Incorporated in 2000, IFFCO-Tokio General Insurance (ITGI) is a joint venture between the Indian Farmers Fertiliser Cooperative (IFFCO) and its associates, and Tokio Marine & Nichido Fire Insurance Company Limited, the largest listed insurance group in Japan. ITGI has a pan-Indian presence with 57 strategic business units, with a network of over 100 lateral spread centres and 280 Bima Kendras. It offers commercial, retail and speciality insurance, which includes niche products such as credit insurance policies, aviation insurance policies, multimodal transport insurance policies, and errors and omissions (technology) insurance policies. Besides, the company has launched several rural-centric products like the Sankat Haran Bima Yojana, Mausam Bima Yojana, Mahila Suraksha Bima Yojana and Janata Bima Yojana.

ITGI services its retail customers through a 100 per cent-owned distribution channel, IFFCO-Tokio Insurance Services Limited (ITIS). ITIS has a workforce of 1,400 people in over 350 towns. As its business grew, ITGI pulled out all the stops to modernise its telecommunications set-up. The basic idea was to have a network that extended to all its office locations and provided centralised access to all the players in the value chain.

tele.net tracks the evolution of the insurance company's communications network...

Legacy system

According to U.C. Dubey, executive director, IT, the company initially used a business application called policy administration system, provided by the Computer Sciences Corporation. It functioned on the COBOL platform and was ITGI's core business application. For messaging purposes, it used Lotus Notes. Given that the company had a limited number of branches, it used a few point-to-point leased lines. However, with the organisation's client base growing and its product portfolio diversifying, the existing infrastructure proved to be inadequate.

"A major problem with our legacy system was that our partners (dealers, franchisees, etc.) could not access the system. It was limited to the company's employees. However, an insurance business depends substantially on the kind of relationship one can forge with one's partners. So, it was important to enable them to access the communications set-up," explains Dubey.

The shift

As the first step to overcome this issue and modernise its operations, ITGI implemented Oracle's Siebel customer relationship management (CRM) solution. According to Dubey, this solution was used to support functions like point of sales, complaint processing, new business opportunities, marketing and sales force automation. Thereafter, the company's system could be accessed by its partners, who could use it directly from their respective locations.

On the network side, as technology improved and the company expanded to more locations, ITGI switched to an MPLS VPN network. Today, it has over 110 offices connected on this infrastructure. Of these, 40 important offices have an alternative line from a different operator as backup. If the main line fails, the alternative line manages their load. However, these two lines work in parallel and share the load to ensure uninterrupted communication between the company's various offices.

Apart from these offices, the company has 200-250 other small offices that are connected through a broadband-based network. This, according to Dubey, enables all offices to access the CRM applications.

All of the company's offices are connected by either the broadband network or the MPLS VPN set-up, which, in turn, is connected to its central office in Gurgaon. For internet connectivity, the insurance company is utilising four different service providers.

ITGI uses an in-house set-up for disaster recovery. It has a hosted data centre in Hyderabad, which provides a backup for its products and operational units. For redundancy, it uses the services of multiple technology companies. Its servers are always on for critical operations and use server virtualisation as a redundancy option.

In addition, the company uses various software suites that prevent intrusion and facilitate content filtering for network security. To ensure information security, ITGI obtained ISO 270001 certification for its data centre. The company's data centre supports a 120 Mbps MPLS VPN network and a 40 Mbps internet connection.

In terms of applications, the company uses a document management system, which keeps its business documents in an easily accessible central depository. ITGI also uses the internet to reach out to its customers. A customer can purchase a policy online, make payments, etc. through the company's website.

It also uses business intelligence, which makes it possible to provide information to decision-makers at various levels in the organisation. This helps them take timely decisions.

Challenges and benefits

According to Dubey, the company did not face any major issues while upgrading its network. In fact, it has had many advantages. The new set-up has effectively helped the company streamline its business processes. The organisation has become more efficient as its turnaround time has reduced significantly.

Thus, by upgrading its telecommunications infrastructure, ITGI's operations have now become more streamlined and cost effective.

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