

Oracle Insurance Policy Administration Solution for Annuities

With annuity types changing, compliance costs rising, and maturing millennials remaining an untapped market, the annuities business is in flux. Annuity carriers must be able to move quickly at all stages of the policy lifecycle. Now is the time to rapidly roll out new products, from simple to complex hybrids. What if you could develop and launch innovative products in a fraction of your current timeframe? You can with a flexible policy administration system designed to manage the complex world of annuities.

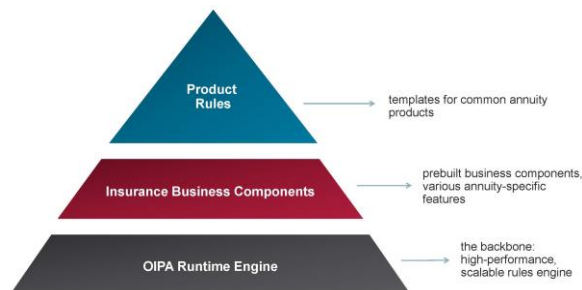
ULTIMATE FLEXIBILITY FOR BUSINESS AGILITY

Oracle Insurance Policy Administration (OIPA) is a rules-driven system that supports every stage of annuities, life and group insurance, including policy issuance, contract changes, payout, and more. With Oracle's solution, you make the important decisions and your system enforces them. You customize the experience you want for your business users and customers at every stage of the policy lifecycle.

Unlike other insurance systems, OIPA is a modern system that enables you to define your own rules, and create and modify products without changing the base code. Managing rules configuration no longer needs the technical expertise of a programmer.

Other policy administration systems like code generators and parameter-based solutions offer limited options and ultimately slow things down. They either require you to program changes in the source code or pose constraints based on their defined parameters. OIPA's browser-based functionality makes the system easy to learn for both business users and IT users.

Smart Rules Architecture



Rapidly Configure, Manage, and Bring Annuity Products to Market through Highly Flexible, Rules-Driven Policy Administration

TOP ANALYST RANKINGS

"Leader"

- Ability to Execute
- Completeness of Vision

GARTNER

Magic Quadrant for Life Insurance Policy Administration Systems, North America, 2016

"Best-in-class"

- Policy Lifecycle
- Enterprise Support

CEB TOWERGROUP

Life and Annuity Policy Administration Systems, 2015

"Since its inception, Oracle Insurance Policy Administration has offered the market not only modern technology but also new ways of thinking about old problems."

CELENT

FUEL PRODUCT INNOVATION THROUGH A SINGLE PLATFORM

Traditional annuity sales are down, opening up opportunities for carriers to create new annuity products no other carriers offer. Because Oracle Insurance Policy Administration is a single platform for life, annuity, and group products, the system enables more effective collaboration among your different users. Those involved in the product configuration process—i.e., actuaries, compliance officers, business analysts, and others—can work more effectively to combine features of existing products. They can create or change products with extremely specific features, drilling down to the most intricate levels, without worrying about system limitations.

SPEED TIME TO MARKET

Consider the impact of slashing three to six months off your product development cycle. How much new business could you attract before your competitors launch a similar product? How much would you save in administrative costs? On average, insurers that use Oracle Insurance Policy Administration cut their product development timeframe by one-third.

Oracle Insurance Policy Administration comes with prebuilt product templates for common annuity products and prebuilt components for annuity-specific features, giving users a jumpstart in product development. You never have to start from scratch because of the many easy-to-use features: share business rules across the lifecycle, clone products, and copy plans. Whether you need to manipulate detailed components or implement a blanket rule over multiple items, OIPA gives you the flexibility you need to bring your product to market faster than ever.

MASTER OF COMPLEX ANNUITY ARRANGEMENTS

The leading annuity carriers around the world have highly specialized needs, and they rely on Oracle Insurance Policy Administration to deliver on every requirement.

OIPA comes with thousands of out-of-the-box calculations, arrangements, and options. To follow specific requirements, users can easily rework the rules connected with those items—all without touching the base code.

Here are several annuity arrangements in production at insurance carriers using Oracle Insurance Policy Administration:

- **Choice of investments.** Complex annuity contracts/deferred annuities can be invested in any combination of fixed funds, variable funds, MVA funds, indexed funds, and unitized fixed.
- **Rebalancing within rebalancing.** The policyholder's pension allows them to choose an investment strategy consisting of different fund groups. Within the fund groups, the policyholder may choose specific funds. Rebalancing occurs in two levels: between the fund groups and between the funds within the group.
- **Dollar cost averaging options (DCA) with multiple rollovers and different options.** Annuity carriers can provide a check box that would instruct OIPA to override the normal DCA program processing and use an alternate program processing configured.
- **Complex indexed funds using a blend of indexes.** S&P, Dow Jones with percentages taken from each index.
- **Hybrid indexed/variable products.** OIPA is able to track and administer the funds for products with indexed, variable funds and a fixed fund.

KEY BENEFITS

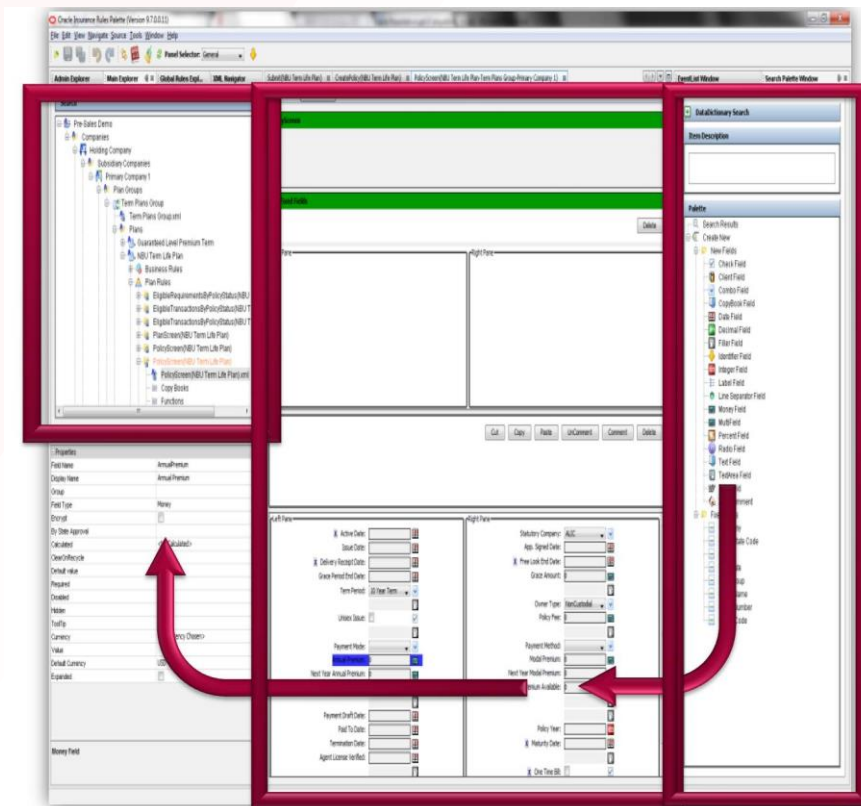
- Bring new products to market faster through collaborative product development
- Leverage a single system to support multiple lines of business
- Cut operational costs by configuring business rules without changing your source code
- Increase product development flexibility using configurable business rules
- Support compliance through detailed audit trail of every transaction
- Enhance sales channels and ability to service customers through real-time access to policy data
- Rapidly scale up or down to support evolving business needs
- Leverage deep domain and technical expertise of Oracle Insurance team

- **Combination index funds.** OIPA supports combination of an index-based rate and a fixed declared rate.
- **Complex surrender charges.** OIPA offers surrender charge calculations, including by product, tracked by deposit date, and based on policy duration.
- **Redemption fees.** OIPA comes with a preconfigured rule to handle redemption fees.

DRAG AND DROP TO CREATE BUSINESS RULES

Designing first-rate customer experiences starts by giving your customer service representatives the right tools. Oracle Insurance Policy Administration's Rules Palette is a visual configuration tool that enables you to define and customize your rules with easy drag and drop functionality. You can add your unique requirements to your rule sets, optimize user interfaces, or simply decrease the number of user interfaces—all without knowing XML or having a programmer's technical expertise.

The Rules Palette



The Rules Palette comes with many built-in tools including:

- **Data dictionary.** Configure math variables and fields for your products and keep naming conventions consistent when cloning products
- **Debugger.** Debug, fix, and retest your mathematical calculations within the palette before moving to the next environment

KEY FEATURES

- Highly flexible, rules-based engine to support configuration, separate from source code.
- Prebuilt annuity templates for faster product development
- User-friendly rules palette lets you drag and drop to configure business rules
- A task management solution enabling users to become more productive
- Product cloning capabilities enable users to reuse rules and components
- Calculation engine and integrated debugger validates calculations and formulas for reuse
- Full traceability of data with comprehensive audit trail
- Able to handle large volumes up to 100 million policies
- Release management tool provides visibility and control of rules migrations and standards
- Multilanguage and multicurrency functionality to comply with localization requirements
- Web-based access to policy in real time

EQUIPPED FOR COMPLIANCE

A documented audit trail can be extremely useful to comply with market conduct audits. Oracle Insurance Policy Administration Solution for Annuities stores all transactions, including reversals, and provides full traceability of that data. Security access is both role-based and defined by configuration, automatically recording check-ins and check-outs associated with each transaction.

INCREASED PRODUCTIVITY

Oracle Insurance Policy Administration includes a configurable Workflow Task Management functionality enabling users to become more productive. This feature allows users to set up a workflow for creating and completing tasks associated with policies, policy activities or clients. These workflow tasks are organized into queues based on user's role and allow for control over who works on tasks and how they work on them. With the Workflow Task Management feature, users can access the tasks and work on activities, policies, applications, clients and fulfill requirements quickly.

COST SAVINGS ALL AROUND

Oracle Insurance Policy Administration enables annuity carriers to reduce costs in multiple ways:

- Eliminate the unsustainable maintenance costs of legacy systems by consolidating multiple existing systems into OIPA.
- Reserve your IT resources for more substantial technical work. Nontechnical staffers can easily make changes in OIPA without having to customize the source code.
- Straight-through processing eliminates errors, manual intervention, duplicative work, and delays.
- Go paperless and dramatically reduce your supply and postage expenses.

ORACLE'S PROVEN TRACK RECORD

Oracle's \$350 million investment in core insurance applications continues to strengthen its insurance industry experience and implementation expertise. The world's leading annuity carriers rely on Oracle Insurance Policy Administration Solution for Annuities to drive speed to market, cultivate product innovation, and reduce total cost of ownership.

Equip your organization with the most flexible and comprehensive system of its kind: Oracle Insurance Policy Administration. Prove to regulators that you're following compliance requirements. Prove to your customers that you're putting their needs first. And prove to your competitors that your company will lead the annuities market.

ANNUITY PRODUCTS AND RIDERS IN PRODUCTION ON ORACLE INSURANCE POLICY ADMINISTRATION

- Deferred fixed annuities
- Immediate annuities
- Variable annuities
- Group annuities
- Payout annuities – deferred and immediate (individual)
- Payout annuities – deferred and immediate (group)
- Fixed annuity with market value adjustment and index crediting
- Variable payout annuities with liquidity
- Guaranteed minimum death benefit rider
- Guaranteed minimum withdrawal benefit rider
- Guaranteed minimum account balance rider

"Oracle's talent for enterprise application development and support is strongly evident in the transformation of the Oracle Insurance Policy Administration solution. Most evident is the expansion of features, particularly across the policy lifecycle category that displays Oracle's ability to listen to the insurance market and respond effectively."

CEB TOWERGROUP

RELATED PRODUCTS

- Oracle Documaker Enterprise Edition
- Oracle Business Intelligence Enterprise Edition
- Oracle Business Process Management

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