Investors Heritage Life Insurance Company (IHLIC)

Improvements in quality and increased customer satisfaction with OpenText™ solutions

Overview

Investors Heritage Life Insurance Company (IHLIC) operates in a variety of insurance markets in the USA, providing life insurance and annuities. Its primary areas are preneed and final expense insurance through funeral homes, and credit related insurance through financial institutions.

Challenge

IHLIC had run an IBM mainframe with a Computer Associates database (Datacom) for 20+ years, but was finding it increasingly difficult to maintain. Costs for hardware, software and services were spiralling up and it was hard to find applications to run in the database environment. Raymond Carr, Executive Vice President and Chief Operating Officer, explains: "We talked about moving to a PC

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RAYMOND CARR
Executive Vice President and Chief Operating Officer
IHLIC

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platform which would make much more sense to our business model. However, we had 3,000 COBOL-based programs on the mainframe and could never justify rewriting all of these applications. We looked at package applications, but this wasn't cost-effective either. There is so much intelligence built into our programs, we simply couldn't replace them."

As the IHLIC applications are highly calculation-driven, a Proof of Concept helped determine the viability of the OpenText™ solution. Carr: "We took our largest application to calculate statutory reserves, and ran a test scenario with two environments, our current mainframe and a Windows PC environment. When the right answer was returned in both environments, we knew we were onto a winning strategy."

Solution

The business-critical applications are used by approximately 100 internal users, as well as up to 2,500 external agents. 2,000 programs manage online, real-time, transactions, using CICS, with another 1,000 involved in batch processing at the end of each day, using JES JCL, to reconcile records and process the billing cycle. The entire scope of the project involved over 600,000 lines of code. The new environment consists of Microsoft Windows Micro Focus™ Enterprise Server by

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INVESTORS HERITAGE
Life Insurance Company

At a Glance

■ **Industry**
Insurance

■ **Location**
United States

■ **Challenge**
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■ **Products and Services**
Micro Focus™ Enterprise Server
Micro Focus™ Enterprise Developer

■ **Success Highlights**
+ Realized ROI within 18 months
+ 25% performance improvement
+ Dramatically reduced disaster recovery time

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OpenText™ with Microsoft SQL Server providing the database engine. The application and database servers run on VMware vSphere virtual machines. Lewis Rogers, Vice President, Information Services, comments: "The actual program conversion required very little effort. The project was mainly managed in-house with our own resources, but we had assistance from Micro Focus (now part of OpenText™) when we needed it."

On completion of the program and data move, IHLIC decided to run a parallel environment for 45 days to ensure the new environment was reliable and stable. This took IHLIC through two month ends with the associated accounting controls, without any major problems.

With the new system proven, IHLIC could move to the Windows platform. Carr is pleased with the result: "We realized a full ROI on the project within 18 months and enjoy ongoing cost savings thanks to lower hardware, software, support and maintenance costs."

Since having the new environment, IHLIC has gone through a year-end, complete with statutory audits and account controls. The system has been stable and reliable and performance has improved. Rogers comments: "A conservative estimate puts our performance improvement across the board at over 25%. Nearly all of our batch jobs run faster, just a couple of calculation-intensive jobs run at the same level."

Results

The new environment brings flexibility. According to Rogers: "We now have the option to leverage other development environments, such as .NET and Java. Our core skills are in COBOL, but we notice that new developers joining the company are far more familiar with a Windows environment. It means the learning curve is not as steep as before and we are seeing the benefits from an administrative perspective as well."

In the previous environment it could take IHLIC up to 48 hours to fully recover from a system outage. Its new hardware platform allows for easier and more cost-effective hardware replication to provide efficient fail-over capability. This has enabled IHLIC to reduce its disaster recovery time to less than an hour.

Carr concludes: "With Micro Focus (now part of OpenText™), we have been able to effectively reuse our valuable programs with tens of thousands of intelligence hours built into them, improve the quality of our customer and agent applications, equip our development team with more flexible tools, and above all, reduce costs drastically by moving to a more cost-effective hardware platform. We are very pleased with the results of this project."

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www.microfocus.com/opentext

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