DXC
TECHNOLOGY

Insurer grows services
and profitability moving
from mainframe
to DXC insurance
platform on AWS

CUSTOMER
**Leading North America
Insurance Company**

This leading insurer needed to lower the cost of managing annuities and introduce digital services to customers.

Challenge

- Transform the customer experience with new self-service capabilities and emerging digital services
- Increase the long-term profitability of the annuity portfolio by lowering operating costs
- Extend the life of core administration systems running on mainframe and virtual servers

Solution

- DXC Assure for Life and Wealth solution components, leveraging modern APIs and DevOps practices to improve business services
- DXC Cloud Strategy and Migration services to ensure a fast, secure move from the mainframe and servers
- DXC application services for AWS and DXC managed services for AWS for ongoing management, maintenance, security and disaster recovery of applications and infrastructure

Results

- Shortened time to market for new product enhancements and services by 15 percent
- Securely migrated over 1 million annuities to the AWS cloud in 8 months, moving to consumption-based pricing and reducing operating costs by 40 percent
- Improved the customer experience by enabling enhanced self-service capabilities

Insurer grows services, profitability moving from mainframe to DXC insurance platform on AWS

It takes considerable planning, advanced tools and deep expertise to reap the full benefits of cloud. A leading North American insurance company solved those challenges by modernizing a large portfolio and securely moving it from the data center to the AWS cloud in just 8 months.

15%

Decrease in time to market new services

1M+

Contracts migrated to the AWS cloud in 8 months

Modernizing the business

For nearly 20 years, DXC has provided application outsourcing services for the company's large block of more than 1 million annuities, including 400,000 active contracts, which are still generating revenue though no longer being sold. Many may require ongoing customer support and administration for decades to come.

However, those contracts were managed on two core systems, VANTAGE-ONE, which was written in COBOL and had its roots in the 1980s, and DXC Wealth Management Accelerator, a modern administration system launched in 2016. The insurer was ready to continue the modernization journey and selected DXC because of its 40-plus years of insurance industry experience.

The company's goals were to move applications from its on-premises mainframe and servers to a modern public cloud platform. The insurer could then increase the profitability of annuity contracts by reducing storage and maintenance costs, and at the same time, improve the customer experience by introducing new digital services and shortening time to market.

To prepare for the migration, DXC performed application transformation services on the two systems using components of DXC Assure for Life and Wealth, a modern integrated solution that includes the latest capabilities for customer engagement, self-service processing, analytics and cognitive/artificial intelligence (AI).

A key solution was the use of surround systems integration, which involved testing schedules and transformation timelines for syncing up and modernizing upstream and downstream applications.

DXC implemented modern application programming interfaces (RESTful APIs) in the systems to improve the user experience and enable immediate access to new digital services, laying the foundation for future modernization. Newly implemented DevOps development and operational processes helped accelerate the time to roll out new features and functions by 15 percent. All changes and workflows are now centralized.

Smooth migration to the cloud

Migrating to the cloud posed significant challenges. The company's systems were operating on a three-tier server environment. The move encompassed 40,000 Java modules and 5 million lines of COBOL code, with more than 3TB of contract information running on IBM Db2.

The insurer chose the AWS cloud as its new infrastructure platform to meet its needs for scalability and cost reduction. DXC migrated the mainframe-based applications to Micro Focus Enterprise Server as containerized workloads. The IBM Db2 database was migrated to the Amazon Virtual Private Cloud (VPC) with AWS Availability Zones to ensure high

availability, and the Amazon Elastic File System (EFS/S3) storage was used for file backup and restore.

The project team used automated validation to ensure data integrity and automated code analysis tools to identify potential performance issues.

Careful planning, testing and automation were crucial. DXC conducted dress rehearsals and disaster recovery exercises to validate the migration plan and identify any gaps that needed to be fixed. DXC initiated parallel production cycles and ran the target system as if it were in production to identify any issues.

The team used the AWS Direct Connect virtual network service to establish dedicated network connections and make sure that the connectivity was reliable.

Identifying critical surround systems and testing ensured the applications would continue to run smoothly on AWS. A key solution was the use of surround systems integration, which involved testing schedules and transformation timelines for syncing up and modernizing upstream and downstream applications.

40%
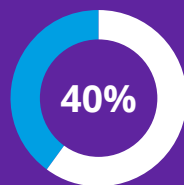
The most significant benefit of the transformation is that it cut operating costs by 40 percent, while reducing the time and effort needed to deploy new environments.

For example, early on, DXC established direct connectivity with several of the company's print vendors to make sure files could be sent without any issues or delays.

Security and identity management were also key. DXC established an automated security migration framework to port user profiles and IDs from Computer Associates Top Secret running on the IBM z/OS to LDAP on the AWS VPC, ensuring a highly secure environment built for the future.

Lower cost, increased speed through managed cloud services

The insurer's portfolio of fixed and variable annuities comprised numerous product rollouts with over 20 unique products including multiple riders and benefits.

Through careful planning and teamwork, DXC completed the complex migration to the cloud in just 8 months.

The most significant benefit of the transformation is that it cut operating costs by 40 percent, while reducing the time and effort needed to deploy new environments.

Through DXC managed services for AWS, DXC monitors and manages the company's applications and infrastructure configurations, cloud security and governance to help the company reduce uncontrolled consumption and move to an as-a-service pricing model.

The move improves performance by continually monitoring server instances, automating security updates and ensuring horizontally and vertically scalable target environments.

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