

Sompo Japan Insurance Inc.

Sompo Japan created the insurance industry's first unified group platform with IJ's cloud service IJ GIO and enhanced business continuity and security

Sompo Japan Insurance Inc. and NKSJ Systems, Inc. constructed a unified system platform for companies of the Sompo Japan Group on the cloud as the first initiative of its kind within the Japanese Property & Casualty (P&C) insurance industry, reducing costs involving system construction and operation and strengthening business continuity plans and security. The company adopted "IJ GIO Component Service Virtual Platform VW Series" for the platform, because of IJ's proven track-record in the field of cloud services, reliability and expertise to meet a diverse range of needs in high regard.



User Profile

Sompo Japan Insurance Inc.

Head Office: 26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo

Established: October 1888

Capital: ¥70 billion

Number of Employees: 24,689 (as of April 1, 2020)

NKSJ Holdings Inc. oversees group operations and develops a wide range of businesses centered on domestic P&C insurance, including domestic life insurance, overseas insurance and other businesses (asset management, assistance, etc).

<https://www.sompo-japan.co.jp/english/>

A unified platform constructed to reduce costs and strengthen IT governance

Sompo Japan and Nipponkoa Insurance Co., Ltd. are to merge on 1 September, 2014 pending the approval of the relevant authorities. The company to be formed by the merger, Sompo Japan Nipponkoa Insurance Inc., (currently called Sompo Japan Insurance Inc.) will become Japan's largest single P&C insurance company in terms of the amount of paid-in premiums. The new company will not only lead the industry in terms of scale, but also in terms of the quality of its services, and will maintain top-level operational efficiency and stable profitability. By providing advanced services to support the peace of mind and security of its customers, the company will move further toward the service industry while expanding overseas initiatives for further growth. The new company aims for a corporate image that ranks amongst the top companies in the world. NKSJ Systems is responsible for the construction and operation of systems for each company in the NKSJ Group and recommended the creation of a unified system platform for companies of the Sompo Japan Group based on the policies above. "Up until now, companies of the group have constructed and operated systems independently, which has caused a variety of problems," says Takeshi Onishi, section manager of Sompo Japan's IT Planning Department, IT Promotion Group, explaining the background to the situation. As operating separate systems in each company was comparatively expensive, cost reduction was one of the pressing issues for NKSJ Systems. Unifying the group IT governance was also required, because each system had different policies. Moreover, IT administrators in each company had heavy operational burdens and optimizing workloads was indispensable. "In addition to these challenges, once we considered scalability, appropriate investment in systems and enhancement of IT governance, we thought it would be practical to unify our infrastructure and construct a system on the cloud and started researching" explains Onishi, regarding the process.



Evaluating reliability, performance and support systems, and adopting the IIJ cloud

NKSJ Systems researched and compared a number of vendors when selecting cloud services. “We reviewed cloud services in terms of cost, reliability, performance and support systems and decided to implement IIJ GIO,” explains Atsushi Ozawa, associate senior executive of NKSJ Systems.

The VW Series provides a dedicated VMware virtualized environment on IIJ GIO cloud platform and offers the following benefits: Freely design and configure OS's and applications on the virtualized platform from VMware. Construct systems attuned to operating environments and requirements on the cloud without having IT resources such as individual servers and storage and communication networks.

Lead time for system construction can be shortened because the procurement of IT resources is unnecessary.

Construction of systems for each company of the group on a unified cloud platform is also quicker and cheaper than constructing the same systems for each company individually.

As many companies within the group operate mission-critical financial systems, operations could halt if the system went down. Consequently, a highly-reliable system platform was essential and the company also put a high value on support systems for cloud services and a proven track-record.

“Because the cloud platform handles the system of group companies, including companies that don't have IT administrators, it is also important to provide a finely-tuned support for design and operation, not only the cloud platform itself. IIJ GIO holds a strong track-record in implementations and receives top marks in third-party evaluations and we felt that IIJ was reliable enough to entrust the job to,” emphasizes Ozawa.

In addition to these requirements, compliance with the Financial Information System Center (FISC) guidelines, such as the Security Guidelines on Computer Systems for Banking and Related Financial Institutions and external audits for cloud services is a prerequisite when constructing and operating backbone systems for financial institutions through cloud services. “Inspections for datacenter operations and security countermeasures were often necessary, and IIJ performed the

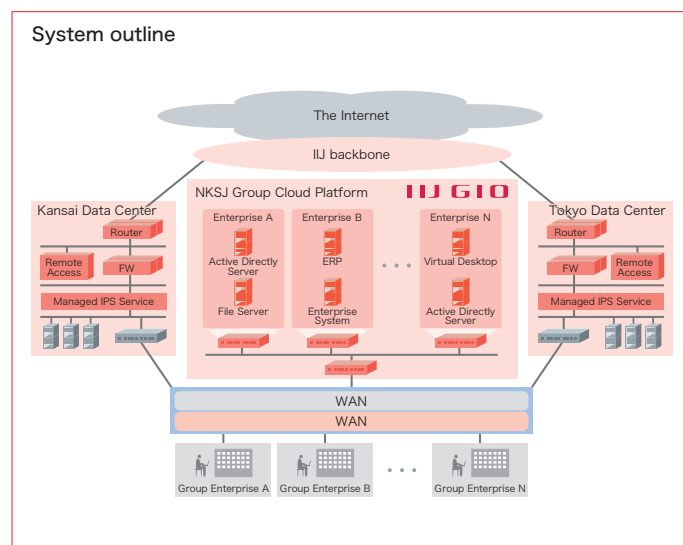
inspections and checkups on all manners of guidelines as needed. The immediate support provided by IIJ was also a major factor in our decision to select IIJ cloud services,” states Onishi.

Migrating backbone systems and contributing to operational stability and business continuity

“The migration went smoothly and it only took 10 weeks from planning the system to constructing and starting its operation. System operational stability and business continuity has improved and all group companies are very satisfied,” explains Tomohiro Koji, Chief Systems Engineer of NKSJ Systems who is in charge of managing design and construction of the system, regarding the results of the implementation.

“IIJ supports a variety of our needs including infrastructure such as networks and security essential for using the cloud, so we are confident to recommend IIJ to those within the group,” adds Koji. For example, in accordance with the requests of group companies, there is a plan to establish backup sites in remote data centers, in addition to the data center in eastern Japan where the unified group platform is located. NKSJ Systems is also considering about creating services such as backup, security and networks based on IIJ services and providing to companies within the group.

In addition to the systems of group companies, Sompo Japan also has a variety of sectoral systems. “We are also considering about migrating these systems to the unified cloud platform, which brings cost-benefits and IT security enhancement,” says Onishi. It is expected that migration to unified cloud platforms will accelerate through the course of the merger and system replacement, and Ozawa states that NKSJ Systems will “aim to provide fast and low-cost services using the latest cloud technology.” Many in the financial and insurance industries seem to be paying attention to the advanced initiative which is the first of this kind in the P&C insurance industry.



■ Service and Solution ■

- IIJ GIO Component Service Virtual Platform VW Series
- IIJ Managed Firewall Service
- IIJ Managed IPS/IDS Service
- IIJ Data Center Service
- IIJ Wide-Area Network Service

This article is based on an interview conducted in July 2013. The data, names of organizations, and job titles contained in the article are those at the time of the interview. Only company names and logos have changed in accordance with a name change taking place in April 2020.”

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