

LANSA Case Study

Legal and General gives top-service to top-income market with LANSA

Legal & General Nederland Life Insurance (L&G) is part of the Legal & General Group Plc, a leading international insurance group with investments of over 170 billion Euro and offices in the UK, US, France and the Netherlands.

L&G offers both customers and intermediaries on-line access to policy and investment information. The site, built and implemented with LANSA within 10 weeks, has improved customer service dramatically and saves time for customers and intermediaries.

Evert van Veen, Manager of one of the two sales channels of L&G, says "To manage policy information costs time and doesn't give the intermediary any revenue. Now they get less phone calls because customers can look up their own information. Intermediaries have less need to fax or phone us, because they also have all information at their finger tips. They can access the information 24 hours a day from their office, home or even while on the road. All together this gives the intermediary more time to create new business."



The Challenge

Francis Vanoni, IT Manager L&G, explains "We are an up-market life insurer. Our target group is not the entire Dutch population, but the 1.2 million people in the top income range. We are the first insurer in the Netherlands to offer a discount based on high income. Our discount offering was viewed by some groups as quite controversial and created a lot of discussion. However, it is statistically proven that people with a certain income, and therefore lifestyle, live longer on average. Just as non-smokers live on average longer than smokers. So, a discount based on income is quite justified."

"Customers in this top-income market segment are often very demanding, invest large amounts of money with us and expect top service. Better customer service is one of the main reasons why we investigated the Web."

"One of our life insurance products is a policy that is invested in stocks. This policy has no fixed value at end-date. The real value depends on the type of investment and how the stock market is behaving. Our customers manage their own investments and would like to follow the value of their life insurance on a daily basis. It is impossible to give that service by phone or fax."



Francis Vanoni

"All together the intermediary has more time to create new business."

"We didn't plan to sell new policies via the Internet, rather we wanted to use the Web to give easier access and self service facilities to our intermediaries and customers. Our back-end AS/400 system is quite functional and we were looking for a way to extend our core system to our intermediaries and customers. LANSA came up as the environment that offered the best integration with the AS/400, without locking us in."

Evert adds another reason for a Web solution "We sell exclusively via our brokers and our own financial consultants. Our consultants are individual salesmen who don't have a secretary or an elaborate office environment. They asked us to come up with a solution that would reduce the time they spend on administrative matters and on answering standard questions from their customers."

The Solution

Francis continues "The philosophy of LANSA in the Netherlands is to help the customer to develop the first Web site. In that period the customer can tap into the experience of the LANSA consultant and follow a training course. After that first project the customer is usually ready to develop new Web solutions independently."

"LANSA's approach worked really well for us. We had one developer working on the Web site together with the LANSA consultant. This developer wasn't even AS/400 skilled and still he had no problems learning LANSA and developing an AS/400 Web site. The project took between two and two-and-a-half months, of which the last two weeks were spent on communications and security issues. Now we do all development ourselves and it is going very well."

"Intermediaries use the site to look at all business in their portfolio, including policies, customers, current commission, total historical production and the status

of new policy requests. They can look at this information by several dimensions and drill down to policy details. Customers can look at their own policy and investment information and very soon we will allow customers to change their investment options over the Web. “

“We organized training workshops for our intermediaries. But the Web site was so easy to use that the training focussed more on how to promote the site to customers.”

The Benefits

Evert says “We are one of the first insurance companies in the Netherlands to offer direct access to policy information to the customer over the Web. Our back office data and procedures are exposed. The customer greatly appreciates this openness. Although we don’t use the Web to get new customers, the fact that we offer self service via the Web attracts new customers.”

“The intermediaries spend less time on the phone and the system offers a good administrative solution to their home or office. All together the intermediary has more time to create new business. We have improved the service to our customers and intermediaries.”

“In the long term it will also generate savings, because we can now allocate less staff to answering standard phone calls and entering data. The benefits will increase even



Evert van Veen

Company and System Information

- The Legal & General Group, established in 1836, employs over 8,300 people in UK, US, France and Dutch offices. The group manages over £100 billion (170 billion Euro) in investments. For more information see www.landg.com
- The Dutch daughter company Legal & General Nederland Levensverzekering Maatschappij N.V., is established in 1984 and is a fast growing life Insurance company.
- For more information see www.landg.nl
- Legal & General Nederland uses an AS/400 model 170 dedicated to Web serving, a model 720 for production and an older model 40S for development.

further when we give customers a self service facility to update their own investments.”

LANSA is an evolution, not a revolution like some other object oriented tools.

“Because all parties concerned can look at the same real-time information, there is less chance for misinterpretation and less need for discussion. For example, in the old system if a customer called his agent to find out the value of his policy, then the agent may make an appointment more than a week away. All kind of investment fluctuations may happen between the phone call and the actual appointment, so what is the correct answer to the question about the investment value?”

“The feedback of our intermediaries and customers is extremely positive. Initially there were just a few hundred customers using the system, but the number of users is growing steadily.”

Conclusion

Francis concludes “But we didn’t chose LANSAs just because of its Web development. Now that LANSAs for the Web has proven itself, we will use LANSAs for other development as well. We have recently started a workflow project in Visual LANSAs.”

“Since LANSAs applications use the same database as our existing RPG applications, we plan to gradually replace them with LANSAs. LANSAs is an evolution, not a revolution like some other object oriented tools. LANSAs offers Windows and Web solutions and it is strongly based on database and other concepts that we understand.”

“Data is now immediately visible to the customer and it has to be correct. We could easily extend our business to the Web because our back-office is good. If your back-office procedures and data quality are not good, then you should not extend it to the Web. You better sanitize your back office first.”