



# Gaining an Edge on the Market through Systems Conversion

**May 18, 2009**

Enrico Treglia,  
SVP/COO

PROVIDING RISK AND  
CAPITAL MANAGEMENT  
SOLUTIONS FOR THE LIFE  
INSURANCE INDUSTRY.

# Agenda

- Introduction
- Overview
- Wilton Re
  - Overview
  - Operating strategy
  - What role does systems conversions play in Wilton Re's business
- Key factors to a successful system conversion
  - Due diligence
  - Source system/business knowledge
  - Appropriate project management
  - Day 2 plans
- Use of experts
- Summary
- Questions

# Introduction

Enrico J. Treglia – Senior Vice President and Chief Operating Officer

- Background
- Current focus

- Basis for today's discussions:
  - Cost reduction and operational consolidation provides company focus
  - Non-core business can be a vehicle to raise capital
  - New technology allows strengthening of controls, efficient and effective processes, a platform for growth

Streamlined administrative systems through effective conversions may be enabler to accomplish the points above

# Wilton Re Overview

- Started *de novo* in 2004 with a clean balance sheet and no legacy or parent company issues hindering our efforts
- A.M. Best A- (Excellent)
- Traditional Solutions including both automatic and limited facultative support
  - Coinsurance and YRT Solutions
  - Financial/medical underwriting expertise
  - Additional capacity
- A variety of Run Off Solutions
  - Purchase of life entities via reinsurance or stock transaction
  - Acquisition of non-core blocks
  - Partnership in acquisitions
  - Over 1.5 million policies

# Operating Strategy

- Extensive and efficient use of outsourced services
  - Allows technology experts to partner with business users to establish processes that are continually supporting the key business objectives
  - Outsourced providers have trained domestic and offshore resources, leverage bench strength of large company
  - Outsourced providers have tools already built

# What role does systems conversions play in Wilton Re's business?

## Run Off Solutions

- By acquiring closed blocks, we enable clients to:
  - Turn embedded value into realized value
  - *Use newly freed “trapped capital” for balance sheet management, funding growth initiatives and consolidating administrative platforms*
  - *Eliminate the cost of supporting legacy systems*
  - Streamline operations through the sale of non-core business
  - Either retain or transfer to us the administration of the business being acquired by Wilton Re
  - Structure transactions through either purchase of a legal entity or reinsurance

# What role does systems conversions play in Wilton Re's business?

- Challenge: Policies from acquired blocks often must be converted to our administration system to support BPO, maximizing speed and minimizing cost
  - Each existing system has one or more of the following ongoing costs associated with it: vendor maintenance, in-house maintenance, development resources, hardware, third-party software, infrastructure charges, and more
  - Data quality issues are common
- One of our solutions: Leverage CSC's ConversionEdge tools and resources to accomplish efficient, value-driven systems consolidations
- Result: Able to efficiently utilize a cost-effective BPO structure, one which facilitates business process transformation and quality customer service support

# Key factors to a successful conversion

- Due Diligence
  - Critical information to understand
    - Type of business and all of its features
    - Has all the business been originated on the current platform
    - Has there been significant modification to the current system to handle the business
    - Are there any key manual workarounds
    - Key interfaces to and from the current system
- Source system/business knowledge
  - Current business and IT personnel are critical to a successful conversion
  - Project team must spend the appropriate time understanding the current system and work flows

# Key factors to a successful conversion

- Appropriate project management
  - ***All assumptions must be validated***
  - Project managers must understand the business and the systems to be successful
  - Small group of decision makers must be engaged early in the process
  - Legacy and future personnel should participate in key decision making
  - Early involvement in project plans and key assumption documents by decision makers/sponsors is critical
- Day 2 Plans
  - Identification of non-critical but important issues should be identified as early as possible
  - Resolution of identified issues must be addressed shortly after conversion

## CSC

- ConversionEdge:
  - Methodology
  - Extensive Tools for all aspects of a conversion project
  - Global resources dedicated to executing conversion projects
- Acquisition Due Diligence
- Project study and planning
  - Gaining an understanding of the underlying business
  - Detailed project plan
- Project Execution:
  - Issue and decision log
  - Construct system, product build and mapping
  - Balancing and testing
  - Wilton's sign-offs
  - Conversion execution and post production monitoring

# Use of Experts

## Project Communication

- Monitor progress
  - Written status reports, weekly status meetings, updated project plans
- Maintain issue and decision control log
  - Communicates conversion issues
- Maintain scope change form
  - Documents scope changes
- Executive governance meetings
  - Program status
  - Issue resolution
  - Scope change review and approval

**Are system conversions and consolidations strategic?**

**Yes or No ?**

# Questions?

For more information ***please contact Wilton Re at (203) 762-4400 or visit our website [www.wiltonre.com](http://www.wiltonre.com).***



## Gaining an Edge on the Market through Systems Conversion

PROVIDING RISK AND  
CAPITAL MANAGEMENT  
SOLUTIONS FOR THE LIFE  
INSURANCE INDUSTRY.