

# Case Studies

## NEW YORK LIFE INSURANCE CO. STREAMLINES FILE COMMUNICATIONS WITH MOMENTUM SYSTEMS' INTELLIGENT NETWORK GATEWAY



annuity business was in the top 15 in sales nationally. Its asset management business, with over \$50 billion in assets under management, had a blue-chip corporate clientele in such growing areas as institutional asset management and trust services. Serving the retail and retirement plan markets, the MainStay® Funds and MainStay® Institutional Funds totalled more than \$15 billion, placing the fund family in the top 50 among 461 firms for assets under management (as ranked by Dalbar).

The IT demands involved in integrating new business units and divesting old ones, coupled with aggressive growth plans, posed a formidable task for Phil Fosco, Director of Transmissions Services and a 30-year veteran of the company's data center in Cokesbury, New Jersey. At the time, the data center was processing more than 280 transmissions a day between 58 trading partners, including banks, securities clearing houses and trust companies. To keep up with the dynamic changes underway, Fosco needed to re-evaluate the way New York Life Insurance Co. was conducting file communications between its internal business units and trading partners.



Managing the business-critical information flow between an insurance company, its distribution channels and trading partners has always been challenging. But the climate of today's insurance marketplace — including increased globalization, managed care, cost containment measures, and consolidation — has made it more complicated than ever. As a result, many large insurance companies have recently exited the health care business in favor of providing investment products and services that support lifetime financial security.

New York Life Insurance Co., a Fortune 100 company and the fourth largest life insurance company in America, is a prime example. In 1998, the company divested itself of several divisions, including its healthcare operations, in order to increase its emphasis on the sale of investment products and services. Already, New York Life Insurance Co.'s

### The Old Way

New York Life Insurance Co.'s transmission environment was dependent on an IBM VM mainframe system with an attached IBM front end (3720). Inherent in this configuration were a series of restrictions which inhibited expansion of New York Life Insurance Co.'s trading partner network and forced the company to turn down trading partner requests.



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**– Phil Fosco  
Director of  
Transmissions Services  
New York Life Insurance Co.**

These restrictions varied from record type, logical record length and line speed to limited byte size, software restrictions, and lack of reporting facilities. Such limitations increased the administrative burden on Fosco's team and hindered seamless communications. "Because of these issues," said Fosco, "we were feeling the pressure to pursue a more direct and reliable connection with better technology."

New York Life Insurance Co. had been evaluating file communications software from several vendors, including Momentum Systems, since late 1996. "We were searching for a software product that would give us an automated solution that supported virtually all communications protocols and a variety of data formats," Fosco explained. "And we needed quick, direct connections with any trading partner or Value Added Network. Another goal was to connect directly to an IBM MVS platform and make mainframe-to-Web migration easy and painless."

### **Gaining Momentum**

After a lengthy review and analysis of E-Commerce solutions, including an in-depth look at technical and compatibility issues, New York Life Insurance Co. selected Momentum Systems' Intelligent Network Gateway. According to Fosco, Intelligent Network Gateway offered a highly flexible solution with a significantly lower total cost of ownership than competitive products.

Intelligent Network Gateway automated the entire file communications process for the data center and centralized the management, control and administration of all file transfer activity. Once files were

received by Intelligent Network Gateway, they were automatically verified and passed to the IBM VMS host or other back-end systems for processing. Residing on a Compaq NT server, Intelligent Network Gateway was accessed primarily by department personnel authorized for setup and maintenance of the software.

### **Significant Operational Benefits**

From the outset, Fosco and his team appreciated Intelligent Network Gateway's ease of use. Scheduling, verification and notification were all streamlined. Scheduling was easily set-up or changed through the Windows GUI application. And since Intelligent Network Gateway handled virtually any file transfer protocol automatically, the daily manual verification process was significantly reduced. These capabilities substantially freed up Fosco's department to focus on other tasks.

Additionally, New York Life Insurance Co. was able to greatly expand its network of trading partners. Intelligent Network Gateway allowed the company to accept ASYNC, BSC and FTP file transmissions. The ability to support FTP was especially important since New York Life Insurance Co. hoped to migrate to a Web-based solution.

Fosco concluded, "We're pleased with Intelligent Network Gateway's performance. Its speed and simplicity of use enables New York Life Insurance Co. to be more responsive to trading partner requirements. In the end, this translates into better service and enhanced value to our customers."

