Why mainframe migration for insurance is the best policy

Is your insurance business feeling the pressure to grow market share while reducing the costs of underwriting and claims handling? Are innovative solutions from nimble insurance technology ("InsurTech") competitors increasing policy churn? How are you addressing demands for digital transformation with the need to maintain the mainframe running your core business systems?

Market forces and technology-savvy consumers have created significant headwinds in the insurance industry. Digital transformation offers a way to pedal through; cloud solutions enable the agility to develop the modern, easy-to-use, personalized experiences customers want while providing the elasticity and scalability needed for back-office performance.

Many insurers are interested in these benefits but can't seem to get all the way there. In 2018, the independent industry analyst firm Gartner said, "The majority of the insurance industry is either early-stage digital or digital fast-followers that take a more moderate approach to digital transformation."[1]

[1]Gartner, 5 Strategic Approaches to Digital Optimization and Transformation in Insurance, 30 November 2018

The barriers to digital transformation in insurance

If your insurance company has been around for years, or even generations, your digital transformation is likely being constrained by legacy systems. Your billing, policy administration, claims, underwriting, and broker and agent management solutions are, on average, 13 years old, complex with multiple duplications, and riddled with inefficient processes that affect response times. Combine all that with the fact that the industry is highly regulated, and it is just not easy to adapt quickly to user demands.

A main culprit is the mainframe—the home of your core legacy systems. According to the results of a Gartner 2017 survey of insurance CIOs, 66 percent of their IT budgets are spent just keeping the lights on.[1] Most of that maintenance is mainframe related.

Think about it. Your mainframe has supported the major events in your insurance company for years. However, maintaining, fixing, and patching it to meet today's agile workload demands can quickly drain your resources while having a major impact on the performance of underwriting, claims processing and other software, along with customer-facing applications. Decades of legacy system accumulation has woven a tangled web of interdependencies that can make data standardization and migration difficult, labor-intensive, and expensive.

Mainframe migration to the rescue

OpenFrame from TmaxSoft gives you the freedom to migrate your legacy mainframe applications on Linux, Unix, Docker Containers or the public cloud. When you migrate your legacy applications, you not only see significant cost savings, but you also get greater flexibility needed to drive and deliver instantaneous, highly personalized experiences similar to those on mobile devices to consumers, policyholders, brokers and agents.

U S E   C A S E

Global Insurer migrates mainframe with TmaxSoft OpenFrame

B E N E F I T S

- $17.5 million cost reduction in 5 years
- Enhancements in CPU capability to 10,000 MIPS
- 4x improvements in transaction per second
- Response time of 200 milliseconds
- High performance and reliability during mass transaction processing

[1]Kimberly Harris-Ferrante, 2017 CIO Agenda: An Insurance Perspective, Gartner. 9 Feb. 2017

Mainframe migration enables you to take your existing mainframe assets and move them to the cloud or on premises quickly and with minimal risk. Your applications work as-is on an open system such as Linux. There are no changes to the underlying business logic or user interface. There is no negative impact on the enterprise or on the measures you have in place to address regulatory compliance and data security, and it requires minimal training. Because the operating systems are open with multiple database and utility options, they integrate with the new technology required to achieve a competitive edge in the insurance marketplace.

What does mainframe migration offer insurers?

If you choose to migrate your mainframe, your insurance company will benefit from:

- Average deployments of 6 to 12 months – ensuring a very rapid ROI
- Supports COBOL, Assembler, PL/I, Easytrieve and more legacy technologies
- Deploys on AWS, Azure and Google Cloud environments
- Allows for significant reduction in annual run costs for increased investment in innovation
- Enables horizontal and vertical scalability to deliver extremely high performance

- Uses your existing workforce and skillsets
- No change to the end-user experience or application business logic
- Supports both containers and virtualized environments
- Modernizes from a monolithic mainframe to a multi-tiered cloud-ready architecture
- Measures in place for regulatory compliance remain unchanged

USE CASE

Life insurance company chooses migration with TmaxSoft OpenFrame

BENEFITS

- Reduced run costs over $30M USD over a 4 year period
- Reported a significant increase in performance and reliability over the mainframe
- Accomplished 7,500 MIPS project in less than 12 months
- New migrated platform supports growth and innovation (SOA, cloud, and more)

What is needed to reduce or eliminate your mainframe footprint?

Partial migration: Reduce or re-platform peak MIPS
If you anticipate keeping your mainframe running for several years, OpenFrame can be a great solution to offload a portion of your batch or online applications to help reduce your peak MIPS and reduce your overall mainframe run costs.

Mainframe Replacement: Move all workloads to a distributed environment
OpenFrame can fully support the move of all your legacy technologies to the public or private cloud. Completely eliminate your z/OS environment and take full advantage of the flexibility and benefits that an open system/cloud environment can deliver.

Want More Reasons for Migration?

For more details on the benefits and drawbacks of upgrading, rewriting and migration, check out this eBook.

eBOOK

Lift, shift and modernize: proven mainframe modernization strategies that enable digital transformation

The business case for OpenFrame

TmaxSoft