

Modernization of ntuc income



Assignment On Modernization of NTUC Income Course code: MIS101 Section:

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Abstract NTUC Income is a life and general insurance company. It is a co-

operative insurance society formed in 1970, was initiated by Dr Goh Kang Swee.

NTUC Income's process started with various customer meeting and agent filling the paper form and many other steps which was very long and tedious but after migrating a fully digital system, it includes customer centric design barcode technology which minimize the downtime occurrence but it also face problems such as paper policies compromising data retrieving problem etc. But it also got benefits such as efficient retrieval data, high pace electronic mass storage system etc. Finally we can say that NTUC Income enriched their working system in such way that there is no possibility to create further problems in future.

Introduction NTUC Income is a life and general insurance company based in Singapore. It is one of the " Big Three" insurers with a significant share of the local motor insurance market. It is an organization that was made different right from the start with an initial capital of \$1. 2 million. It is a co-operative insurance society formed in 1970, was initiated by Dr Goh Kang Swee during the " Modernization of the Labor Movement" seminar on 18 November 1969. Today, it has matured into a leading insurer and progressive organization with close to 2 million policyholders placing their trust in us and assets at \$19. billion. Its insurance plans benefit large numbers of Singaporeans from all strata of society, and the company supports the community through financial contributions to the labor movement, charities and other worthy causes. The insurer employs about 3400 insurance advisors and 1200 office staff with the majority located across an eight branch network. On June 1, 2003, Income succeeded in the migration of its legacy insurance system. The

Herculean task required not only the upgrading of hardware and applications, it also required Income to streamline its decade-old business processes and IT practices.

Question No. 1. What were the problems faced by Income in this case? How were the problems resolved by the new digital system? In the past, NTUC Income, which has over a million insurance policy holders, processes were very tedious and paper-based. The entire insurance process started with customers meeting an agent, filling in forms and submitting documents. The agent would then submit the forms at branches, from where they were sent by couriers to the Office Services department. The collection schedule could introduce delays of two to three days.

Office Services would log documents, sort them, and then send them to departments for underwriting. Proposals were allocated to underwriting staff, mostly randomly. Accepted proposals were sent for printing at the Computer Services department and then redistributed. For storage, all original documents were packed and sent to warehouses where, over two to three days, a total of seven staff would log and store the documents. In all, paper policies comprising 45 million documents were stored in over 16, 000 cartons at three warehouses. Whenever a document needed to be retrieved, it would take about two days to locate and ship it by courier.

Refilling would again take about two days. So the processes were complicated and the result was waste of space and time, which leads in waste of money. The digital system can solve both of these problems and it cost 1/3 of the " paper-based" cost. Question No. 2. What types of information systems and business processes were used by Income before

migrating to the fully digital system? Until a few years ago NTUC Income insurance uses a very traditional business process. Their process was very tedious and paper based and it takes five steps to complete the process. The steps are-

- 1st-The process started with customers meeting an agent, filling the paper forms and submitting documents.
- 2nd-Then the agent would submit the forms at branches, from where they were sent by couriers to the office services department.
- 3rd-After two to three days the couriers were received by the services department. Then the services would log documents, sort them and then send them to the department for underwriting. Proposals were allocated to underwriting staff, mostly randomly.
- 4th-Accepted proposals were sent for printing at the computer services department and then redistributed.
- 5th-At the end of the process all original documents were packed and sent to ware houses. Where, over two to three days, total of seven staff would log and store the documents. After the process complete, whenever a document needed to be retrieved, it would take about two days to locate and ship it courier refilling again take about two days. NTUC Income use HP 3000 to host the core insurance application as well as the accounting and management information system. The HP 3000 is a line of midrange computers which Hewlett-Packard first released in 1972 and which has been constantly updated and sold since then.

All HP 3000 computers run the proprietary MPE operating system and come with the rock solid Turbo IMAGE database. Question No. 3. Describe the information systems and IT infrastructure at income after migrating to the fully digital system. It changed in June 2003, when income switched to the

java based eBao lifestyle from eBao technology. The software comprised three subsystems- Policy Administration, Sales management and supplementary resources. This system had- 1. Customer Centric Design. 2. Seamless integration with Imaging. 3. Barcode Technology. 4.

A product definition module that supports new products, new channels and changes in business processes. Implementation work started in September 2002 and the project was completed in nine months. By may 2003, All the customization, data migration of income's individual and group life insurance businesses and training were completed. The new system was immediately operation on high availability platform. All applications resided on two or more servers, each connected by two or more communication lines. All of which were 'load balanced'. This robust architecture minimized downtime occurrence due to hardware or operating system failure.

Question No. 4. What benefits did Income reap from the new system? After going through the whole case study, we have found a significant change in the IT infrastructure of NTUC Income and come to know some crucial benefits that Income has experienced. Firstly, the very long and tedious and paper-based processes were substituted by computer-based eBao Life System which reduced the total time for policy opening dramatically to a minimum level. Also the floor-based data storage system was replaced by high pace electronic mass storage system which has made the company a much better and faster performing concern.

Secondly, moving from eBao Technology to eBao Life System was extremely lucrative for the firm. It facilitated so efficient retrieval of data that it was possible to access data of any time period in contrast to the previous system

of access to only preceding day data by any of its authorized employees. Again, the breakdown of software into three subsystems- Policy Administration, Sales Management and Supplementary Resources opened new product development possibilities, new channels and charges and new horizons for Income.

Thirdly, the new system was immediately operational on high-availability platforms which were equipped by all up-to-date hardware components and internet connections among its workstations. Moreover, the implementation of disaster-recovery centre protected the organization from any accidental data loss. In addition, the implementation of eBao Life System ensured the access of about 500 office staff and 3400 insurance advisors to the system anytime and anywhere with faster access to information.

This helped the company to monitor its management more efficiently and serve the customers individual priority and customized needs. Finally, the summary of the benefits of eBao Life System as commented by the former CEO of Income Mr. Tan Kin Lian is “ eBao Life System has the best straight through processing workflow and it is very flexible. It cuts our new product launch time from months to days. It also allows us to support agents, brokers, and customers to do online services easily. I got a fantastic deal: the best system with much lower cost and much shorter implementation time.

I have to say that this is a revolution. ” So, we can say that NTUC Income got quite a certain number of benefits from the new system, which made life even better and easier. Question No. 5. How well is income prepared for the future? Are the problems described in the case likely to be repeated? NTUC income has created powerful establishment for future . In spite of all

drawbacks in past they overcome their weakness through the execution of eBao technology, which gives them a new dimension of system.

Before the implementation of java based eBao life system, NTUC Income faced lots of troubles in core insurance applications, accounting, and management information system. Those troubles appeared as if the backup was not completed data would be lost, in case any hardware crashes reconciliation took several months to restore the data . It also experienced three major hardware failures it also took huge time to launch a product , it formed problem for the agents and advisors regarding to access information .

All those problems came to an end when Income implemented eBay technology through the java based eBao life system , which they consider everything for them . this eBao system changed the way they worked . income restored its IT infrastructure by upgrading their system through increasing PC RAM size , installing scanner and hardware etc which also helps them to store more data and to scan documents , they also implemented hot back up disaster recovery center so that data cannot be lost easily and remain stored in the storage and they do not need to depend on restoration of previous day data . nder the new system , all document stored as well on “ trusted” storage device , it crates easy way to access the information for the agents and advisors . Because of eBao technology Income enriched their working system and established it in such away, which has no possibilities to create further problems in future. Conclusion Trade union membership, especially for industrialized country, has been declining

over the past years. This is largely due the structural changes caused by globalization and the rapid changes in technologies.

Trade unions in Singapore also faced similar challenges. In order for trade unions to stay relevant, unions must continuously adapt to effectively meet the expectations of different types of workers, regardless of age, collar and race. NTUC and trade unions have a promising future ahead if they have a better understanding of the economy and the needs of the workers. Furthermore, unions must not only continue to do what they have been doing over the years but use various innovative strategies and tactics to reach out to the new emerging generations.

NTUC Income will continue to provide a better life for its policyholders and the community through innovative insurance plans and services. The co-operative will strive for excellent customer care through its staff and insurance advisers. By using technology effectively, we aim to reduce costs and pass the savings to policyholders through lower premiums.

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