility of TCS BaNCS to support innovative product design," says Sean.

"There's a huge opportunity to reach those customers who do not yet enjoy the benefits of life insurance, and TCS BaNCS is the technology platform that will enable us to do that."

"Our relationship with TCS is based on mutual trust, mutual understanding, and mutual respect," remarks Sean. "We've got an enormous amount of work to do for the *sanagi* program over the next couple of years, and we look forward to TCS' continued commitment to help us to become Australia's leading and most-trusted life insurer." ■



Inauguration of Offshore
Development Center for
MLC Life Insurance

FAST FACTS

- Founded in 1886 to provide life insurance to industrial workers, MLC Life Insurance has become Australia's newest standalone specialist life insurer.
- MLC Life Insurance was acquired in 2000 by National Australia Bank (NAB).
- In October 2016, Nippon Life Insurance Company acquired 80 percent of MLC Life Insurance from NAB, which retains a 20 percent ownership stake.

AT A GLANCE

Company

MLC Life Insurance

Headquarters

Melbourne, Australia

Business Challenge

Complete transition from multiple legacy policy administration systems.

Solution

TCS BaNCS for Life Insurance and Pensions

MLC Limited uses the MLC brand under licence. MLC Limited is part of the Nippon Life Insurance Group and is not a part of the NAB Group of Companies.