

# a.s.r. Life chooses new approach

Client business process optimisation and cost reduction

**Insurer a.s.r. was maintaining seven different administrative systems for life insurance policies.**

There was a compelling business case for migration to a new flexible and modern system. a.s.r. embarked on this change together with Keylane, their chosen technology partner. 'The migration train is speeding up.'

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# From seven policy administration systems to a single system



The life insurance market continues to be exposed to new legislation combined with changing consumer behaviour and expectations. Providers must adapt accordingly to survive and thrive. a.s.r. Life decided on incisive product rationalisation and simultaneous migration of its various policy administration systems (a heritage from several mergers) into a single system to drive down policy administration costs. Pauline Derkman, deputy Director of Life, and Martin de Klijjn, Programme Manager, tell the story about working with Keylane to address these challenges.



Several years ago a.s.r. Life was confronted with the major task of rationalising no less than seven different policy administration systems. This fragmented legacy IT landscape of administrative systems had arisen partly from various mergers in the past, including A brands such as De Amersfoortse, AMEV, Falcon and Stad Rotterdam. Systems were maintained in isolation for many years, incurring high maintenance costs. 'As elsewhere in the insurance world, the number of policies is gradually declining,' says Pauline Derkman, deputy Director Life. 'This means that the relative cost is increasing. Also, we urgently needed to rationalise our product range. In the course of time, a huge number of different policies were sold, including many variations, such as links to funeral and occupational disability insurance policies.'

"KEYLANE WAS INVOLVED IN ALL DECISIONS AND ALWAYS INTENSIVELY PROVIDES INPUT. THEIR EXPERT OPINION CARRIES A LOT OF WEIGHT FOR US"



When we counted them, we saw that we actually had over one thousand products. This is obviously not desirable in the context of efficient business operations. With the additional issue of the different administrative systems, we understood it was the right time for a new action plan.'



### Longlist

Once the decision was made, a.s.r. Life prepared a longlist of suppliers that could potentially provide solutions to increase operational efficiency and reduce IT cost. Specifically, the priority was the migration of all existing policies to a single new standard solution for policy administration, together with the processing and acceptance of new applications, and the provision of client portals.

Three suppliers received a Request for Proposal and two were selected to prepare a proof of concept. 'Eventually, we selected Keylane based on their capability to unburden us completely and their comprehensive Software as a Service (SaaS) solution,' says Pauline Derkman. 'Also, Keylane was the supplier with the most extensive experience of working with other insurers and the only one that could offer a fully functional data centre. Overall, content was the key factor, with the variable contract as an additional benefit. More than with other providers, they enabled us to choose what we buy or don't buy.'



### First migration

Once the contract was signed, migration of existing business from the first a.s.r. policy administration system to the new Keylane solution commenced. This a.s.r. system was a relatively new software system set up five years previously. At the time it had been designed to cover all life insurance business of a.s.r. 'These high ambitions were never fully realised and the system was suitable as the first for migration of business onto the new Keylane solution,' says Martin de Klijn, Programme Manager. 'Another factor was that we owned the system, and this meant that we incurred frequent high-cost updates.'

"OVERALL, THE CONTENT WAS THE KEY FACTOR, WITH THE VARIABLE CONTRACT AS AN ADDITIONAL BENEFIT"



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The benefit of the first migration was that the source system did not contain any complicated older policies, which was a sensible starting point for a major overall rationalisation programme. However, despite the low number of policies, the migration was still a significant challenge in terms of volume. This is why a full year was planned for the migration. 'We made the deadline,' says Martin de Klijn. 'That was a special performance. You have to explore and discover everything for the first time, and come together as a new team. But we did it. We developed and tested twelve interfaces, configured and tested insurance products. We delivered portals for intermediaries, clients and employees, and integrated these with the a.s.r. portals. Eventually, it all worked perfectly.'



#### **Client process optimisation**

Within one year, the first migration of the seven systems was completed. This immediately provided a significant reduction of operating costs. 'The cost savings were so substantial that we almost earned back the cost of the new system in one go,' says Pauline Derkman. 'What was important to me,' Martin de Klijn adds, 'was the pleasant collaboration across the project team with members from a.s.r. Life, migration partner Finavista and Keylane. Everyone had great expertise and delivered on their promises. We were happy to give and take. Sometimes we defined a modification to our own system. Sometimes we invested in a modification to the standard software. And sometimes Keylane invested in modifications that were relevant to the wider market. We have chosen the most efficient and effective solutions.'





### Cost reduction

Meanwhile, a.s.r. Life had started preparations for the second migration. This was a migration from one of the legacy systems of a merged partner. Just as for the first migration, this process was also successful and delivered in line with the planning. Martin de Klijn further commented: 'It was a very good thing that we decided *against* doing certain things following consultation with the Keylane people. That is of major importance in such an incisive and long-term process. In the course of time, the employees will come up with new plans and requirements. If you actually implement all of these, the project will never be finished. It is good to stick to the original plan. Once the migration has been completed, you can still make changes in the next phase.'

An example of such a subsequent modification is the extent to which the process is now straight-through. This has resulted in automated processing and acceptance of policies. This reduces manual labour, allowing the company to reduce the number of FTEs required to administer business. Pauline Derkman: 'We chose gradual introduction of this automation. During the migration, the process started to run with increased efficiency, even though this was not our main goal in the first phase. Our key objective was to switch off the old system, due to the major cost benefits amongst other reasons. We will not start full automation of the processes until completion of the entire migration. And then we will really dive into it. We expect to be able to do the work more efficiently.'



“TRANSPARENT COLLABORATION, FOCUSING ON THE SAME OBJECTIVE. EVENTUALLY, THIS BENEFITS EVERYONE IN THE ORGANISATION”

## Looking for the best option

'Open and transparent. That is how I experienced our collaboration,' says Richard Otten of Keylane, who supervised a.s.r.'s systems migration together with Pauline Derkman and Martin de Klijn. 'In our meetings the key question was always: "what is the best option?". We generally decided quickly. The next question was: "who is the best party to do that?". We only required short discussions on that question also. a.s.r. completed the extraction, check-up and cleaning of the data for the new system, together with Finavista. We frequently chose to include certain specific requirements of a.s.r. in the standard software. That resulted in high customer satisfaction from a.s.r. whilst also delivering changes that could be relevant for other potential Keylane clients.'



Pauline Derkman (deputy Director Life) and Martin de Klijn (Programme Manager) at a.s.r.



### Short lines of communication

Meanwhile, the second migration has been completed with full customer satisfaction. Martin de Klijn: 'This migration was more challenging than the first: the policies were older and this means there were more variations. On the other hand, it was easier because we were a more experienced team. We learned so much from the first migration. We are not faced with surprises very often, and it is easier to solve issues.'

Pauline Derkman: 'In the course of such processes, you must make dozens, sometimes almost hundreds of rationalisation decisions. Keylane was involved in all decisions and always intensively provides input. That is a key success factor. The deadlines are short. We communicate swiftly. Their expert opinion carries a lot of weight for us.'

Meanwhile, the next migrations are being set up with an increasingly well-oiled and attuned team. Pauline Derkman: 'The migration train is speeding up. We are also preparing for further development of the client portals, allowing people to submit changes faster. These portals are also developed in collaboration with Keylane.'

All of this required a different approach, says Martin de Klijn. 'As an organisation, we first scrutinise the new plans together with Keylane. Is it sensible to do it this way? Is it efficient? We don't continue until we have answered those questions. We don't continue until we have answered those questions and this approach makes for well-considered decisions. We do everything together with transparent collaboration, focusing on the same objective. Eventually, this benefits everyone in the organisation.'

"WE SELECTED  
KEYLANE BASED ON  
THEIR CAPABILITY TO  
UNBURDEN AND THEIR  
COMPREHENSIVE  
SOLUTION"



### About Keylane

Keylane is a leading European supplier of SaaS based software solutions for insurers and pension institutions. More than one hundred financial service providers in Europe use Keylane's software and achieve measurable results

such as a reduction in costs, a reduction of the time-to-market and higher levels of customer satisfaction. Thanks to its in-depth knowledge of the industry and world-class technology, Keylane is able to offer its clients an excellent service.

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