

Hardware and Software
Engineered to Work Together



Oracle Insurance: Transforming the Insurance Enterprise

Speed new products to market, provide consistent and superior customer service, and manage your insurance business more effectively with Oracle Insurance solutions.





Legacy insurance systems can't keep up with the fast-moving markets you face today. Oracle Insurance software coupled with Sun hardware delivers end-to-end solutions that help you create a truly adaptive insurance enterprise.

Insurers are under tremendous pressure to grow revenues, and to preserve or even increase margins by keeping a tight lid on costs. To achieve this, they face three main challenges. First, customers are demanding increasingly complex, and increasingly segmented, products, and there's a race to bring innovations to them. Secondly, insurance products and investments must perform well in financial markets—markets that have been extraordinarily volatile in recent years.

Finally, insurers have to deal with ever-heavier compliance burdens due to regulations such as the Sarbanes-Oxley (SOX) Model Audit Rule, insurance supervision laws, the Gramm-Leach-Bliley Act in the United States, and the Solvency II mandate in Europe. And more compliance pressure comes from senior corporate managers, who want access to accurate, up-to-the-minute information about company operations and finances to gain better control over enterprise performance.

Oracle is committed to helping insurers successfully address each of these challenges. By creating a dedicated insurance global business unit with deep domain expertise, we have made—and continue to make—strategic investments in solutions specifically designed for the insurance industry. Oracle offers the most comprehensive set of end-to-end insurance solutions on the market today, supporting the complete insurance lifecycle. Oracle helps you do everything—from speeding development of new products to improving sales and streamlining policy issuance, administration, and claims processing.

With Oracle, insurers can respond to market needs by releasing new products more quickly, and deploying those products in a way that's compliant with both regulatory mandates and management's need for timely and accurate access to information. Oracle Insurance can also help insurance companies provide consistent service that balances the desire to meet customers' requirements with the corporate need to maintain healthy margins. Finally, Oracle enables insurers to embed performance management processes into operations, become more transparent, mitigate risk, and meet compliance mandates, helping you become agile and adaptive enough to respond and plan effectively in the midst of rapid change.



CUSTOMER SUCCESS METRICS

Using Oracle Insurance applications, insurers have

- Achieved up to 80 percent straight-through processing
- Reduced policy assembly time by as much as 80 percent
- Improved service levels by as much as 40 percent
- Realized ROI in as few as 12 months

No Business as Usual in the New Economy

Over the past decade, the insurance industry has undergone a tremendous transformation. Even before the economic meltdown of 2008, insurers were struggling to cope with volatile market dynamics, mounting regulatory mandates, and rapid innovations in the fundamental technologies they needed to run their businesses.

As a participant in this previously stable industry, you may be worried about how to regain control of your business given the sheer pace of change. The inability to forecast scenarios even two years ahead makes it difficult—if not impossible—to perform the strategic planning you need to stay competitive.

In this new economy, constant change is the new normal. You need to acknowledge the ambiguities and “unknowns” in the market when developing strategic plans—and the contingencies built into those plans to deal with today’s uncertainty.

But rather than viewing change as simply a negative fact of life, you can seize the opportunities enabled by change. Change can open up possibilities for continually reinventing your business.

Adaptive Systems Transform Change into Positive Force

What can insurers do to prepare for this transformation in the new economy? The answer: Use adaptive systems to build an adaptive enterprise.

What is an adaptive system? Simply put, an adaptive system is one that gives you the flexibility and transparency to quickly evolve business processes to meet any market demand.

Change is an integral part of the application design philosophy of Oracle’s adaptive insurance systems. The key three pillars in this adaptive approach are as follows:

Accessible information. Access to relevant, current data, when and where it’s needed, in order to reduce obscurity and make course corrections. This data must be shareable across applications.

Extensible content. Software with data models flexible enough to incorporate on-the-fly changes, allowing for fast response to market changes and industry requirements.

Flexible processes. Systems that support flexible processes and relationships to accommodate ongoing change. Business processes have to change on a dime, and the business rules driving Oracle systems support this rapid change.

Built on a reliable technology foundation of open, service-oriented architecture (SOA), all Oracle Insurance products are designed with this adaptive approach in mind.

Anchored in deep domain expertise and built to meet adaptive system requirements, these software applications enable insurers to rapidly develop and deploy products, provide consistent customer service, and effectively manage operations and compliance.

Rapidly Deploy New Products and Channels Globally

The insurance industry is a “first-mover” business. Even when you get a new product to market quickly, your competitors imitate it and catch up—usually within 12 months—diminishing revenue streams.

To succeed, you need to outpace competitors in delivering new products, expanding and optimizing distribution channels, and ensuring that channel partners comply with your corporate policies and standards.

Oracle’s adaptive insurance solutions give you the product flexibility, user-driven development processes, and open architecture you need to better understand markets, develop innovative new products, and get them to customers before competitors do.

Expand Distribution Channels

In the insurance industry, “new” products are often just repackaged existing products that you deploy to market differently—through independent, captive, alternative, or direct channels, and with different cost structures and pricing. This means you are constantly expanding and optimizing distribution channels as part of the product development process.

To reach the right geographic and demographic customer segments, you need to understand how products and channels interact. Oracle Insurance helps you get at this information by consolidating product, customer, channel, and financial data, and making it easily accessible and shareable across multiple applications.

Ensure Channel Compliance

The success—or failure—of a new product depends largely on whether your channel partners are in compliance with your policies. Indeed, poor compliance is one of the greatest risks insurers face. To mitigate such risk, you need to create strong policies and thoroughly document them.

Oracle Insurance gives you the flexibility to create new channels and optimize existing ones so that they are structured appropriately and provide the access to information you need to satisfy your oversight and transparency requirements.



“One of our critical goals was to increase the number of quotes and, ultimately, new policies. To accomplish this, we needed to provide quick, accurate rates to our agents via the Website. Oracle Insurance Insbridge Rating and Underwriting allows us to do that.”

Robin Clements
Systems Supervisor
State Auto Insurance Companies

FACT: Oracle Documaker is the most widely used document and customer communications solution in the insurance industry.

Celent, “Document Automation Solution Vendors for Insurers 2007”



“Going real time and improving our communications helps us establish personal relationships, and service our channels better.”

Harold Waibel
Technical Team Lead
American Modern Insurance Group

Provide Consistent Service

Because of unprecedented cost pressures and the increasing complexity of insurance products, insurers are rethinking the way they approach customer service. Yes, providing high-quality service is critical. But keeping operational costs low is also a top priority. You need to balance these two equally important objectives if you want to ensure that your customers are happy and that your products are profitable.

The key to achieving this: Finding ways to squeeze inefficiencies out of internal processes and standardize them so you can ensure consistent service.

Oracle Insurance helps you streamline policy administration; consolidate processes and information; and tell customers a consistent story from beginning to end, which gives them confidence they’ll always receive the same quality service every time they interact with you.

Streamline Policy Administration

Service consistency begins with efficient and effective policy administration. By streamlining every aspect of the product deployment lifecycle—starting with initial new business development activities and proceeding through selling and issuing policies, providing service, and processing claims—you can minimize operational costs while consistently giving customers the service they expect at each and every touchpoint.

Oracle Insurance applications help you create flexible processes; provide data extensibility, so future changes to systems and data formats won’t affect your ability to access today’s data; and allow you to integrate data from disparate systems. Customers get a consistently high-quality experience while you reduce operational costs.

Consolidate Processes and Information

Most insurers operate multiple lines of business and deliver products via a broad range of channels. This complexity can both increase cost and negatively affect customers’ experiences. Oracle Insurance simplifies processes across multiple lines of business and channels using an SOA framework. Not only does this SOA framework bridge the gap between new and legacy systems, but it helps insurers transform their businesses without disrupting current operations.

Tell a Consistent Story

Customers interact with you using a variety of touchpoints, whether it’s through your Website or your sales, customer service, and claims departments. Oracle Insurance helps you deliver a consistent message across all touchpoints—from sales to customer service and through the regulatory audit process.

Effectively Manage Your Business

Ever-expanding regulatory requirements pose challenges to every insurer. Today you must be both more open and more precise when managing processes and business relationships. Among other mandates, you must maintain adequate capital reserves, keep accurate financial records, and provide senior management with real-time reporting of operational and financial data.

Oracle Insurance helps insurers embrace transparency, embed performance management into business processes, and manage risk.

Be Transparent

Shorter planning cycles mean that insurers need better and faster insight into their operations to compete effectively. Additionally, as insurers begin to share more information with business partners and customers, they need to strictly adhere to government regulations—particularly those that involve security and privacy—and avoid penalties for noncompliance. Oracle Insurance supports today's heightened transparency requirements with adaptive business intelligence (BI) solutions and data models that can be reconfigured quickly as reporting requirements evolve.

Embed Performance Management into Business Processes

To determine the best use of capital, senior managers require a deep understanding of product and channel complexity, service requirements, and underlying investments. This means that they need real-time access to a broad range of operational and financial information. Oracle Insurance provides flexible, configurable dashboards that are built upon insurance data models, rules-based calculations, and process flows.

Manage Risk and Comply with Regulatory Requirements

Insurers need to move beyond traditional actuarial models to embrace a more holistic approach to managing risk. This involves examining both business processes and technology infrastructures to ensure that you can meet enhanced requirements for security, accuracy, and transparency. Oracle Insurance provides a complete range of tools that insurers need to understand risks and comply with regulators.



“Our document-generation needs are going through a transformation. We’re bringing more and more Web self-service capabilities to our client base, consolidating how we operate as a company, and looking toward more streamlining of our processes and procedures. Our deployment of Oracle Documaker will help make every one of our planned endeavors a reality.”

Denise Blankinship
Vice President
Information and Data Support
Church Pension Group

FACT: Nearly half of insurers rate themselves as ineffective when it comes to outpacing competitors in delivering new products to market.

Oracle and *Insurance Networking News* Industry Survey, 2011



ORACLE: ONE OF A KIND

Oracle is the only provider of a comprehensive, end-to-end insurance enterprise solution—from hardware, to middleware and platform applications, to best-in-class components—with powerful functionality for distribution management, core insurance processing, business intelligence, corporate support, and core technology.

Enabling the Adaptive Enterprise

Although these three imperatives—to rapidly deploy new products, provide consistent service, and manage the business more effectively—may seem like business as usual for the insurance industry, they represent new opportunities for the business. This new approach involves creating an adaptive enterprise that is supported by adaptive systems.

Oracle has built its Oracle Insurance solutions portfolio on this philosophy of adaptability. The three key pillars to our adaptive approach not only help support the adaptive insurance enterprise but also help you meet these business imperatives.

Accessible Information

Oracle Insurance solutions give you the ability to access relevant, up-to-date information when and where it is needed, so you get a much more accurate view of your business. When you share data between systems, it is available across all your applications, giving you the insight you need to make course corrections in real time.

Extensible Content

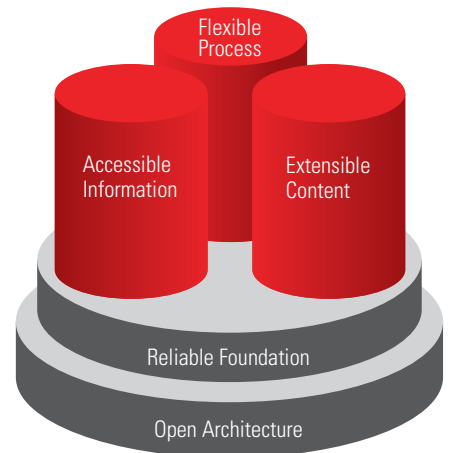
We built Oracle Insurance using data models flexible enough to incorporate on-the-fly changes, allowing fast response to market changes and industry requirements. By providing baseline content from industry organizations or starter kits, we give our customers a head start. But this content is also easily modified for initiatives involving new products or businesses.

Flexible Processes

A business relationship that makes sense today may not tomorrow due to changing regulatory, economic, or global factors.

Oracle Insurance supports flexible processes and relationships to accommodate the ongoing changes you face every day. This flexibility enables open and collaborative relationships between you and your vendors and partners—relationships that promote agility in an industry where all participants are intimately interconnected.

Oracle Insurance Adaptive System



Deploying the Adaptive Enterprise

When we talk about the “adaptability” of Oracle Insurance solutions, we are doing more than simply describing our products. We are extending the discussion to the capabilities of your business.

Creating an adaptive enterprise means mapping technology to your business models, not the other way around. You’re no longer constrained by the systems you have in place, but instead have the freedom you need to launch new products, enter new markets, and comply with new regulatory requirements as they arise.

The standards and templates we provide in Oracle Insurance applications help speed your ability to design and implement IT processes that align with your business and reduce costs. But unlike traditional legacy systems, the ability to swiftly change course is part of our adaptive application design philosophy. You can easily reconfigure our solutions as much or as little as you want. Although you may want to retain 80 percent of our standardized solution, you can configure the remaining 20 percent to create a unique differentiator for your business.

Our technology doesn’t dictate your business rules—you do.

What Does the Adaptive Enterprise Look Like?

By transforming your organization into a truly adaptive one, you are positioned to understand your business and the current economic and industry environment. You run your business effectively, and rapidly implement changes as required.

The Oracle Insurance adaptive model ensures that you can sense and respond to your customers’ needs—meeting their dynamic requirements while providing the stability and continuity they require.

ORACLE INSURANCE PRODUCTS: A PARTIAL LIST

- Oracle Insurance Policy Administration for Life and Annuity
- Oracle Insurance Insbridge Rating and Underwriting
- Oracle Documaker Enterprise Edition
- Oracle Exadata Database Machine
- Oracle Health Insurance Applications
- Oracle Insurance Revenue Management and Billing
- Oracle Insurance Data Exchange
- Siebel for Insurance CRM
- Oracle Insurance Claims Solution
- Oracle Insurance Insight
- Oracle Application Integration Architecture Insurance Foundation Pack
- Oracle’s Sun Servers and Storage
- Oracle Solaris Operating System
- Oracle’s Virtualization Portfolio

FACT: 61 percent of insurers say they could deliver more-efficient and faster customer service if they were not limited by their current IT environments.

Oracle and *Insurance Networking News* Industry Survey, 2011



ORACLE HELPS YOU

Respond to market opportunities

- Rapidly deploy new products and new channels
- Implement complete, end-to-end business processes that can be rapidly deployed internally and to distribution partners and customers

Service customers efficiently and cost effectively

- Introduce defined processes and information that meets service requirements at low cost
- Leverage common insurance data and service processes

Meet management and regulatory requirements

- Implement defined processes
- Gain a transparent and complete view of the business
- Easily configure process controls, providing access to all of the data necessary for a complete view of the business
- Meet analytical and reporting requirements

What Makes Oracle Insurance Different from Other Solutions?

- An open architecture ensures that Oracle applications fit easily into today's modern SOAs.
- A reliable but adaptable foundation supports back-office functions and integrates with other technologies and systems.
- Rules-based, template-driven software includes industry core content.

Committed to Your Evolving Needs

Oracle offers a spectrum of choice—from best-of-breed insurance applications to engineered systems—to accommodate your evolving IT needs. We are heavily investing in research and development to deliver best-of-breed components. In addition, we are combining these components to create solutions that are increasingly optimized, engineered, and supported together—all to help you tackle the wall of IT cost and complexity, so that you can compete and win.

A Comprehensive Hardware and Software Solution Set

Oracle offers a complete set of solutions that span the entire landscape of your insurance enterprise.

By leveraging Oracle's experience in developing enterprise-class software and hardware, insurers can rationalize their technology infrastructure in conjunction with deploying adaptive, modern insurance lifecycle applications.

As a result of our acquisition of Sun and our ongoing commitment to technological innovation, Oracle can offer engineered applications-to-metal solutions—or anything in between. No other vendor can provide this breadth of choice or depth of integration.

Sun Servers

Oracle's complete portfolio of mission-critical servers are engineered to deliver record-breaking performance, simplified management, and cost-saving efficiencies. Our industry-leading Sun SPARC and Sun x86-based systems are ideal for running your Oracle Insurance and other applications.

Oracle systems are optimized to run Oracle Solaris, Oracle Linux, Oracle VM, and other leading operating and virtualization platforms with greater performance.

Sun Storage

Oracle offers a broad portfolio of business-ready storage solutions that optimize performance, maximize data protection, and reduce the total cost of ownership for Oracle databases, applications, and heterogeneous data management. Sun storage solutions

- Accelerate databases and applications with higher transaction rates, lower wait times, and more throughput
- Enable flexible storage with automated caching, data migration, and access across multiple storage tiers
- Provide Flash-accelerated storage, database, and application performance with advanced software suites and optimized support for virtualized server environments



"We've achieved a partnership with Oracle that has allowed us to achieve the levels of security, performance, auditability, and support for our business users and customers on a cost-effective basis."

Stan Pachura
CIO
The PMI Group

FACT: 31 percent of insurers say that over the next few years, modernizing existing systems will be their single greatest IT challenge.

Oracle and *Insurance Networking News* Industry Survey, 2011



“Oracle’s PeopleSoft Enterprise Human Capital Management On Demand enables us to leverage the PeopleSoft human resources applications while benefiting from 24/7 availability, scalability for moving forward, and predictable management costs—all vital considerations in today’s healthcare payer industry.”

Joanne Forbes-Murphy

Senior Manager for Finance Support
Blue Cross Blue Shield of Arizona

The Oracle Value Proposition for Insurers

Oracle is renowned throughout the world for our ability to help enterprises of all types succeed in an increasingly global and volatile economic climate. We bring special expertise to bear for insurers through our technology platform, applications, and understanding and support of the insurance business lifecycle.

A World-Class Technology Foundation

One of Oracle’s many strengths is our industry-leading technology foundation. Oracle Insurance leverages robust and innovative technologies to provide modern solutions to a legacy industry.

Seamless Integration and Collaboration Capabilities

Once this foundation is in place, we leverage our integration and collaboration technologies to develop core insurance applications and end-to-end solutions that fit into any IT architecture.

Enterprise Risk and Performance Management and Enterprise Resource Planning

Moving beyond the technology itself, any strong application solution set includes comprehensive business and financial applications. Oracle provides the financial; supply chain; human resources; and governance, risk, and compliance solutions you need to ensure compliance and optimize business operations around the globe. Built upon the Oracle technology

stack, Oracle Insurance solutions can ensure accurate and compliant business processes and leading-edge security and identity management across all insurance lines of business.

Robust Support for Core Insurance Operations

Oracle Insurance core systems help insurers to manage and accelerate the complete insurance lifecycle, from market planning and management through product development, new business processing, policy issuance and administration, billing, and claims.

Enterprisewide Solutions that Address Both Strategic and Tactical Challenges

Across all of these solutions, we provide integrated business intelligence, giving you an enterprise view of operational and strategic processes on a global scale.

Oracle’s adaptive approach to business processes gives insurers the tools they need to compete in a constantly changing business environment.

Compete More Effectively with a Complete Solution

Oracle Insurance offers comprehensive solutions that marry modern technology with deep industry functionality, so that you can

- Lower your expense ratio. The lower TCO of Oracle hardware—coupled with the “green” advantages that come with lower cooling and heating requirements for your datacenter—results in less cost, which in turn enhances profitability and can improve customer and investor confidence.
- Improve customer satisfaction. Insurers are differentiating themselves by moving to self-service models that are enabled by Oracle applications and technologies.
- Enhance business agility. By combining Oracle software and hardware, insurers can swiftly design and develop business solutions that adhere to ever-changing regulations and market conditions without negatively affecting quality.
- Improve operational effectiveness. The notion of continuous improvement is the hallmark of all Oracle innovations and product deliveries—which in turn helps insurers streamline operations and carry out their own continuous improvement initiatives.

- Enable innovation. As a leader in the open source community and a strong promoter of open source technologies, Oracle provides insurers with a low barrier to entry for exploring new products that can catalyze innovation and creativity within their own organizations.



“We can now have our business rated with the same rating engine and the same set of rates during both the quote and issuance processes. We no longer have a situation in which an agent gets a quote online and the actual rate issued may be slightly off from that. They get the same rate, every time.”

Dean Kimball
Project Manager
Penn National Insurance

FACT: More than half of insurers ranked “growth strategies” as a key business driver of IT projects.

Novarica, “U.S. Insurers’ IT Budgets and Projects for 2011”



“Consolidating onto a single customer relationship management platform with Oracle’s Siebel CRM applications has enabled us to decommission many legacy systems. In addition, we plan to further promote profitability across the business as a result of automating previously manual processes and ensuring consistency across our global operations.”

Partha Srinivasa
Vice President
Farmers Insurance Group

Global Insurers Depend on Oracle Insurance

The question for insurance carriers and providers is this: how adaptable are your IT systems? Or, for those of you who have yet to implement adaptive systems, what impact could they have on your business?

Experience shows that this impact can be quite dramatic. Having adaptive systems can help you prepare for and respond to an ever-changing market, and seize new opportunities to build your business.

In an adaptive enterprise, you can introduce new products with no compromises, audit the business continuously in real time, access information when and where you need it, and maintain business stability in the face of change.

We’re already seeing evidence of this shift among our customers. Oracle does business with most of the world’s insurers. With such a large customer base, we have the opportunity to see and learn firsthand many aspects of the industry, and to partner with our customers to solve a wide variety of business and technology issues.

Our customers have come to rely on us as a dependable, innovative—and above all—responsive technology partner. Oracle provides the framework insurers need to create an adaptive business. Now you can gain freedom of product, geography, channels, regulation, and information. Contact Oracle today to begin transforming your business into an adaptive insurance enterprise.



CONTACT US

To see how Oracle customers have achieved the savings cited in this brochure, visit oracle.com/industries and select "insurance" or call +1.800.735.6620 to speak to an Oracle Insurance representative.

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| Oracle is committed to developing practices and products that help protect the environment

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