

Pioneering Greenfield Initiatives: A Comprehensive Strategy for Insurance Innovation

Oracle Insurance Solutions

Insurance landscape and growth

According to the [Insurance Global Market Report 2021](#), the global insurance market is expected to reach \$6.39 trillion in 2025 with a compound annual growth rate (CAGR) of 6%. To secure their stake in this expected expansion, insurance carriers must make legacy system modernization and the adoption of agile solutions a top priority. This will enable them to keep pace with market changes and meet ever-evolving customer expectations. Some of the main challenges resulting from legacy insurance PAS systems:

- Outdated architecture
- Manual Interventions are considered common
- Risk from aging technology and scarce software engineering to maintain legacy code
- Too expensive to modify existing processes/products or introduce new ones

In a report highlighted in [Deloitte's December 2023 report](#), featuring insights from 100 CIOs in the sector, the resounding message is the urgent requirement for modernizing core systems. The call for modernization is unanimous among CIOs, driven by the limitations of legacy systems, thereby emphasizing the need for a robust, cloud-native architecture.

At Oracle, we are solving some of the most complex modernization initiatives as well as greenfield deployments by providing not only solutions for modernization but also delivering potent processing capabilities and unparalleled ecosystem flexibility. Our insurance applications are modular, and integrated, and provide a seamless streaming of critical data from the core PAS system and shared across business-specific applications all running on our Oracle cloud.

This analysis serves as a foundational understanding of the modernization landscape within the insurance industry.

Breaking down the insights further

Small Companies (Revenue < US \$1 billion):

- No completed core-system modernization initiatives.
- 52% are in the planning stage.
- 37% have initiatives underway.

Larger Companies (Revenue > US \$10 billion):

- 53% report most initiatives completed.
- 26% have completed some.
- None are currently in the planning stage.

Many insurance carriers still struggle with rigid legacy core systems that lack API compatibility and agility. These systems simply aren't designed to handle the demands of today's fast-paced, data-driven insurance industry. Carriers feel the impact across their business, from slower speed to market for new products to customer attrition to rising operational costs.

It's time to consider a new strategy—a greenfield approach to modernization that enables insurers to achieve greater success and gain a competitive edge in the market. SaaS technology—which speeds time to value while reducing costs and risks—is increasingly essential to this approach.

Greenfield versus traditional approach to policy administration

Traditional modernization approaches, which involve migrating data and retiring legacy policy administration systems (PAS), are complex, expensive, and lengthy—often requiring years to complete.

In contrast, a greenfield approach involves standing up a new product from day one on a new PAS and modern cloud tenancy. The old PAS continues to house the legacy policy data—which greatly reduces the effort required to get to market with a new product. The carrier can continue to manage existing policies on the legacy PAS and can migrate legacy data later, as part of its overall digital transformation strategy.

Greenfield accelerates time to value

Compared to traditional modernization methods, greenfield development enables carriers to realize value faster and at a lower cost. A greenfield strategy for PAS modernization liberates insurers from the limitations of current infrastructure, enabling them to rapidly introduce novel products and services to the market. In many instances, carriers can launch these new offerings within a few months, giving them significant flexibility to react to changing customer preferences, market trends, and regulatory requirements.

The key factors for successful greenfield modernization lie in its foundation. Greenfield software development involves starting anew, devoid of any legacy code, which facilitates a fresh start without constraints. This approach suits executive-sponsored projects that aim to rapidly introduce modern, consumer-friendly insurance products while avoiding the expenses tied to upgrading legacy platforms. Embracing cloud-based end-to-end policy administration systems, commonly with pre-built products and features, empowers insurance carriers to efficiently increase premium sales and overall profitability.

Oracle supports Life and Health Insurers

Oracle Insurance is at the forefront of enabling this type of greenfield transformation, offering industry-leading SaaS-compatible applications that are unmatched in agility and adaptability.

When deployed as part of a greenfield approach, our PAS solution empowers insurers to rapidly develop new products, gain valuable data insights, and achieve faster speed to market. Our innovative solution also provides unparalleled flexibility, enabling insurers to easily create and manage complex business rules and processes while delivering a streamlined and simplified customer experience.

When it comes to greenfield initiatives for insurers, a digital foundation is seen as crucial. This foundation supports the emphasis on digital adoption, aligning product innovation with evolving customer expectations and leveraging emerging technologies relevant to the nuances of the insurance sector. This facilitates a smooth transition to modern plan management and digital experiences, ensuring interconnectedness across stakeholders for a frictionless front-to-back-office process.

Acknowledging the unique challenges and opportunities in the life and health insurance sector, the solution is tailored to address the evolving landscape of customer expectations and the influence of emerging technologies. The strategic focus is on delivering predictive strategies, crafting distinctive digital experiences, and providing hyper-convenient processes that resonate with the specific needs of insurance customers.

Advantages of Oracle: A Comprehensive Solution

Oracle stands out by offering industrial-strength processing power coupled with the highest level of flexibility. Operating on the Oracle Cloud ensures not just modernization but a resilient and adaptable foundation for the future.

Oracle solutions comprehensively cover the spectrum of needs for life and health insurers. Encompassing policy administration, customer experience, communication management, partner network, project implementation, and enterprise billing, this integrated approach streamlines processes and enhances efficiency for insurers in this specialized sector.

Solutions for Life and Health Insurance

Policy Administration

Oracle capabilities extend seamlessly to core policy administration, offering configurability, applied intelligence, and an intuitive user experience tailored for life annuities and voluntary benefits for the retail and group market. Integration with Oracle's Insurance solutions further enhances the ability to build a single source of truth, aligning with the intricacies of insurance operations.

Connect Data Across the Enterprise

Oracle's AI/ML-fueled insights, digital assistants, and chatbots drive guided experiences with a focus on connecting data across the enterprise. This approach provides contextual services at the user's point of need, recognizing the unique aspects of insurance interactions. Additionally leveraging a cloud-first deployment, customers can benefit from a range of cloud services including integration to LLM models to enhance and improve their customer prompt experience from multiple sources of data.

Claims Administration

Oracle's claims solution is a highly adaptable solution for insurers, offering a single platform for various lines of business. It simplifies claims processing with user-friendly product definition, simplified provider pricing maintenance, and intelligent automated adjudication. Our platform supports diverse pricing methods and extensive business rule types for accurate claims pricing.

Our claims solution facilitates an easy-to-use product set-up with the separation of benefit specifications from the cost-sharing model for increased reusability. A wide array of configurable business rules and messages provides maximum accuracy, and straight-through processing ensures improved claims auto-adjudication rates. Integrated authorization management handles authorizations from multiple sources, enabling seamless synchronization, and automated matching of claims to authorizations. Our cloud-based service provides faster time-to-market, reduces operational costs, and enhances overall claims operations efficiency.

Revenue Management and Billing

The Oracle billing solution extends its capabilities to group voluntary benefits billing, covering dental, vision, life, and more. As a SaaS-based solution, it remains a versatile platform for insurers, providing a modern billing system and flexible pricing mechanisms. Our solution specifically addresses the complexities of group voluntary benefits, allowing seamless integration and efficient billing processes for diverse insurance programs. With its fully configurable agile system, it ensures effortless implementation and upgrades, catering to the unique needs of group voluntary benefits.

Improving Business Value with Oracle

Oracle delivers value to insurers by cutting costs, enhancing employee productivity, and enabling seamless digital transformation. The [Oracle CX suite](#), an API-rich and Cloud readiness platform guarantees a connected experience and a 360-degree view of members custom-tailored for insurers. Oracle is your partner in maintaining financial stability and fostering innovation to optimize operations and minimize costs.

- Reduce IT run time
- Reduce operating costs
- Improve employee productivity
- Reduce manual processing
- Increase auto-adjudication rates for claims

A notable aspect of Oracle's value proposition is the reduction in implementation timelines and the ability to release multiple new products annually. Extreme configurability empowers life and health insurers to create next-generation insurance products swiftly while addressing sector-specific complexities.

- Reduce implementation time
- Increase the number of new products released each year using Oracle
- Improve efficiency by reducing third-party applications
- Increase business visibility and enable lower costs

Creating a better future for insurers

Eager to embrace new opportunities, insurers are exploring new avenues to accelerate product innovation. Increasingly, these strategies involve strategic partnerships, with a particular focus on solutions tailored for greenfield initiatives in insurance.

As insurers embark on greenfield initiatives, Oracle offers tailored strategies, presenting comprehensive and future-ready solutions to the dynamic challenges and opportunities facing life and health insurers. Oracle stands as a strategic partner, creating a better future for insurers with innovation, efficiency, and a commitment to excellence.

To learn more about Oracle Insurance for carriers and how we support greenfield modernization, please visit our [insurance solutions page](#).

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