

# A Project Dilemma at Canadian Shield Insurance

## Alpha - Legacy System

- Creation/Configuration:
- Developed in-house more than 25 yrs. ago by IT team for \$60,000
  - Initially fishing and hunting lodge clientele and then expanded to auto, property, and commercial insurance
  - Struggle to adapt new needs
  - Once considered "leading-edge" technology but failed to undertake updates
  - No comprehensive documentation of the source code existed - relied on expertise of one programmer

## Alpha - Legacy System

- Developed as a client-server configuration using a text-based interface driven by menus accessed through function keys
- Programmed in COBOL, and was described as a "mishmash of patches"
- All insurance policies were stored and maintained in the ALPHA system database software with several other servers

## User struggles:

- Increasingly awkward to update with changing government regulations

## User struggles:

- Required continuous changes and repeatedly disrupting underwriters' daily work

## Insurance Software Solution

- PROS:
- Ability to house all necessary information for Canadian Insurance Company
  - Ability to change the information as government regulations change
- CONS:
- Too complicated and sophisticated for the users to operate, also difficult to train new users
  - Needs another year and a half, and more financing to stream-line for use
  - Lengthy process to make changes to the system
  - Not capable of billing, conducting quotes, and claim ability

## BIG PICTURE:

- Limited Functionality?
- Uncertainty to time frame of implementation and overall cost?
- Will it meet our needs?
- 5 year development phase?

What is the project objective for the Insurance Company?

## Decision Time

Abandon ISS —→ "Black Hole"

Adopt AIS —→ Coincides with core competencies

Research —→

- Expand on line items: continued ALPHA system indefinitely
- Implement AIS or comparable roll out when in place
- Investment: Determine financial implication of purchasing and integrating new AIS system
- Sample and Quality: already established

Result:

- Short term investment into research and implementation
- Proven ROI with an off the shelf product
- Fixed budget implications v.s. uncertain budgeting concerns with ISS
- Solution to well defined problem

What, where, when did things go wrong with the ISS business project, and what is the solution to our unchanged problem?

## Cross Roads:

- ISS - What certainty does ISS provide Canadian Shield

## Cross Roads:

- AIS - Additional time and formal needs assessment would need to be conducted to prove the ROI ability of the AIS.

## Advance Insurance System

- PROS:
- Ability to house all necessary information for Canadian Insurance Company while also seamlessly changing with government regulations
  - Fast and easy functionality for users as well as easier on boarding and system training for new staff
  - Capable of billing, conducting quotes, and claim management
  - Proven track records as AIS is already successfully being used in the industry
  - The system has multiple purchasing options

## Seamus Re-mold

- Works for Information Systems Department for the Canadian Shield Insurance Company specializing in a division of Automobile, Marine, and
- Services provided in western and central Canada - Vancouver, Alberta, Ontario, and
- Acquired Canadian Shield 20 years ago

# A Project Dilemma at Canadian Shield Insurance

## Alpha - Legacy System

- Creation/Configuration:**
- Developed in-house more than 15 yrs. ago by IT team for \$50,000
  - Initially fishing and hunting lodge clientele and then expanded to auto, property, and commercial insurance
  - Designed to adapt new needs
  - Once considered "leading-edge" technology but failed to underwrite options
  - No comprehensive documentation of the source code existed - relied on expertise of one programmer

## Alpha - Legacy System

- Developed as a client-server configuration using a text-based interface driven by menus accessed through function keys
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## Insurance Software Solution

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- Ability to house all necessary information for Canadian Insurance Company
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## BIG PICTURE:

- Limited Functionality?
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- 5 year development phase?

Insurance Software Solution  
PROS:  
- Ability to house all necessary information for Canadian Insurance Company  
- Ability to change the information as government regulations change  
CONS:  
- Too complicated and sophisticated for the users to operate, also difficult to train new users  
- Needs another year and a half, and more financing to streamline for use  
- Lengthy process to make changes to the system  
- Not capable of billing, conducting quotes, and claim ability

## Decision Time

Abandon ISS → "Black Hole"  
Adopt AIS → Conflicts with core competencies

**Research →**  
Establish new team: continued ALPHA system indefinitely  
Implement AIS or comparable roll out within a year  
Investment: Determine financial implication of purchasing and integrating new AIS system  
Success and Quality: already established

**Result:**

- Short term investment into research and implementation
- Proven ROI with an off the shelf product
- Finite budget implications v.s. uncertain building concerns with ISS
- Solution to well defined problem

What, where, when did things go wrong with the ISS business project, and what is the solution to our unchanged problem?

## Cross Roads:

- ISS - What certainty does ISS provide Canadian Shield

## Cross Roads:

- AIS - Additional time and formal needs assessment would need to be conducted to prove the ROI ability of the AIS.

## Advance Insurance System

- PROS:**
- Ability to house all necessary information for Canadian Insurance Company while also seamlessly changing with government regulations
  - Fast and easy functionality for users as well as easier onboarding and system training for new staff
  - Capable of billing, conducting quotes, and claim management
  - Proven track records as AIS is already successfully being used in the industry
  - The system has multiple purchasing options

## Seamus Reynolds

- Works for Information Systems Department for the Canadian client insurance Company operating as a division of Assurance Canada Inc.
- Experiences provided in western and central Canada - Vancouver, Alberta (Edmonton and Calgary), and Halifax, Nova Scotia
- Assurance achieved higher growth rates over the years by adopting solid original insurance information
- Applied Canadian Shield 10 years ago

# Seamus Reynold

- Works for Information Systems Department for the Canadian Shield Insurance Company operating as a division of Assurance Centrale Inc.
- Services provided in western and central Canada – Vancouver, Alberta (Edmonton and Calgary), and Halifax, Nova Scotia
- Assurance achieved higher growth rates over the years by acquiring small regional insurance companies
  - Acquired Canadian Shield 10 years ago



## Internal and External Pressures

- Multitude of IT systems.
- Changing Jurisdictional Legislation.



## Core Competencies

- Identifying and Adhering to best practices
- Providing customer service that exceed expectations



# Alpha - Legacy System

## Creation/Configuration:

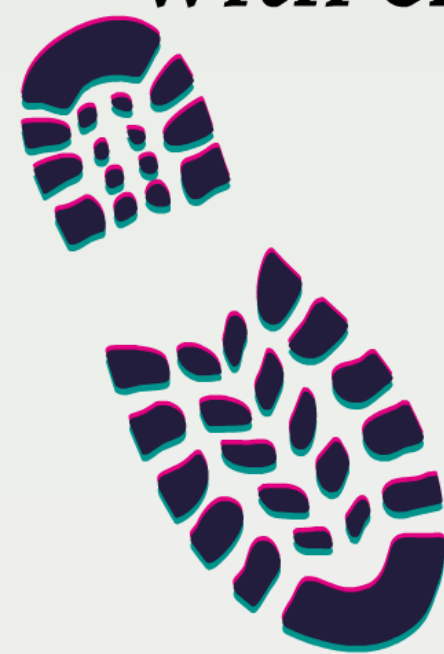

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