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Case Study:
NH NongHyup Life Insurance

Critical Issue

Korea's largest mutual insurance company for the agricultural and livestock industries, NH NongHyup Life Insurance, is completely dedicated to well-being and financial security for the families of its millions of policy holders. That dedication includes adhering to the insurance industry's highest actuarial accounting and financial management standards.

To that end, when the International Accounting Standards Board introduced new regulations to standardize insurance accounting globally, NH NongHyup Life Insurance immediately committed itself to a major, multi-year plan to transform and upgrade all of their actuarial systems. However, it was not long before it became apparent that the new applications and data stores would overwhelm their current server and storage infrastructure.

The clearest path to success was to build out their IBM Power Systems platform with new, dedicated capacity for its actuarial applications. But that build-out would require moving all its existing actuarial applications and massive amounts of data to the new system as well as to continuously update the new system with new financial data from current operations during the several years it would take to complete the project.

Results

Four key objectives are central to IHG's mission:

- All existing actuarial data successfully transformed and migrated using efficient, dedicated ETL processing with Precisely Connect

- Fast, easy configuration of ETL workflows on an intuitive graphical interface

- Data from multiple disparate applications easily captured and transformed utilizing included Data Connectors

- Minimal load on systems during Precisely Connect's ETL processing

- Easy data upload from NAS to new systems databases without specialized coding or application knowledge

Company name
NH NongHyup Life Insurance

Headquarters
Seoul, Korea

Founded
2012

Industry
Mutual Insurance

Employees
1,000+

Business environment
- Subsidiary of NH Financial Group
- 4th largest insurance provider in Korea
- Subject to extensive governmental and industry regulation

Customer base
Over three million policy holders

Precisely product
Connect

Technologies
- Connect (ETL)
- IBM Power Systems running AIX
- Oracle Exadata

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Business Challenge

In the midst of application development efforts to meet the new IFRS 17 regulatory standards, the IT team responsible for NH NongHyup Life Insurance's Actuarial Accounting applications was struggling with a problem that was seriously impacting current operations. The company's actuarial systems were hosted on the same IBM AIX servers as many of its other core business applications and databases. The highly complex actuarial processing was demanding excessive system resources, resulting in unacceptable operational delays for all the applications.

The decision was made to build out a new, dedicated IBM AIX system to host the actuarial applications and their associated databases. To make this possible, it was going to be necessary to move and integrate huge volumes of data from multiple existing systems and databases. The team worried that burdening the existing systems with even more workloads for the migration effort would only make their problems worse.

Solution

After much discussion it was agreed that, rather than trying to manage the data extraction and transformation processes from within the database applications themselves, they would need to create a separate, dedicated ETL system to do the work, so that it could be done in batch mode and without impacting current processes. But the estimates of the time and labor required to code their own customized ETL scripts quickly made it clear that they would need to look for a commercially available solution. The team brought in four vendors to test their solutions. In the end, they selected Connect's ETL component .

Connect features are high-performance, self-tuning ETL software that delivers speed and flexibility, along with significantly lower cost and complexity for data integration. Connect lets you point, click and onboard entire schemas from a relational database in minutes. The high-performance Connect engine transforms and cleanses data in-flight, without staging data or manually pushing transformations to the database.

Connect is the only data integration tool with Intelligent Execution. While traditional integration tools are manual and static, with every change requiring constant tuning to maintain performance, Connect dynamically selects the most efficient algorithms based on the data structures and system attributes at run-time.

Installing Connect only took a few minutes. The team found the graphical interface very easy to understand and the process of configuring workflows to be intuitive. Using the Oracle database-specific data connectors, it only required one team member a single day to create their first 50 workflows.

To complete the migration, a total of 120 workflows were built. Whenever questions arose about how a particular workflow should be configured, the team found that Connect's graphical interface made it easy to collaborate efficiently with colleagues who were experts in the particular application or dataset, discussing, modifying, and testing alternatives rapidly, without the labor time and delays that re-coding custom SQL scripts would have required.

In the end, all of the Connect workflows were run in batch mode, accomplishing the migration without impacting current operations. In addition, Connect now handles the ongoing upload of new transaction data from various NAS repositories to keep the new actuarial system absolutely current.

A Foundation for the Future

NH NongHyup Life Insurance has always helped its customers to plan ahead and prepare carefully for the future. The members of its Actuarial Accounting IT team clearly understand the wisdom of this approach. They understand that meeting the high standards of IFRS 17 will benefit not just the company, but its customers as well. So working together with an eye toward the future, they found a way to solve today's systems overload problem with a solution that will also provide a strong foundation for their IFRS 17 development projects.

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