ADVERTORIAL

The Migration Habits of Data

Mutual of Omaha once sponsored a program called, *Wild Kingdom*. The program made its host, Marlin Perkins, famous. We marveled at the fact that the parents of a man who made his living studying wildlife named him after a fish. Then we wondered if, had Marlin lived in the 21st century, his fascination with animals would apply to technology. If so, he might follow the migration habits of data.

He'd likely find those migration habits in core system replacement projects fascinating. Those projects are large, time-consuming, and touch all aspects of the enterprise. And while they move companies into the future, historical data is crucial to their success.

The Nature of the Beast

Since they consume data, insurance companies might be called datavores. Reliable data is crucial to evaluating risks and writing them profitably — to managing and adjudicating claims while minimizing losses. Given the size and complexity of replacing legacy systems and migrating data to new ones, a few questions must be answered:

- Will legacy systems remain available for reference, rather than converting data from them?
- What data will need to be converted? (We'll consider policy only here.)
- What historical data will be needed to process renewals?
- Will a data warehouse be used and, if so, will converting data for a new system be necessary?

Stalking the Beast

There are several conversion approaches to consider:

- **Manual.** While data fields can be populated for things like Name, Address, and Policy Number, other fields may have to be keyed at renewal. Consider policy complexity, as well as whether staff members will be available to enter the data or if you'll need outside resources.
- **Renewal.** Policies expire in the legacy system and renew in the new one over 12 months. Historical data isn't captured in the new system — just renewals and corresponding billing information. Extensive data-mapping and validation are necessary to ensure routine policies renew automatically and exceptions are flagged for intervention. The legacy system will need to be maintained throughout the migration and beyond, depending on the company's needs.
- **Point-in-Time.** All data automatically converts and migrates from the legacy system to its replacement for a predetermined period. This approach requires pre-migration mapping and validation because errors in the data will be applied against the entire book of business. But little to no support is required after mapping and validation are complete.

The decision between rollover (all departments working with two systems) vs. point-in-time should consider who will do the work. Rollover entails more work, with implications for overall business operations and more planning to optimize user experiences for agents, policyholders, and third-parties. Point-in-time shifts the effort to the data-migration team only.

Two other factors will help determine the appropriate approach:

1. If data quality is poor, point-in-time won't work because the time and cost to manually scrub problematic records and to electronically scrub exceptions will be prohibitive.
2. If the policy book is too large, point-in-time won't work because the downtime needed to complete the process will be prohibitive.

Taking Down the Beast

As you prepare to bag the big one, you'll need people to perform these steps:

- Data needs to be extracted reliably and formatted appropriately. The people supporting this effort need to know the source system data and be able to extract it. If you rely on your legacy system vendor for data expertise, make sure they're able or willing to support you.
- Historical data needs to be scrubbed and normalized. We run more than 500 validations on our customers' data to start. If that gets 80 percent of the corrections, we scrub the remaining 20 percent. If we catch 80 percent of that, we do it again. Then considering two things:
  1. How many times does scrubbing need to occur before the returns diminish unacceptably?
  2. Once scrubbing is finished, how will remaining data errors be handled?
- Scrubbed data needs to be formatted to comply with the the new system. Extensive mapping and decisions about data that doesn't easily map into the new system will be required.

The insurance industry doesn't constitute a wild kingdom. But we'll be happy to help you tame the Data Beast.