



Knowledge based software
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Aegon (Ireland) Invest | Pro™ Case Study

Background

Aegon (Ireland) is based in Dublin's IFSC (International Financial Services Centre) and is part of the Aegon Group, an international provider of life insurance, pensions and asset management. The Aegon Group has businesses in over 20 countries around the world, and has around two million customers in the UK.

Since 2002 Aegon (Ireland) has been providing a wide range of innovative investment solutions – including the manufacture of guaranteed propositions in the UK, Germany and France – as well as traditional offshore bonds. It currently manages approximately £4bn of funds for nearly 20,000 customers.

The Challenge

Aegon (Ireland) was using seven different business systems to manage the ongoing investment administration of their 200 unit linked funds and 6000 portfolio bonds.

This setup, in which the finance teams and investment administration area were connected through a number of business systems was fit-for-purpose in the early years of the company but started to cause challenges for the business, as the business scaled in recent years.

In 2015, Aegon (Ireland) was prompted to find a new solution for two primary reasons:

- **The existing external proprietary core investment administration system needed to be upgraded and this costly exercise prompted a review of business systems and processes**
- **Aegon (Ireland) wanted to streamline and future-proof their financial and business processes for growth**

The solution

After a rigorous review of their existing providers and other market offerings, Aegon (Ireland) selected Financial Risk Solutions (FRS) to provide its Invest|Pro™ solution.

Through FRS' Invest|Pro™, the functionality of all seven of the previous business systems could be matched - in one single system. Invest|Pro™ industrialises the administration of unit linked funds and securely automates complex fund administration processes such as:

- **Daily unit pricing for unit linked funds**
- **Daily portfolio bond valuations**
- **Asset/liability unit matching**
- **Box and trade order management**
- **Investment accounting**
- **Financial reporting**



Consolidating seven business systems and migrating onto FRS' Invest|Pro™ would:

- **Reduce operational risk**
- **Generate operational efficiencies**
- **Reduce costs**
- **Allow the business to scale without additional staffing costs**

Additionally, through Invest|Pro™ clients can benefit from Invest|Retail™, (a white labelled web application offering access to Invest|Pro™ by brokers and distributors), creating a more streamlined user experience for policyholders and brokers.

Implementation

Project Workshops:

FRS Consultants held workshops with key Aegon (Ireland) stakeholders, to gain a full appreciation of their exact requirements and suggest how processes could be improved, re-designed and in some cases eliminated entirely by Invest|Pro™

These workshops examined three areas:

- **Unit linked funds**
- **Portfolio bonds**
- **Interface with brokers and distributors**

All historic data from fund and portfolio bond inception (in some cases dating back 11 years) was migrated onto Invest|Pro™ in a test environment and based on these workshops, enhancements to the Invest|Pro™ application were made.



Configuration

Following on from the work done in the workshops and test environment, numerous rules and specific breaches were configured within the application for Aegon (Ireland). Approximately 85% of the solution was out-of-the-box. The configured system performs daily unit prices and investment accounting for 173 unit linked funds and daily portfolio valuations and investment accounting for 6,815 portfolios as at January 2016.

Training

Aegon (Ireland) staff underwent an FRS' training programme, which is designed to put clients in control of their own data and processes and is built around hands-on exercises with best practice from real-life implementations included.

Data Conversion

The data conversion process involved compiling all historic data on every portfolio bond and unit linked fund, since inception, from the existing systems which included trading, valuation, accounting, box management, appropriations, and reconciliation systems, and migrating this onto a single instance of the Invest | Pro™ database - whilst keeping all records synchronised.

Support

FRS adopts a service model whereby client support is provided by dedicated support personnel and some of the team which developed the software. Aegon (Ireland) were provided with direct access to the Invest | Pro™ experts at FRS' Development and Support Centre, a level of front-line support that is rarely seen in the industry.



The Benefits

By working with Aegon (Ireland), FRS consultants were able to significantly improve Aegon's business processes, creating operational efficiencies and reducing operational risk, as well as enabling approximately twenty people to be redeployed within the business.

Aegon (Ireland) are now positioned for scale in a robustly secure environment using a local server install, without increasing staff costs. Furthermore, as a result, Aegon (Ireland) now provides a more streamlined and simple user experience for brokers and policyholders through Invest|Retail™.

Key benefits

- FRS were able to successfully consolidate seven systems heavily reliant on people and replace them with one Invest|Pro™ system
- Aegon (Ireland) has improved business processes which created operational efficiencies and reduced risk
- Aegon (Ireland) is now positioned for scale in a secure environment, (using local server install)
- Aegon (Ireland) now has an industrialised fund administration department, which is future-proofed for growth
- Aegon (Ireland) now provides a more streamlined user experience for brokers and policyholders



Going Forward with Invest|Pro™

Invest|Pro™ has been deployed on a five-year license to automate daily unit pricing, box management, trade order management and unit accounting for Aegon Ireland's thousands of individual portfolio bonds and hundreds of internal funds.

FRS consultants continued to work closely with Aegon (Ireland) throughout the stages of delivery, including installation and configuration support, test support and training, and as such the new system has been well received by users, management and distributors. Aegon Ireland's Investment Administration department is now seen as enablers to current new challenges such as, for example, Capital Management in a Solvency II context for unit linked funds.

This project has cemented FRS as the industry number one provider to the international life insurance market with seventeen live implementations to international life companies in numerous markets.



Marco Groot Wassink, CFO at Aegon Ireland says,

"Having one single dedicated system allows us to manage both our unit linked funds and portfolio bonds while streamlining our business processes and providing a better user experience.

The Invest|Pro™ system delivers an integrated asset and fund management system. The team at FRS are dedicated specialists in this area.

We look forward to a long and rewarding relationship."

About Financial Risk Solutions (FRS)

Financial Risk Solutions (FRS) provides technology solutions to the life insurance industry for fund administration, investment accounting, asset reporting, governance and unit-pricing processing.

Developed by a team of actuaries and IT specialists. Clients are some of the biggest brands in life assurance and third party administration including MetLife Europe, Zurich, New Ireland, Friends First, RL 360, Capita, Accenture Insurance Services and IFDS.



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