

Case study / *Simplifying insured DB*

Guardian Financial Services had engaged HB Consulting to undertake a proposition and governance review of a legacy book of defined benefit, occupational DC and contract DC products. HB Consulting presented options for managing these books of business along with an analysis of the customer, proposition and administration risks and means of mitigation.

The objectives for the defined benefit book were to protect customer outcomes, cleanse member and scheme data, deliver more streamlined administration and retain assets under management. A major constraint was the imminent closure of the old mainframe administration platform by a set date. Failure to meet this deadline would have incurred a significant and continuing overhead. However, in-house administration capability had to be built and therefore a temporary administration service was also needed.

Following a market review ITM was identified as the only partner able to supply both the specialist data extraction and reconciliation capability alongside an administration and data cleanse service.

Overview of project

Having successfully completed the migration from the mainframe enabling it to be decommissioned; the project consisted of 3 phases:

- ▶ **Provide a temporary Administration service to the book of legacy pension scheme customers**
- ▶ **Simplify the administration (by converting policies to simpler formats), review the book and cleanse the data in order to unite members with their benefits and settle claims**
- ▶ **Prepare the book for a return to in house administration in a simplified format and in a reduced size**

Ongoing BAU processing and data cleanse

ITM's approach, as agreed with the client, was:

- ▶ Review of the source systems and applications with the client and their TPA in order to identify key fields for extraction
- ▶ Create templates and load the data extracted by the client into ITM's eDAaRT system for each application as they became available, and reconcile these against the control totals accompanying each extract. These included reporting requirements
- ▶ Transfer the data from the client's mainframe systems, via. eDAaRT, to ITM's PenScope system to provide a more accurate view of data and to provide ease of administration
- ▶ Deal with the day to day administration of the schemes and tackle the backlog of claims
- ▶ Phase 2 of the project then concentrated on the data cleanse ahead of simplifying and then transferring the administration and data back to the client, this included extracting data to begin the exercise for identifying those schemes where trustees/administrators were known and where they were not
- ▶ Communicating with trustees/administrators to validate records
- ▶ Creating individual policies for those product types directed by the client and registering benefits with the 'lost pension asset register' for those members where no contract details or trustees/administrators exist

// ITM's systems and technical capabilities alongside HB Consulting's guidance and oversight has helped us to manage a number of complex pension data projects. As a result, trustees and members are receiving a better service. We've taken some pragmatic steps with the assistance of ITM and HB Consulting enabling us to resolve a number of claims issues and reunite members with their benefits. As a result we've got a better understanding of the liabilities on the book and simplified the ongoing administration. //

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ITM's system migration meant that, via. eDAaRT into PenScope, members on this book were validated, cleansed and transferred to ITM's systems so that the administration could commence. This enabled the client to switch off their legacy mainframe system. Subsequently, ITM now provides the ongoing administration to the client's specification and provides regular MI to allow the client to review performance levels.

The data cleanse has also delivered additional benefits: clients policyholders enjoyed considerably simplified benefits that were settled immediately. Administration is vastly simplified and digitalised. It will be easier to service policyholders in the future.