Consolidating Agency Processing Systems

THE PROBLEM: Converting multiple Agency systems to one newer system

A large diversified Midwestern financial services organization needed to retire their old Agency systems and move the data from those multiple systems onto a new Agency system. They had agents on several systems, getting multiple commission statements and checks. When there was an administrative change for an agent, it had to be entered on several systems to keep in sync. Vesting records and contract dates varied on the multiple systems causing discrepancies. Additional staffing was necessary to administer the multiple systems, from agency services to nightly cycle staff. Combining Agency records to one system allowed the company to achieve major cost savings. Multiple product lines were involved, such as life, annuities, health and DI.

Agency records included Agent Master records, Hierarchy records, Contract records, Vesting records, Outstanding balances, Bonus commissions, Annualized commission balances, Commission rates, policy records, coverage records, notepads, Agent License records, Transaction records and plan description records. Record counts were over 12 million with policy counts being over half a million.

Multiple Policy Admin systems were being converted to two final systems depending on product line (Life and annuities; Health, which included Medicare Supplement, Long-term Care and other health).

The Agency conversions were timed to coincide with the Policy Admin conversions when applicable. Some admin systems used an old DSS agency system and some handled commission calculations internally. All were converted to PPLUS Agency and commission system. One conversion was to a TPA for business sold to another company.

The schedule was aggressive and resources were constrained. It was imperative they leverage their limited business and technical resources, and expertise on the new system to meet this schedule. The target system was an established system with nearly all needed functionality, but there were many commission and contract variations in each product line to be converted that had to be built and tested.

THE SOLUTION: A joint task force including UCT experts and a dedicated in-house team

UCT and the client had worked together previously on successful Policy Admin system conversions. They were familiar with UCT's tools and expert conversion resources. Their in-house conversion team was experienced in the various Agency systems and in setting up commission rates and processes on the new system. Together, a smooth, repeatable process was created making the multiple conversions cost-effective, efficient and successful with few post-conversion issues.

The project was a multi-phased multi-year effort coordinated with other conversions and client priorities completing in 2010. The scope included converting over 12 million records to the new Agency target system, from 12 different admin systems and related systems converted in a single project.

UCT built conversion software to extract the Agency and policy information into target system components, working in conjunction with several source system subject matter experts, while client resources built the commission rules into the target system and handled all target system testing.

UCT resources on the project were a team of one UCT BA, one UCT PA, and a UCT PM who was the primary project manager for the client. Using the same resources over the life of the project, from the client and from UCT, created an extremely effective team, saving time and money for the client with the reusability of maps and knowledge.

The Client's approach was to:

- Convert the business (policies and agents) in phases geared to get the quickest positive financial impact – First, the large health blocks, then annuities, the simpler traditional life, and lastly, more complex life policies.

- Focus their resources on developing and testing the Agency conversions with the products and converted policies, and on overall project management.

- Convert all agent records related to the policies being converted with variable Point In Time effective dates used for conversion with the required history to match the PIT date.

- Convert DSS to PPLUS separate from the policy admin conversions.

- Convert Agency records from: PDMA/LifePro; USSI; Sharp: CFO: LifeComm; Life70; DSS; Bannerstone; Genelco; ALC; Vulcan and Platform.

- Include combining agent records, reassigning agent numbers when duplicates were found and matching records from the multiple systems for each conversion. This allowed the end result to be one agent master record per agent.

- Use UCT experts to extract and reformat agent data into target system formats, and to develop anomaly and audit report and convert historical data.

- Work towards one commission statement per agent and one check per agent; combine bonus commissions with regular and annualized commissions with one balance per agent.

- Focus as a group on workable solutions, not on problems and challenges.

THE RESULT: Project completed on time and under budget

The projects were completed on time and under budget, and the client now has all agency and commission records and processing on one system.

THE FEEDBACK: Bring UCT back!

The client was so impressed with the results of the early agency conversions that they insisted UCT be brought back to finish the second round of conversions. They were very pleased with the expertise and knowledge of the UCT team. The client manager always praised UCT on their conversion work and the ability of UCT resources to work so closely and well with the client team.