

Oracle Insurance Calculation Engine

The economic realities of today’s insurance market make it harder than ever to achieve profitable growth. Carriers are facing many challenges and one of the biggest is the reliance on IT systems that are aging, inflexible and unable to support their business. Many carriers are still operating on legacy platforms and want to replace these legacy systems. However, there is simply nothing as daunting as a back-office replacement project. These initiatives take multiple years to complete. In the meantime, carriers are looking for solutions that can augment their legacy systems, helping them deliver greater speed-to-market, business agility and lower cost without the time, risk, and expense of a full core system replacement project.

Oracle Insurance Calculation Engine Helps Carriers Extend the Life of Legacy System

Oracle Insurance Calculation Engine (OICE) is a rules-based product configuration tool that enables carriers to achieve agile business practices without the need to acquire a full policy administration solution. OICE helps carriers to externalize rules and calculations across multiple administration systems and provides business users with a centralized place for defining those rules. It is a single platform that can support multiple application functionalities and support multiple lines of businesses. It is being used to provide calculation services for other business applications, serving as a centralized point from which to manage all of the business enterprise requirements.

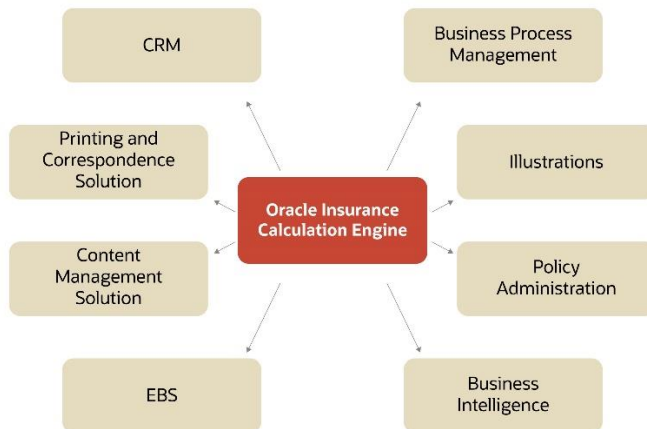


Figure 1. Oracle Insurance Calculation Engine a single platform that support multiple application functionalities

Key Features

- Highly flexible, rules-based configuration separate from system’s core code that support variety of life insurance and annuity processes
- Easy to use rules palette, math debugger, and data dictionary help to guide configuration, promote accuracy, as well as help reduce development and testing
- Product cloning capabilities promote reuse of rules and decrease development time for new products
- Transaction-level testing through business rules supports quality assurance by improving accuracy and providing audit trail for compliance
- Multi-language and multi-currency support in single instance of system helps regional and global carriers comply with localization requirements

Oracle Insurance Calculation Engine is built as part of the Oracle Insurance Policy Administration (OIPA) system and thus it enables carriers to enjoy the benefits of the OIPA calculation strengths and flexibility. It allows carriers to achieve incremental return on the investment and minimize risk while still achieving enterprise product agility. It reduces the need for carriers to take a “big bang” approach to policy implementation and gives the flexibility to migrate to the full Oracle Insurance Policy Administration solution in the future without having to rewrite all the rules, products and calculations.

Empower Your Users through Rules-Based Configuration

At the heart of the Oracle Insurance Calculation Engine is a highly advanced product and rules engine that enables straight-through processing throughout the entire life insurance and annuity cycle. OICE supports many different types of products such as Term, Whole Life, Universal Life (including indexed and variable), and different types of Annuity products. It provides a business-rule based architecture that enables rapid new product introduction by providing fast reconfiguration through product templates and cloning, and a rules palette that guides users through the product development process.

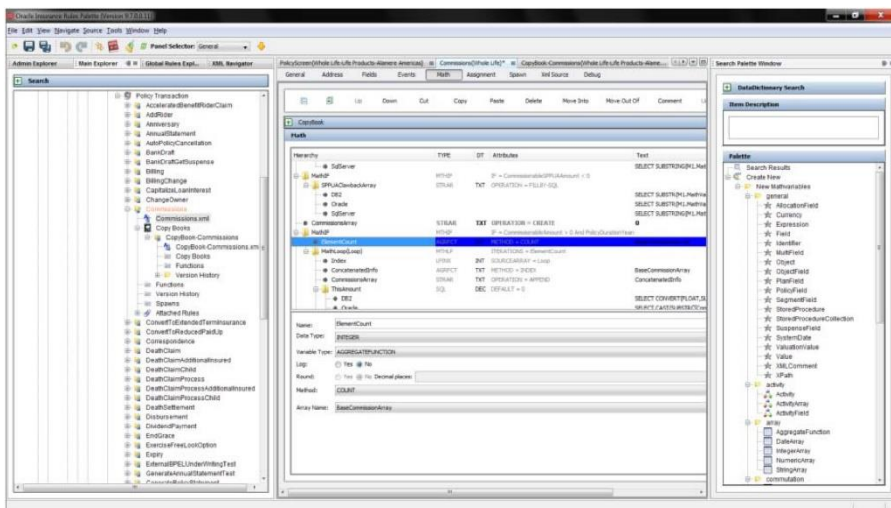


Figure 1. Oracle Insurance Calculation Engine uses drag and drop functionality to build logic

Oracle Insurance Calculation Engine provides the foundation of product development and rules management that enables carriers to deliver the right product at the right price to the right customer through the best channels within carriers’ complex IT environment.

Accelerate Product Development with Pre-Built Features

Oracle Insurance Calculation Engine also provides other tools that are integrated into the rules palette to help speed the product development process. Tools such as debugger, release management, data dictionary, etc., along with drag-and-drop functionality promote greater reuse within the product development cycle. Examples of other tools in OICE are:

- **Visual Editing** – easy to use user interface allows actuaries, product managers, underwriters, and business analysts alike to create, test and

Key Benefits

- Accelerate product development and speed time to market for differentiated life insurance and annuity products globally through rapid rules-driven product configuration
- Empower business and technical analysts to collaboratively make changes using business rules without the need to customize the system’s core code or database structure
- Reduce risk, while better managing the business to support compliance and optimize performance through a single platform
- Rapidly support evolving business and regulatory demands through a highly flexible, extensible, and open architecture that integrates with existing IT infrastructure.
- Reduces total cost of ownership, lowering resource and operational expenses by creating a single place for carrier to maintain rules and products

deploy complex rules, create products and underwriting logic without programming expertise.

- **Release Management** – provides visibility, control and management of rules migrations and standards also allows users to release a single package to multiple environments.
- **Data Dictionary** – provides a repository of math variable and input field names and facilitates analysis of how and where variables are used within the application
- **Plan Copy** – allows plans to be created from an existing plan with options to copy entire plan or specific rules can be selected to copy to a new plan.
- **Debugger** – helps in troubleshooting configuration by providing debugging editor for transactions & segment calculations for step-by-step run through of the change in math calculations during transaction processing
- **Complete Audit Trail** – provides a detailed audit trail that records all changes made in the system to help reduce the time and effort needed to comply with market conduct audits
- **Rules Palette Help** – allows user to search variety of topics such as rules development, syntax explanation and samples in a structured way.

Related Products

- Oracle Insurance Policy Administration
- Oracle Insurance New Business
- Oracle Documaker Enterprise Edition
- Oracle Insurance Revenue Management and Billing
- Oracle Business Intelligence Enterprise Edition
- Oracle Business Process Management

Increase Agility through Modern Architecture

Once all aspects of the rule or product such as its hierarchical structure, data, content, and rules are developed, it must be integrated with operational applications for sales and service processes. Oracle Insurance Calculation Engine makes use of configurable web services for consumption by other external systems. OICE is based on open standards and integrates easily into today's service-oriented architecture (SOA) environments to enable straight-through processing across the entire insurance policy and annuity life cycle. The system can be integrated with carriers' existing insurance systems including illustrations, new business, underwriting, and more. Such capability makes Oracle Insurance Calculation Engine a versatile solution where any calculation can be accommodated no matter how unique and complex the calculation formula is and once defined, it can be accessed by any systems.





Summary

Carriers want to become more agile and able to respond quickly to market events with quality products because delivering the right product is critical to grow revenue and increase long-term profitability. However, their legacy systems make it difficult to effectively introduce new products in the market. They can replace their legacy system with modern policy administration system, but it is a high risk proposition and takes time to implement. The most successful organizations implement policy transformation in a phased approach and Oracle Insurance Calculation Engine can be the first step in carriers' transformation roadmap to achieve enterprise agility and replace aging legacy system over time.

It can help carriers deliver on its strategy of offering the right product, at the right place, at the right time and price, to the right customer faster.

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