

success story



## NouvEON Leads Reinsurance Systems Strategy and Solution Selection

### ■ ■ ■ ■ INTRODUCTION

On September 4, 2003, Royal & SunAlliance Insurance Group plc, London announced a definitive agreement to sell the renewal rights for the majority of its US businesses to Travelers Property Casualty Corporation. Royal & SunAlliance USA is part of The International Group, one of the top 10 multi-line insurance companies in the world. At the time of the sell-off, Royal & SunAlliance USA was one of the 20 largest property/casualty insurers in the United States.

R&SA's strategic redirection identified Reinsurance as a key driver for a successful transition, and was charged with maximizing cash available through aggressive collections and cash management. Accurate management of IT resources and data, in addition to a reassessment of application and technical architecture was needed in order to accomplish this operational transformation.

### ■ ■ ■ ■ CHALLENGE

The change in the business situation for R&SA, identified the stability of the Reinsurance business as critical and a long-term systems strategy was needed. At the time of the announcement, R&SA ran v4.0 of the Universal Reinsurance System (URS) as their primary Reinsurance software application. In February 2004, one month before their support agreement expired, they began a project to upgrade URS to v4.1, thereby securing a commitment from the vendor to continue support until the end of the calendar year. Continued application support was essential, as the routine maintenance provided updates which were required for accurate governmental reporting and software integrity.

The change in business situation stemming from September 2003 and renewed focus on Reinsurance as the key business driver in the successful transition made stability of the Reinsurance business area critical.

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## ■ ■ ■ ■ THE SOLUTION

R&SA engaged NouvEON to develop a Strategic Information System Plan (SISP). The goal of the SISP was to define, develop, and recommend a future state technology infrastructure capable of supporting the future visions and business objectives of both Reinsurance and the broader R&SA organization. Applying its Project Management Methodology, NouvEON created a detailed project plan focusing on the analysis of information collected during three of the SISP phases: Enterprise Strategy, Current State Assessment, and Future State Assessment. The plan objectives defined short-, mid-, and long-term vision, objectives, and priorities for Reinsurance. This assessment evaluated alternatives and produced recommendations to achieve a stable systems environment to support Reinsurance, and defined high-level projects to achieve systems-strategy recommendations.

The deliverables associated with this project were designed to evaluate the URS system and recommend alternative options through understanding the current state of business operations and building perspective on the future operations of R&SA, specifically Reinsurance. These deliverables included:

- Enterprise & Reinsurance Strategy definition
- Examination of business processes
- Identification of Enterprise guiding principles
- Review of Reinsurance and IT organizations
- Research of alternatives for URS system
- Strategic Initiative Matrix
- Process Improvement Opportunities
- Gap Analysis

## ■ ■ ■ ■ THE RESULTS

Based on data analysis conducted during the Enterprise Strategy, Current State Assessment, and Future State Assessment, NouvEON developed a Systems Strategy Recommendation that allowed R&SA to make an informed business decision on their primary Reinsurance software application. The evaluation of the current application, management review, and due diligence of current alternatives revealed that URS v4.0 was sufficiently supporting the business and that an upgrade to v4.1 would pose unnecessary risk to the stability of Reinsurance operations. This information combined with NouvEON's negotiation of extended service and maintenance agreements created the foundation for Reinsurance leadership to decide to stay with their current URS application and continue to periodically review their organization and alternative options.

## ■ ■ ■ ■ CLIENT PROFILE

Royal & SunAlliance USA is part of Royal & SunAlliance Insurance Group plc, London. US headquarters are located in Charlotte, NC. The Group is one of the top 10 multi-line insurance companies in the world and transacts business in more than 130 countries and has more than 20 million customers worldwide.

NouvEON Services provided:

- Project Management
- Enterprise/Business Area
- Strategy Confirmation
- Current State Assessment
- Future State Assessment
- Process Improvement