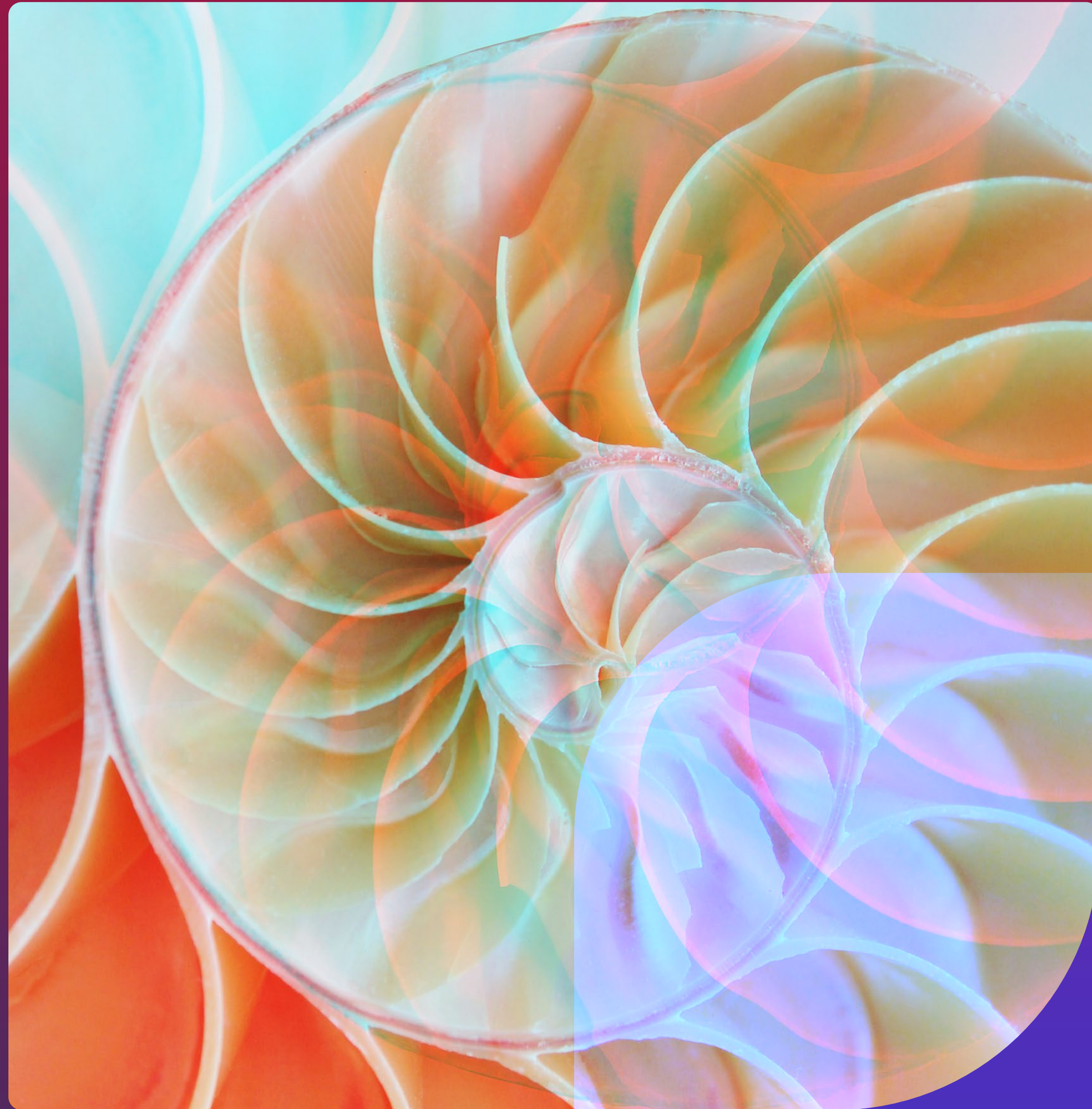




Successful introduction of msg.Life Factory at VIG

Launch of msg.Life Factory after 17 months
and successful migration of policies



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By introducing the innovative policy administration system msg.Life Factory, the Vienna Insurance Group (VIG) – the leading insurance group in Austria – has, as part of its Neo Life project, significantly driven the modernisation of its IT landscape forward. The implementation is being carried out jointly by msg life and the company's own data-processing service provider twinformatics, which is responsible for the integration at Wiener Städtische Versicherung and DONAU Versicherung. The version-independent standard software successfully went live after a project period of only 17 months. Parallel to the implementation of the msg.Life Factory, VIG launched a comprehensive migration project together with msg life in order to gradually migrate the insurance portfolios to the new system and to be able to completely shut down legacy systems by the end of 2022.

● Quarterly launch of msg.Life Factory

Increasing requirements on IT performance

The rapid ongoing digitisation, growing customer expectations, high cost pressure and a challenging competitive environment all place high demands on the performance of the IT systems used by insurance companies. In order to meet these requirements, VIG had already implemented an extensive SAP all-sector project portfolio to modernise the IT landscape. For the Life segment, VIG opted to work together with msg life to implement msg.Life Factory – after a careful software evaluation phase and after successfully completing the preliminary project in autumn 2017.

In the end, two decisive factors prompted VIG to commission msg life: The outstanding professional and technological quality of msg.Life Factory (LF) and the trust placed in msg life to complete a project of this size and complexity within the tight time frame planned for it. The Neo Life project began in October 2017 and aims to completely shut down the two legacy systems of DONAU Versicherung and Wiener Städtische Versicherung by the end of 2022 – including the complete migration of the policies to the new Life platform.

With its proven expertise, many years of experience from more than 100 successful large-scale projects and comprehensive migration know-how, msg life is able to implement such a project successfully and on time.

Use of msg.Life Factory in an SAP-based IT landscape

In addition to the very ambitious schedule, the connection of msg.Life Factory to the SAP peripheral systems – and especially to the collections / disbursements system – was one of the project's particular challenges. In total, msg.Life Factory will be connected to 14 VIG peripheral systems using 71 interfaces. Due to VIG's existing IT system landscape, the delivery schedule had to be adjusted in order to guarantee a quarterly launch of msg.Life Factory and peripheral systems while adopting the latest LF standard.

Product-centric project planning

In project planning, a product-centred strategy was chosen – in other words, the product and tariff landscape was divided into four similarly sized tranches with regard to the number and complexity of the project phases. The first step is to launch the respective new business, followed by the actual migration of the associated legacy policies.

The first important project milestone – the implementation of msg.Life Factory – was reached with the successful launch of new business for significant classic tariffs in March 2019, so only 17 months after the start of the project. The successful migration of the first tranche (over 400,000 contracts) and simultaneous cancellation in the host as well as the parallel launch of the unit-linked life insurance tariffs contributed to the timely completion of the second project phase in June 2020.

A dedicated and trustful collaboration

An excellent and trusting collaboration at all project levels is decisive for the project's success. Achieving the first project milestone has further strengthened the mutual trust in the successful completion of the project. The well-founded expertise of both VIG and msg life as well as VIG's extensive experience in host replacement projects contributed significantly to the success of the project. Insights and results from previous projects have so far contributed very positively to the individual project phases, and the high commitment to the LF standard was a great advantage for the project as well.

● Summary

By adhering to a very challenging project plan, msg life proved to be the right partner for VIG's complex project. 'The success of the project is the result of an excellent collaboration with msg life. Thanks to their great professional expertise, both sides have driven forward the project plan's implementation in a very strategic and trusting manner,' says Mathias Frisch, project leader of Neo Life at VIG, who is very satisfied with the progress of the project so far. Daniela Fasching, technical project leader at twinformatics, the group's central IT service provider, agrees: 'The excellent collaboration between msg life, technical experts from VIG and twinformatics was crucial for successfully achieving the project goals.' And Mathias Frisch adds: 'The decision for a close-to-standard use of msg.Life Factory also proved right in view of the tight time frame.'

With msg.Life Factory, VIG now has a core system in the Life segment that enables highly efficient handling of business processes as well as a rapid introduction of innovative products. The modern, highly sophisticated system allows VIG to not only exploit the full potential of digitisation but also to continue to operate successfully on the market.

Outlook

Within the framework of the overall project plan, several project phases/tranches are being worked on in parallel at all times. The focus is now on the migration of unit-linked life insurances as well as on group business and company pension schemes (bAV). This involves the introduction of the collective policy administration system msg.Life Group in the first half of 2021.



About VIG

The Vienna Insurance Group (VIG) is the leading insurance group in Austria as well as in Central and Eastern Europe (CCE). Around 50 insurance companies with more than 25,000 employees across 30 countries provide support to 22 million customers. VIG shares have been listed on the Vienna Stock

Exchange since 1994 and have received an 'A+' rating with a stable outlook from the internationally recognised rating agency Standard & Poor's. In 2019, the VIG Group generated a pre-tax profit of 522 million euros. The volume of premiums in 2019 was 10.4 billion euros.



The future of insurance

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