

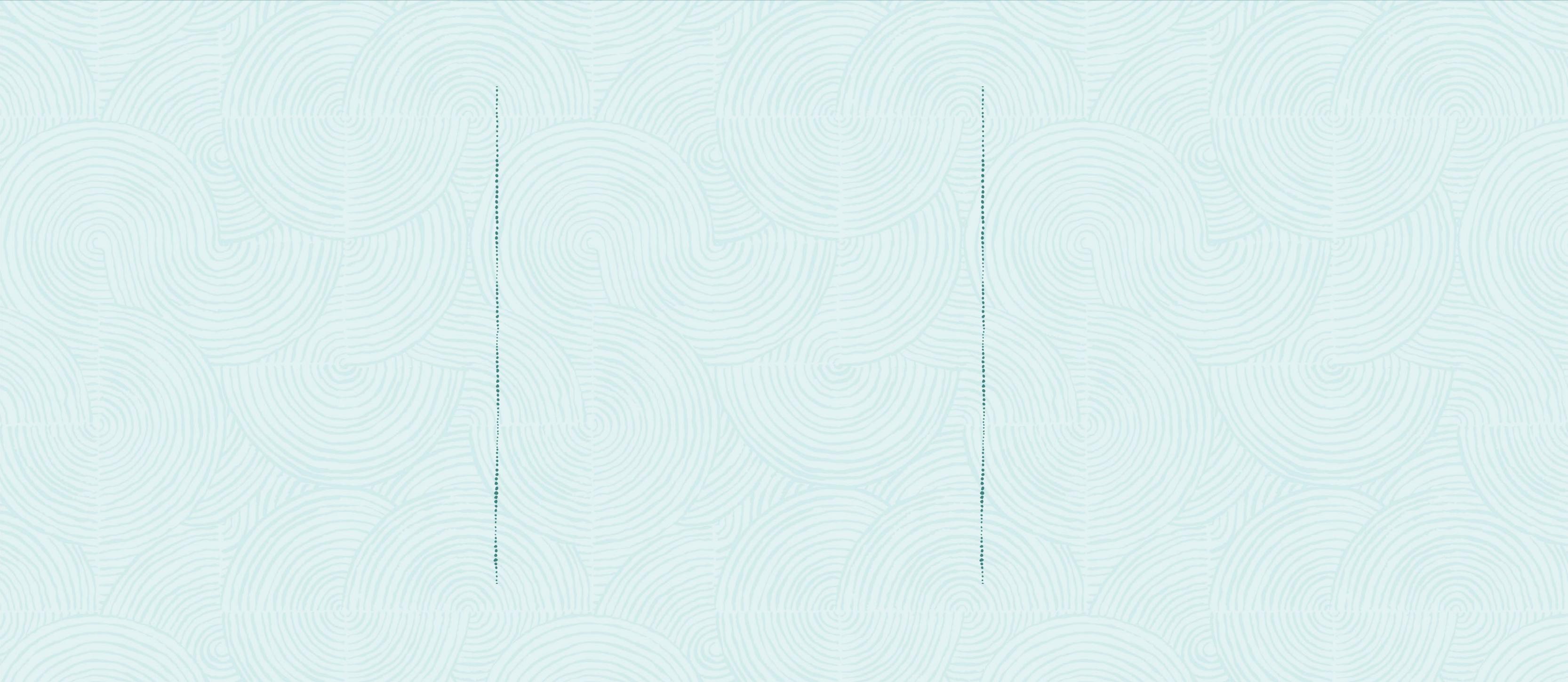
 Deep Dive eBook

Life Insurance Carriers: Fast Track to a Digital First Strategy

Moving towards a flexible Greenfield Approach



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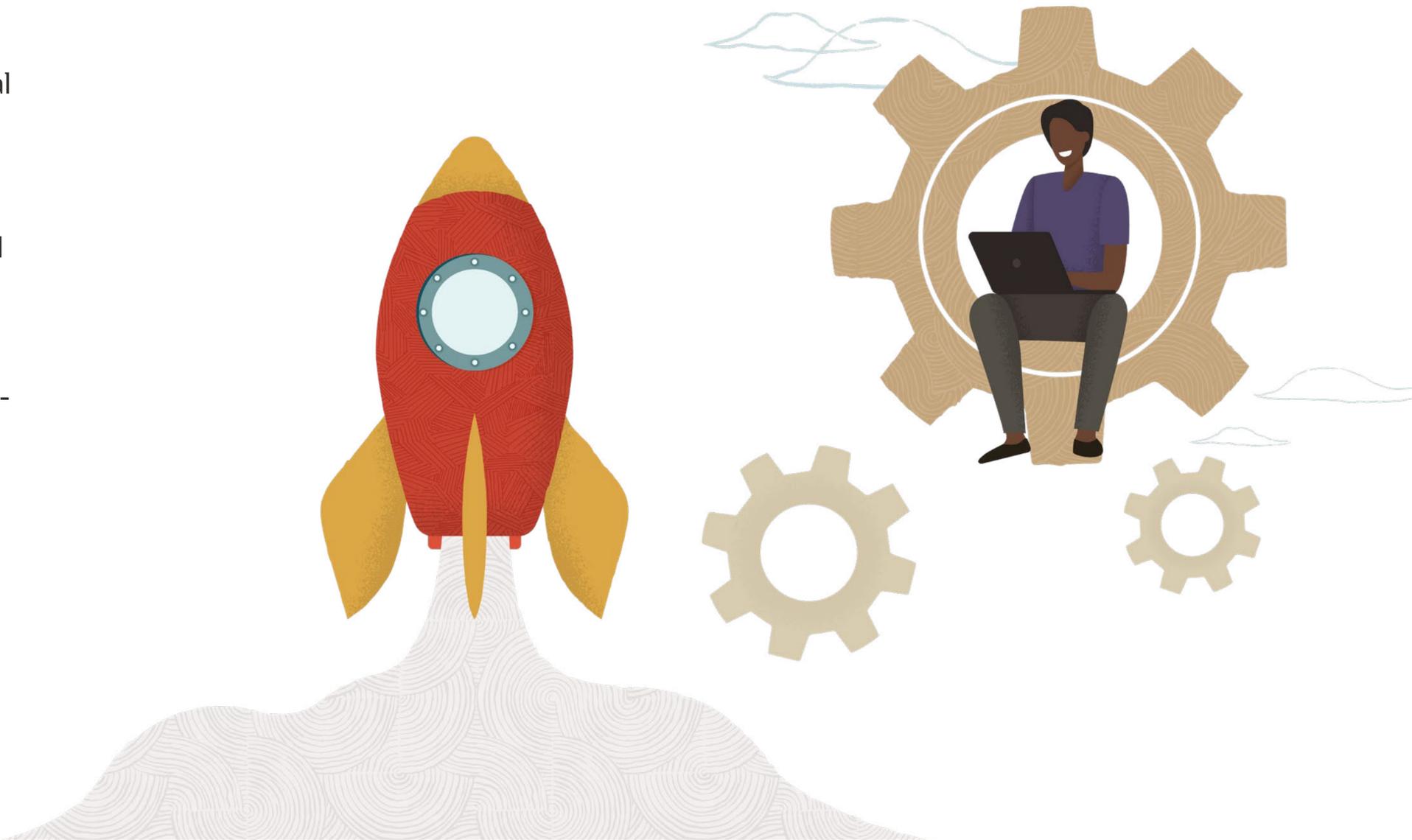


What challenges do insurance carriers facing in the market today?

Today insurance carriers are being challenged with accelerating their digital transformation. Speed is key. Insurance companies are running high-cost operations with legacy systems and they are hamstrung with the fear of high-cost migrations and risk. Current legacy systems are not capable of engaging with the emerging ecosystem to access external innovations and partner with InsureTech companies.

As we know, a digital first strategy is a business imperative. Digital transformation is not only a need, but it's essential to stay in business long-term. With a digital first strategy, carriers can create products more easily and be more transparent with their partners and customers.

Fast track your digital first strategy by modernizing your back office with a greenfield approach.



Challenges for insurance carriers moving toward a digital first strategy

1 speed to market challenge

WHO IS IMPACTED		CTO, CIO
CURRENT PROBLEM		Lack of speed-to-market and ability to invent and deliver winning new products hindered by legacy processes, attitudes, skill sets, distribution systems, or technologies.
DESIRED FUTURE STATE		Roll out new products to market faster.
PROJECTED BENEFITS OF CHANGE		Reduce implementation timeline to go-live by 50% compared to non-greenfield initiatives with no focus on speed-to-market. Improvement in overall speed to market by 75%.
REQUIRED CAPABILITES		Rich library of out of the box insurance products that are production ready. Cloud ready platform with production ready product accelerators and proven process improvement plan.

2 digital experience challenge

WHO IS IMPACTED		CTO, CIO
CURRENT PROBLEM		Lack of a modern digital experience to achieve market share.
DESIRED FUTURE STATE		Single underlying data model for all of your products and back office operations built on an open integration framework.
PROJECTED BENEFITS OF CHANGE		Better Insight into data to improve customer 360 view and upsell or cross-sell premium revenue growth.
REQUIRED CAPABILITES		Componentized architecture to support different business processes, share common rules across the lifecycle and be cloud ready. Open integration framework and rich APIs to provide customer, policy, and transactions data.

Challenges for insurance carriers moving toward a digital first strategy

3 IT cost challenge

WHO IS IMPACTED		CTO, CIO
CURRENT PROBLEM		Higher IT run time cost to run and maintain and adopt new selling strategies on the legacy system.
DESIRED FUTURE STATE		To reduce IT support costs by adopting a new core platform that is agile, with digitization and straight-through processing.
PROJECTED BENEFITS OF CHANGE		Reduce IT run time cost on your initial digital channel. 26% IT run time cost reduction.
REQUIRED CAPABILITES		Mature deployment options for your greenfield initiatives with Oracle and our partner network: PaaS, On-premise, SaaS and BPO.

Here are the benefits of a digital first strategy:



Deepen customer insights for underwriting through data analytics



Enable wide variety of customer engagements and insurance services



Promote ease of use for your policy administration system



Enable gamification and rewards programs for improving the customer's health and life expectancy

Greenfield: An approach for accelerating a digital first strategy

Greenfield software development refers to developing a system for a totally new environment and requires development from a clean slate—no legacy code around. It is an **approach** used when you're starting fresh and with no restrictions or dependencies.

If an insurance company has an executive sponsored initiative to launch new, digital enabled, and consumer friendly insurance products in months compared to years without the traditional expense burden that comes with launching new products on their existing legacy policy administration platform, the insurance company is embarking on a greenfield initiative.

Greenfield initiatives often buys cloud based end-to-end policy administration systems that have “Out of the Box” products, features and capabilities. In simple terms— a greenfield initiative is the most efficient and effective way to enables insurance companies to increase premium sales at a profit.

Greenfield initiatives will help you meet your business goals:



Business Model Innovation

The organization wants (or needs) to transform its business to react to changing markets or competitors, or to offer new models of customer engagement.



Business Process Optimization

The organization is not looking to make broad changes to its business models, but it does want to improve the efficiency of existing processes or automate them.



PAS Rapid Modernization

The organization requires a future proof PAS to enable new business with minimal disruption to the business.

Why customers use Oracle Insurance: A digital first approach

Oracle Insurance Policy Administration (OIPA) delivers value to our customers and life insurance carriers around the globe. We are proud to help carriers find ways to reduce cost, enable digital transformation and increase their speed to market.

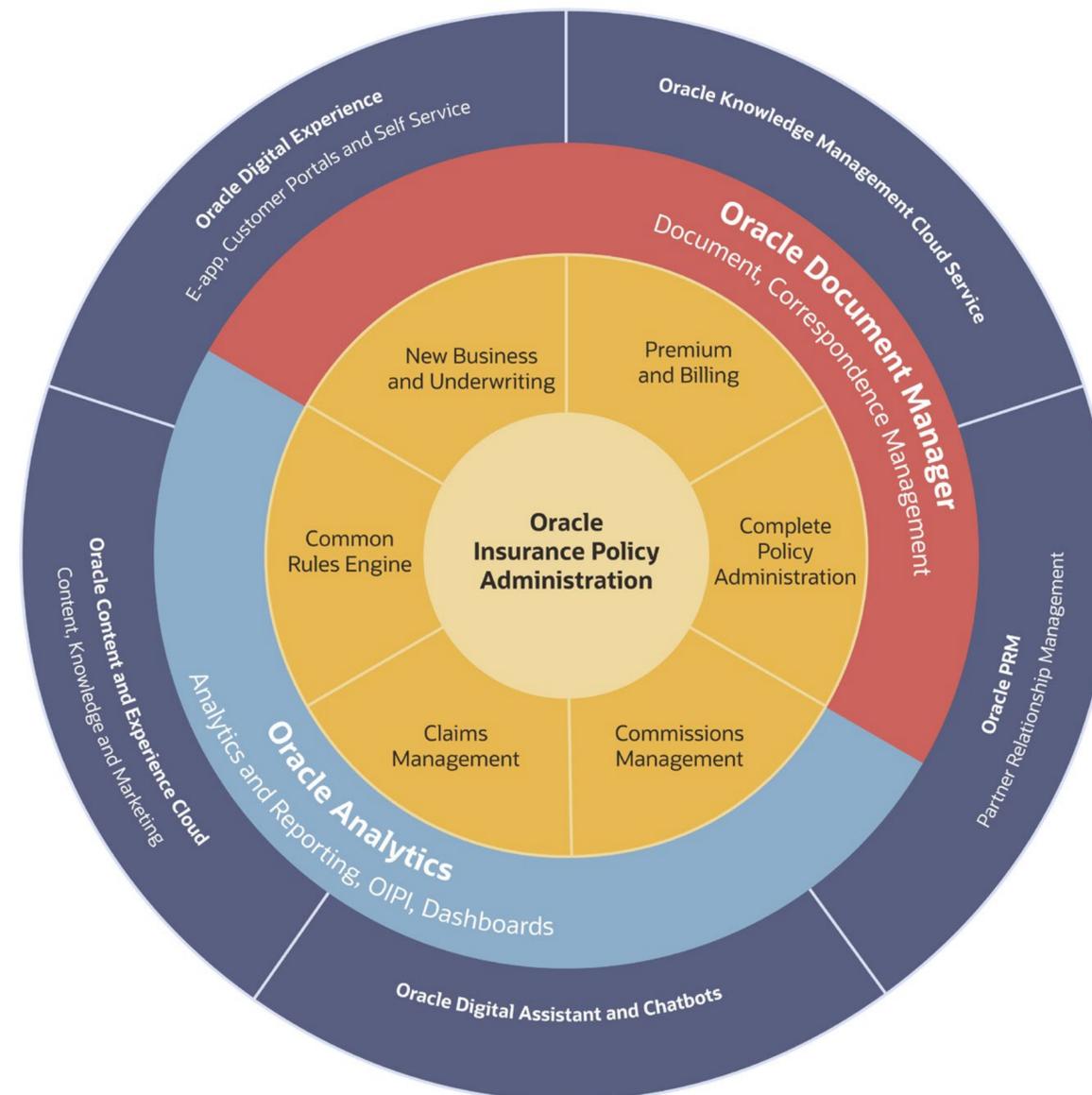


“Oracle Insurance Policy Administration has allowed us to shorten our delivery time for new products and product changes. We have also had a greater ability to integrate with other systems and to deliver process efficiencies.”

**James Klauer, Vice President,
Client Technology,
Fidelity Investments Life Insurance Company**

What you need for a digital first strategy and greenfield initiative

The Oracle Insurance Policy Administration (OIPA) platform gives you digital integrations that will enrich your existing infrastructure with digital processes to enable a modern Policy Administration System (PAS) solution. OIPA is optimized for the cloud with live customers already in place. It is product ready to help you create products more quickly and have better time to market. OIPA is an end-to-end solution from New Business Underwriting to the Policy Administration System. Oracle utilizes its partners to also offer application managed services, which includes software releases and support.



What you need for a digital first strategy and greenfield initiative

Oracle Insurance Policy Administration

Simplify your digital transformation journey with a modern, rules-based policy administration system that supports new business underwriting, policy issuance, policy processing, billing, collections, and claims covering individual and group insurance, all on a single platform. Oracle Insurance provides flexibility for full configurability and accelerating deployment with open API's. Automation for new business underwriting processes, traceability and deep insights to improve the customer experience.

Oracle Document Manager

Oracle Document Manager offers the ability to deliver policy print to customers and correspondence to agents and customers electronically, where lawful, enables business scale, operational efficiency, and reduces overhead by reducing cost associated with printing paper, ink, and postage. Leading Policy Administration Systems (PAS) have this capability built in and available. The PAS should be able to provide opt in and opt out features for consumers and agents to manage their correspondence preferences as well as email addresses for delivery. Additionally, many PAS providers have in-house or 3rd party print services arranged to manage the creation, collation, and distribution of paper correspondence when appropriate.

Oracle Analytics

Oracle Analytics Cloud and Oracle Insurance Performance Insight Analytics are packaged with a pre-built insurance data model which centralizes the data that is needed for reporting. It has a staging area where the data is brought in from different systems. It also has a reporting area which stores the clean, complete and consistent data in a star schema approach.

The key functions are below:

- 1 The underlying data for the modeling process: The solution comes with prebuilt data model that can consolidate, clean and store data for multiple periods as well as multiple versions if needed.

- 2 The ability to script and run various models: The solution comes with modeling framework to script and run models in various languages such as R, python, Java etc. These models can run natively on underlying data. The platform also comes with pre-built constructs on various techniques used in modeling.
- 3 Set up AI/ML process to calibrate the models: The solution also allows for users to setup AI and ML processes which make use of rich underlying data for current period as well as historical periods to identify actionable intelligence as well calibrate models.

What you need for a digital first strategy and greenfield initiative

Oracle Digital Assistant

The Oracle Digital Assistant, often known as a 'chatbot', leverages an organization's existing information and resources like knowledge repositories, FAQ's, internally published procedure manuals, and administrative system data to provide personalized non-human resolution of routine customer service requests. The digital chatbot reduces the cost of service per unit, enables 24-7 service without increasing variable cost, significantly expands service capacity, and improves customer and agent service experience.

Oracle Content and Experience Cloud

Oracle Content and Experience Cloud for Oracle SaaS is a cloud-based content hub to drive omnichannel content management and accelerate experience delivery. Collaboration and workflow management capabilities streamline the creation and delivery of content and improve customer and employee engagement.

Oracle Knowledge Management Cloud Service

Oracle Knowledge Management Cloud Service helps organizational knowledge to be in a centralized location and provide channels for dissemination of acquired knowledge to relevant users. It encompasses procedures, processes, compliance requirements, customer service training documentation, and product specifications in a single place for access to all individuals across the organization to access via the workflow management system, unified workbench, and customer or agent portals.

The Knowledge Management Cloud capabilities allow you to access, read, and store unstructured data formats, word documents, excel spreadsheets, policy data and procedure manuals. These services mitigate the risk of specialized knowledge exiting in the organization and creates a more efficient workplace, improving decision making, enhancing collaboration, and harvesting best practices.

What you need for a digital first strategy and greenfield initiative

Eloqua Marketing Automation

Create more closed-loop marketing and sales activities and manage cross-channel B2B insurance marketing campaigns that nurture leads across each stage of the buying process. A best-in-class B2B marketing automation solution, Oracle Eloqua Marketing Automation offers campaign design, advanced lead scoring, real-time firmographic data, and integrated sales tools.

NetSuite ERP

NetSuite is engineered to streamline mission-critical processes. In turn, this allows insurance businesses to continue focusing on what they do best and to react to new market opportunities swiftly and confidently. From financials to supply chain management to billing and beyond, NetSuite ERP gives companies clear visibility and control of their business.

Web Center Portal

Quickly and easily create intranets, extranets, composite applications, and self-service portals. Oracle WebCenter Portal provides insurance users with a secure and efficient way to consume information and interact with applications, processes, and people.

3 Ways Oracle helps with your digital first strategy



Product Ready

Production ready Traditional Life Insurance Products to accelerate time to market and reduce implementation cost.



Digital Integrations

Enrich your existing infrastructure with digital processes enabled by our modern PAS solution without impacting your current systems landscape or profitability.



End-to-End PAS

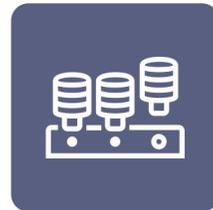
From New Business Underwriting to PAS Operations: claims, commissions and batch processing.

Deployment options for insurance carriers



PaaS for Insurance Carriers

Oracle delivers a comprehensive Platform-as-a-Service (PaaS) model for applications on the cloud that is available as an end-to-end service across engagement governance, solution, operations and helpdesk. Oracle PaaS offers application, middleware and database for day 1 implementation and is production ready to help reduce implementation costs and accelerate your time to market.



BPO for Insurance Carriers

Oracle offers a seamless experience with a set of solutions to enable better customer engagements across all channels and lines of business. Oracle and its partners offer a “solution block” approach to advance maturity in digital insurer key competitors. With BPO, you will receive highly efficient operations and improve your customer value propositions that reduce retention and lapse rates and increases engagements.



SaaS for Insurance Carriers

Oracle offers a 100% SaaS based Policy Administration Solution that is compatible with the Cloud-based front-end systems delivered through our partners. We have a turnkey cloud solution that features low cost of ownership and flexible pricing options, which allows insurers to select their optimum SaaS model. Oracle is integrated with our partner’s self-service portals for financial needs analysis, illustrations and application tools. We make it easy to have predictable ROI and give a solid foundation for continued innovation.

Why customers choose Oracle Insurance: Real-life examples

68%
5 year NPV ROI

"We recovered implementation costs in the first year by stopping development of the new products in the legacy platform"

(Tier-2 Life Company, specializing in the senior market with life & annuity products)

Ensure business value from investment in IT

"The combination of OIPA and ACORD standards was instrumental in helping us achieve those objectives"

(Vice President, Tier-2 U.S. Life Company, based in upper Midwestern United States, 2016)

Unlock your digital and data strategy

6 to 8
New products
per year

"Historically, before OIPA; we rolled our 1-2 products a year"

(Tier-2 U.S. Life Company based in Midwestern United States, 2016)

Roll-out products to market faster

83%
Reduction in
manual processing

"An analysis of our "old"business processes on the legacy systems to our "new"business processes on OIPA; we achieved a 72-83% reduction in manual processing and enhanced our workforce allocation strategies"

(VP, Software Solutions, Tier-2 U.S., Life, Annuity & Supplemental Health Company)

26%
IT run time
cost reduction

"Our organization is looking forward to working closely with the Oracle team to replace our legacy policy processing systems with the OIPA technology framework"

(Principal Director, Tier-2 Canadian Insurance Carrier: Life and Disability Products)

Rationalize multiple legacy systems

19%
Reduction in
operational
expenses

"We improved our agents experience through enhanced automated underwriting and decreased application issue-time"

(Tier-2 Life Company, specializing in life & annuity products)

Adopt intelligent automation

System Integrators for Oracle Insurance



Useful Resources

Learn about Oracle Insurance Policy Administration for Life and Annuity, visit oracle.com/life-insurance

Get in touch with Oracle's Insurance experts
insurance_rfp_ww_grp@oracle.com

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