



CASE STUDY

A century-old life insurer  
modernizes its legacy core

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 an industry leader, Mutual of Omaha needed the agility to quickly innovate their products, the flexibility to expand their digital presence, and the visibility into all of their data to make the best decisions. 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 appointed Jerry Sayre, Chief Software Engineering Officer, to lead an internal cross-functional team of technical, insurance, and operations experts to modernize policy operations by implementing a new core system in the cloud. Mutual of Omaha was looking to get operational efficiencies, improved customer service, and greater resiliency by moving their core systems to Amazon Web Services (AWS), just like a previous project with their customer contact center.

# 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), undertook a high-visibility innovation initiative to deliver a new cloud-architected business platform. To deliver modernization across Mutual of Omaha, the EBPL team worked with cutting-edge software, collaborated with innovative startups, and leveraged new skills from engineering interns from universities across the U.S. The 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 built on this new cloud platform was also one of the company’s most complex: disability income insurance. Starting with a difficult product would validate that modern cloud-based solutions would increase the speed and flexibility of their capabilities.

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 a digital platform that could be quickly delivered to their distribution channels.



## Rigid legacy systems fall short

Mutual of Omaha's core insurance system was a legacy platform architected in the early 1970s and written in a now outdated language. Launching new lines of business on this rigid system was expensive and slow, a lack of real-time APIs prevented crafting a strong digital experience, and data was siloed and inaccessible. It was taking 50 days or longer to issue disability policies. In order to continue to win business and support the agents, Mutual of Omaha needed to drastically reduce that timeline.

The EBPL team began looking into alternate policy administration systems. What they found was that most were not much better than their current system, and wouldn't 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, and real-time data accessibility—an agile system that reduced complexity and enabled them to seamlessly swap components, integrate other systems, and navigate change over time.

## Socotra steps up to the plate **with flexibility and extensibility**

Mutual of Omaha found the perfect partner in Socotra.

Socotra's cloud-native architecture, powered by AWS services including Amazon Elastic Compute Cloud (Amazon EC2) and Amazon Relational Database Service (Amazon RDS), enabled a simple, plug-and-play construction of Mutual of Omaha's new disability insurance product. Socotra's well-designed documentation and elegant APIs made configuration easy. 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 to focus on their market differentiators, they were able to easily use Socotra's APIs to integrate best-of-breed point solutions or their own custom components, including 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.



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 Mutual of Omaha



## 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 continuously deploys solutions to diverse platforms, including an internal container infrastructure and AWS.

The CI/CD build pipeline was instrumental in achieving Mutual of Omaha's goal of improving speed to market and delivering secure solutions that customers and advisors find valuable.



## Policyholders **come first**

Mutual of Omaha's top priority has always been meeting the needs of its customers. For the new 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.

The time it takes to issue disability income policies has been drastically reduced from 50 days or more to 20 days or fewer.

Mutual of Omaha aims to further improve and optimize the platform 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.

### 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 cloud migration 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 was to take insurance products from definition to MVP in less than 100 days, which they achieved.



Mutual of Omaha’s “run” costs on Socotra are significantly lower, moving toward a 50% reduction compared to other legacy systems. 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.



Using Socotra’s open APIs and documentation, Mutual of Omaha remotely developed and deployed its disability income product, integrating it into the 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

Socotra is a cloud-native, modern policy administration system that offers insurers unparalleled flexibility, scalability, and reliability. Leading insurance carriers worldwide trust Socotra for its peerless data accessibility and exceptional performance. Learn more at [socotra.com](https://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](http://www.mutualofomaha.com).



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