



socotra

CASE STUDY

A century-old life insurer charts a remote course to the cloud

Founded in 1909, Mutual of Omaha is a Fortune 500 mutual insurance and financial services company based in Omaha, Nebraska. Mutual of Omaha offers a variety of life insurance and financial products for individuals, businesses, and groups throughout the United States. As stalwarts in the insurance industry, Mutual of Omaha recognized the benefits of shifting from legacy systems to modern technology in order to deliver better customer experiences. Here's how partnering with Socotra helped them transform their policy operations and develop their first (and highly complex) insurance product entirely in the cloud.



Introduction

In 2018, Mutual of Omaha shifted its customer contact operations to Amazon Web Services' (AWS) cloud computing platform in an effort to improve customer support. Recognizing the operational efficiencies, improved customer experience, and resiliency that came with that cloud initiative, Jerry Sayre, Chief Software Engineering Officer at Mutual of Omaha, was named to lead an internal cross-functional team of technical, insurance, and operations experts to explore moving policy operations to the cloud, as well.

Building a future-focused engineering culture

With support from corporate leadership – notably Stephen Abels, EVP of Income and Wealth Planning, Mary Swanson, VP and Actuary, Tim Darnall, CTO, and Mike Lechtenberger, CIO – the team, named “Enterprise Business Platform Labs” (EBPL), took on a high-visibility innovation initiative to deliver a new business platform architected in the cloud. To deliver on this long-term modernization push across Mutual of Omaha, the EBPL team worked with cutting-edge software, collaborated with innovative startups, and leveraged new skills from engineering interns from across the U.S. (UC Berkeley, UC Santa Cruz, Purdue, Texas A&M, and the University of Nebraska). The EBPL team planned to acquire, integrate, and create a cloud-based ecosystem of solutions with paperless transactions, automated rules, and an elegant user experience.

The ultimate test: disability income insurance

The first insurance product that Mutual of Omaha wanted to build on this new cloud platform was also one of the company's most complex products: disability income insurance. The team hypothesized that starting with a difficult product would validate the proposition that modern cloud-based solutions (built or purchased) would increase the speed and flexibility of capabilities that customers and producers valued.

Disability income has various optional coverages and riders, a complex underwriting process, and a complicated application process that requires policyholders to speak with an agent. The EBPL team wanted to relaunch their disability income product on a digital platform that could be quickly delivered to their distribution channels. The best way to do that was to decouple it from other legacy systems that would slow down the process. This new approach required flexibility and agility, something Mutual of Omaha's existing core platform lacked.

Rigid legacy systems fall short

Mutual of Omaha's core insurance system was a legacy platform architected in the early 1970s written in a now outdated language. Launching new lines of business on this rigid system was expensive and slow.

The EBPL team began looking into alternate policy administration systems but found that most were not much better than their current system. They wouldn't be able to provide the flexibility needed to create a complex product with a frictionless user experience because they lacked a true cloud approach. Mutual of Omaha needed a modern enterprise core platform that offered best-in-breed pluggability and extensibility – an agile system that reduced complexity and enabled them to seamlessly swap components, integrate other systems, and navigate change over time.



HEADQUARTERS

Omaha, NE

YEAR FOUNDED

1909

OPERATIONS

United States

PRODUCT LINE SUPPORTED BY

SOCOTRA:

Disability Income

REVENUE

\$10.5 billion

ASSETS

\$50.2 billion

GEOGRAPHICAL PRESENCE

United States

EMPLOYEES

5,500+

Socotra steps up to the plate with flexibility and extensibility

Mutual of Omaha found the perfect partner in Socotra. Socotra's cloud-native architecture enabled a simple, plug-and-play construction of Mutual of Omaha's new disability insurance product. Socotra's combination of well-designed documentation and elegant APIs provided natural "rules of the road" that defined boundaries and enabled easy configuration. The EBPL team could worry less about the technical details and focus more on creating a quality customer experience. For areas where Mutual of Omaha wanted additional functionality that Socotra did not provide, Mutual of Omaha was able to easily bolt-on added functionality via Socotra's APIs.

Mutual of Omaha chooses best-in-class cloud-native platforms for its tech stack

After choosing Socotra, Mutual integrated other cloud-native solutions to complete the rest of its reference architecture. This included Salesforce for CRM, Mulesoft for APIs, Vue as a compensation solution, and a user experience layer written by the EBPL teams to handle producer and customer engagement experiences. The new ecosystem of solutions enabled Mutual of Omaha to create a collaborative customer-assisted application process that allowed an agent to virtually advise the policyholder on their coverage. Instead of paper forms and in-person appointments, a policyholder could complete the disability income application online, provide personal information in private, then speak with an advisor, broker, or customer service representative over the phone to answer any questions and complete the application. The new streamlined application process decreased impediments and increased customer satisfaction by reducing hand-offs and increasing customer visibility into the process.

Leveraging modern DevOps practices

With Socotra as the core system and other cloud-native solutions playing major roles in the new cloud-based insurance operation, Mutual of Omaha's EBPL team could leverage modern technologies to create a continuous integration and continuous deployment (CI/CD) build pipeline. The CI/CD build pipeline uses Jenkins, Gradle, and Artifactory to continuously deploy solutions to diverse platforms, including an internal container infrastructure and AWS. The CI/CD build pipeline was instrumental in Mutual of Omaha's goal of improving speed to market and delivering secure solutions that customers and advisors find valuable.

Successful remote implementation

Implementing and taking a policy administration system live remotely was something Mutual of Omaha had never attempted before, but thanks to Socotra's cohesive platform, online documentation, and reliable support team, they were able to make it happen. Mutual of Omaha was able to complete all the implementation and integration work on their own, without an on-site services team. Socotra's solutions experts met with Mutual of Omaha weekly via virtual meetings to discuss progress, answer questions, and provide support. Those weekly meetings built further trust and reinforced Mutual of Omaha's decision to partner with Socotra.

Policyholders come first

Mutual of Omaha's main focus has always been meeting the needs of its customers. For the new cloud-based disability income product, that meant leveraging best-in-class technology like Socotra. Mutual of Omaha took on a big challenge by making the shift to a cloud-native platform for one of their most complicated products, but the venture paid off. The EBPL team can now use the disability income product system to test and verify approaches for optimal customer service solutions. Mutual of Omaha aims to improve and optimize the platform further based on customer feedback, incorporating enhancements and bug fixes in weekly update releases. With Socotra's help, they will be able to make those changes quickly and seamlessly.

“

In designing our enterprise business platform, Socotra gave us a good example of what success looks like through its configurability and extensibility. It showed us what frictionless software looks like and challenged us to incorporate, in our own designs, pluggability concepts and encapsulation. When exploring and evaluating other vendor solutions in the insurance value chain, we apply the Socotra standard to them.

Jerry Sayre
Chief Software Engineering
Officer at Mutual of Omaha

”

Looking Ahead

Mutual of Omaha's disability income insurance product has already launched nationally, and the company is looking to apply the new process and cloud architecture across multiple existing product lines.

Key Results

- The EBPL team achieved their goal of a successful enterprise-wide initiative to shift over to the cloud for one of their most complex lines of business — disability income — in only 12 months after acquiring a Socotra license.
- Mutual of Omaha's new platform is integrated with and significantly leverages Socotra. The EBPL team's goal is to take insurance products from definition to MVP in less than 100 days.
- Mutual of Omaha's "run" cost on Socotra is significantly lower and moving towards a 50% reduction compared to other legacy solutions — Socotra lends itself to the highly automated approach the EBPL teams took with integration.
- The EBPL team proved that the approaches taken on the disability income product were valid and could work on other lines of business within Mutual of Omaha.
- With Socotra's open APIs and documentation, Mutual of Omaha was able to develop and deploy a disability income product remotely by integrating it into their CI/CD build pipeline.
- Mutual of Omaha's revised application process resulted in a significant reduction in time required from application to issuance from 50 days to 20 days.
- By leveraging Socotra and embracing leading-edge automation techniques, Mutual of Omaha was able to implement the "return of premium" product feature across their entire ecosystem of solutions in only three weeks — further proving the hypothesis that was the genesis of the EBPL initiative.

Conclusion

Socotra, in addition to the other solutions rolled out by the EBPL teams, represents a valuable addition in the technology modernization journey to improve Mutual of Omaha's value to customers. With disability income, the EBPL team has proven that they can dramatically reduce the time between application and issuance. They've also proven that customer solutions can go from product definition to MVP in less than 100 days.

About Socotra

Founded in 2014 and based in San Francisco, Socotra is a modern, enterprise-grade core system that enables global insurers to accelerate product development, reduce maintenance costs, and improve customer experiences. Socotra is trusted by insurers to provide them with modern technology to rapidly develop products that better serve their customers and manage their existing book of business. Socotra's flexible, radically open, cloud-native solution unifies underwriting, rating, policy management, claims, billing, reporting, and more. To learn more, visit www.socotra.com.

About Mutual of Omaha

Founded in 1909, Mutual of Omaha is a highly-rated, Fortune 500 organization offering a variety of insurance and financial products for individuals, businesses, and groups throughout the United States. As a mutual company, Mutual of Omaha is owned by its policyholders and committed to providing outstanding service to its customers. For more information about Mutual of Omaha, visit www.mutualofomaha.com.

