



Case Study:

Legal & General Strategic Review

KEY METRICS (2016)

- 1.6 million policies
- £326m GWP
- 89% COR

“The Altus team delivered insights into our architecture and the impacts on our business that are proving invaluable. The team were pragmatic, thorough and a pleasure to work with”

David Robertson, Business Transformation Director, General Insurance, Legal & General

BACKGROUND

With a rich history and prestigious brand, Legal & General are a household name when it comes to UK insurance. Over the past decade Gross Written Premium (GWP) has peaked at £377m with solid performance in underlying Combined Operating Ratio (COR) below 90%.

Despite the brand being synonymous with insurance, the General Insurance business makes up less than 5% of overall Legal & General’s profit and has remained outside of the top 30 UK insurers for most of this period.

Historically focused on the Home and Contents market with a small Lifestyle book, the underlying IT estate supporting the General Insurance division had evolved into an overly complex web of systems and infrastructure. With a new CEO of General Insurance, Cheryl Agius, arriving at the helm at the end of 2016, targeting ambitious growth and diversification of risk, a full IT Strategic Review and accompanying Roadmap was needed to underpin these plans.

ALTUS ENGAGEMENT

Given the complexity of the problem at hand, Legal & General needed confidence that Altus could deliver the required Roadmap. A clear and demonstrable method for discovering the underlying issues and a deep dive across the landscape would give Legal & General the tools to drive out future success.

The engagement started with a brief from Transformation Director, David Robertson and Head of IT and Change, Simon Barton — our task and required outcomes were clear. After capturing and documenting all the moving parts of the estate (projects, people, systems, partners, products and channels) we were able to plan our time and focus our efforts accordingly.

Find out more

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“I am pleased we engaged Altus. Their compelling output was really helpful in setting our IT strategy”

Cheryl Agius, CEO, General Insurance, Legal & General

HISTORY

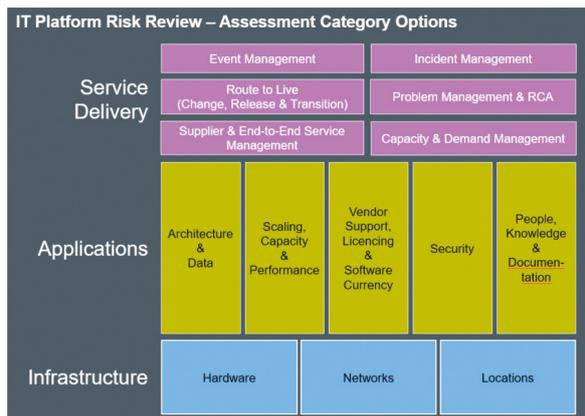
Given the brief from our sponsor, Altus started to unpick the history of legacy decisions made under the stewardship of previous management teams. Each technology decision had led to a specific problem on the estate, but all essentially had the same long term ambition — a move away from mainframe technology to a new, agile IT estate able to build exciting new propositions.

Legal & General needed an impartial view as to how to unravel all of these issues and facilitate the provision of a coherent and comprehensive technology strategy.

TECHNOLOGY EXPERTS

Putting aside the legacy decisions, Altus had to carry out a deep dive exercise on the important applications and technologies, and report on the problems in a simple, powerful one-page view. This allowed our stakeholders to understand where the focus of remediation efforts were needed.

Our technology experts could ask the right questions of IT and business SMEs across the organisation. This was not just an isolated technology remediation exercise though.

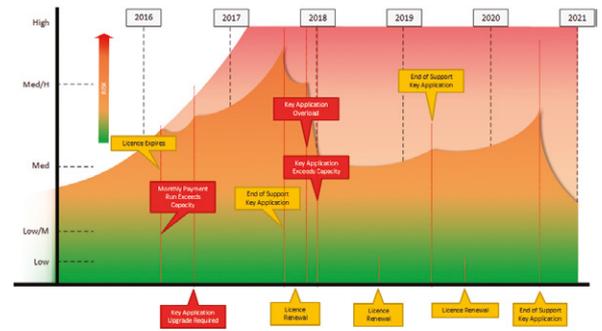


We needed to understand the overall business strategy in order to identify the most cost effective way to invest in the underlying technology. Legal & General had some ambitious ideas for disrupting the insurance market and Altus were able to provide a view as to where industry peers were also investing in technology.

REMEDIATION ROADMAP

With a clear and agreed set of remediation activities listed, Altus and Legal & General worked together to build a roadmap, and transition states, that prioritised activities based on future business plans, high risk technology areas, potential avoidance of costs, and those activities already in the change portfolio. Our roadmap was costed, prioritised and showed how the overall IT risk level reduced over time as activities were completed.

Risk Impact Over Time



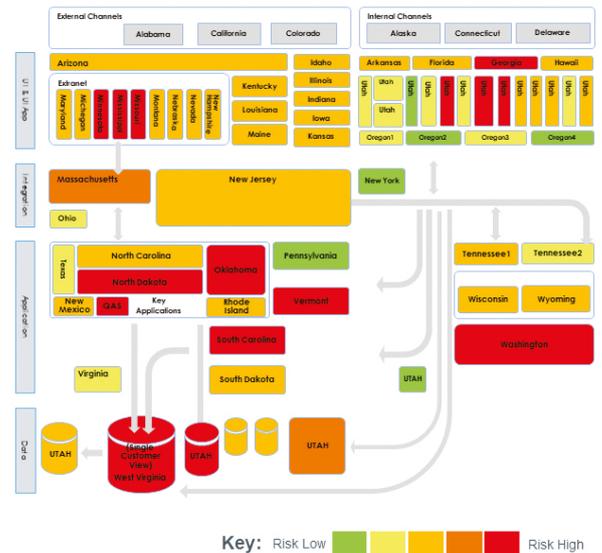
STRATEGIC VIEW

Altus' methodology, flexibility and picture thinking approach was a key piece of the jigsaw for this engagement to deliver what was needed.

Altus' deliverables enabled our stakeholders to tell the story in a few key visuals, whilst also having the underlying detail. This enabled the production of a remediation plan that provided the strategic view that everyone could buy in to.

This engagement allowed both the General Insurance and Legal & General Group Executive to have confidence in where to provide the necessary investment to allow Legal & General to deliver their growth story.

Component Risk Summary



"Altus brought to bear strong and practical domain knowledge underpinned by rigorous tooling which allowed deeper insight into our underlying issues and presented them in an easily digestible visual format for Executive consumption and decision making."

Simon Barton, Head of IT and Change, General Insurance, Legal & General