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.msg

# AXA chooses msg life for IT modernisation drive

msg.Life Factory implemented after just one year





## msg.Life Factory implemented after just one year

In connection with its aim of thoroughly modernising its IT landscape, AXA Deutschland decided in late 2013 to use msg.Life Factory based on IBM PureSystems technology as the strategic administrative platform for its life division. In addition to msg.Life Factory which uses new JEE technology, AXA is also utilising the add-on components msg.Life Group, msg.RAN, msg. Zulagenverwaltung (subsidy management) and msg.Tax Connect.



## The challenge

The current market environment, cost pressure, the diverse requirements for new products and optimised processes, and changes in customer behaviour (especially digitalisation) make high-performance, flexible and modern IT more important than ever. With this in mind, AXA decided to set its course for the future by rolling out new IT systems. The new technology should reduce costs long term to maintain competitiveness. The goal is an IT solution with a high level of process automation and digitalisation and a short time to market, enabling the company to react to ever-changing market conditions.

AXA's decision to introduce msg.Life Factory was based partly on the standard software's market-leading position. Above all, however, it chose this option because the life insurance products are largely prefabricated for the German-speaking market and the solution has a service-oriented architecture which can be integrated into AXA's systems quickly, easily and flexibly. In addition to this, standard software offers advantages in terms of the cost of implementing regulatory adjustments or market developments. Last but not least, the insurer was impressed by msg life's extensive expertise and wealth of experience in migration. All four systems previously used to manage existing life policies will be replaced and the seven existing portfolios (approx. four million contracts) will be migrated to msg.Life Factory during the course of the project, which will run until 2018.

## ● The project

In addition to the many steps associated with the initial introduction of a policy administration system, this project was particularly challenging due to its very tight time-frame. With the German Life Insurance Reform Act (Lebensversicherungsreformgesetz, LVRG) coming into force, it was absolutely essential to meet the planned roll-out schedule so that the company could continue to take on new business.

Just one year into the project, msg.Life Factory went live at AXA Deutschland as planned on 1 February 2015. Once production of the corresponding AXA Group release had been given the go-ahead, the TG2015 generation of tariffs updated in connection with the LVRG legislation was almost completely implemented in msg.Life Factory. This covers pension schemes of all levels and all of AXA's legal clients, meaning that the version rolled out at the company includes the msg.Life Group collective component and the msg.RAN invoicing component as well as msg.Life Factory. With this in mind, it was also essential to fully interface msg.Life Factory and the add-on components with the AXA IT landscape, which initially meant linking them with more than 30 AXA systems with a total of over 100 interfaces and services.

### **Modernisation of the entire IT landscape**

AXA always intended to modernise its entire IT landscape in connection with the launch of msg.Life Factory. In addition to extensive steps to modernise input management, msg.Life Factory and the collective component msg.Life Group were interfaced with the new order process management system set up by AXA. Furthermore, two new central systems were introduced – an SAP-based commission management system (ICM) and a new document system (DOPIX) – and linked with msg.Life Factory. IBM is helping AXA to handle this major technological and architectural change. AXA is breaking new ground with its IT operations as well: IBM's contract includes running msg.Life Factory based on IBM PureSystems technology. PureSystems is a key pillar of IBM's cloud technology and improves time to market for the provision of applications. With this move, AXA has paved the way to enter the digitalised world of insurance.

### **Objectives of the AXA project – Prepare for digital**

- Modernisation of the entire IT landscape
- Implementation of an SOA architecture
- Process digitalisation and automation
- Establishing the basis for a modular product strategy
- Short time to market for product innovations
- Long-term cost reduction to maintain competitiveness



## ● The standard msg.Life Factory product ○ meets all the requirements for entering into the digital insurance business.

### **Advantageous strategic partnership between msg life and IBM**

The strategic partnership between IBM and msg life brings together the specialist and technical expertise needed to integrate msg.Life Factory into the IT landscapes used by life insurers. The successful roll-out of msg.Life Factory at AXA in the short space of approximately one year illustrates what advantages the joint package of solutions offered by IBM and msg life has for life insurance companies seeking to renew their IT landscape.

The extraordinary dedication, clear commitment to the standard msg.Life Factory product, and strong working relationship between all of the partners involved in the project (AXA, IBM and msg life) played a key role in ensuring that these extensive technical and specialist challenges were met.

## ● Summary



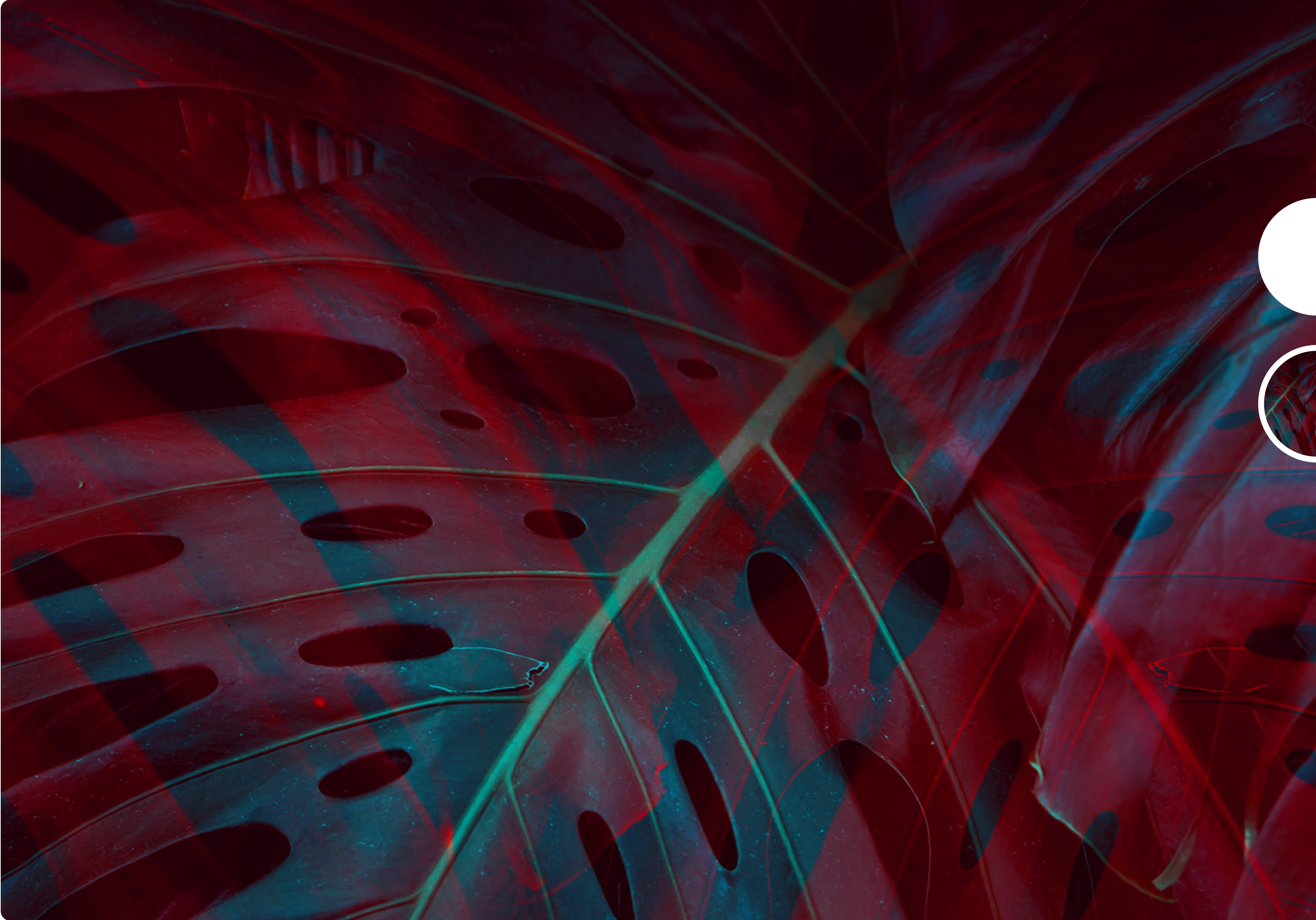
msg.Life Factory with its new JEE technology fulfils all of AXA's requirements for a modern IT system to serve as the basis for entering the digital insurance industry. The partnership between IBM and msg life means that the project to renew the IT landscape can be completed much faster and with fewer risks.

### Outlook

Work on the next steps of the project in 2015 is also progressing according to plan. These stages include adding extra product features, implementing existing processes, expanding peripheral systems including introducing msg.Zulagenverwaltung (subsidy management) and msg.Tax Connect, and providing other semistandard products.







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