Insurance
the way we do it

Policy Administration Transformation

Capgemini helps insurers drive business value with a transformational end-to-end solution centered around Oracle Insurance Policy Administration

Insurers have been challenged recently by a variety of forces such as regulatory change, declining market for investment products, and evolving customer demands and behaviors resulting in new products. Companies are making key business decisions to rapidly deliver profitable and compliant products, expand and align distribution channels to serve new and existing markets maintain cost effective operations, and drive customer satisfaction and loyalty. At the same time, insurers must comply with capital and risk regulatory requirements including Solvency II and RDR.

As a result of these pressures, insurers are taking a hard look at key drivers for business success: agility, total cost of ownership, higher return on investment and sustainable competitive advantage. The changing environment brings new opportunities that require a well defined and proactive business response. Traditional players must adapt and transform into innovative, customer-centric insurers of the future, enabled by adaptive policy administration systems that turn business strategy into technology enablement.

For more information on Capgemini’s approach to calculating cost per policy please read Business-driven Policy Administration Transformation from Capgemini and Oracle available at www.capgemini.com/insurance.
Insurers spend a large amount of money to maintain existing legacy systems—mostly policy administration systems. Carriers often have multiple policy administration systems, each of which serve different lines of business or meet various business needs. Insurers today need to reduce the number of systems or consolidate onto a single platform to compete in a fast-paced, customer-centric market. Capgemini recognizes the importance—and risks—of replacing your current policy administration system so we have developed a unique and proprietary approach to reduce risk and provide commercial certainty for your future state.

Looking at your business before technology
When transforming policy administration systems, insurers usually look at the systems in place to compare features and functionality. But before discussing software features, it’s important to evaluate the businesses supported by your policy administration systems using a business—not technology—approach.

To aid in this analysis, Capgemini created a proprietary calculation model to help determine the cost per policy for your current systems and benchmark it against a future state, consolidated system using Oracle Insurance Policy Administration (OIPA). By looking at the various parameters that can effect cost per policy, you can better evaluate and select the right path to reduce your cost of ownership—whether it’s sunsetting current systems, migrating to Oracle Insurance Policy Administration, or outsourcing. We have used our model with several insurers and showed a 38% improvement in the total cost of ownership.

We work collaboratively with your team to derive a cost per policy calculation that works for your business. Capgemini has invested in people, methodologies, frameworks and tools—formalized in an Oracle Insurance Policy Administration Center of Excellence—to successfully deliver a next generation policy administration solution which:

- Has been tested and proven in over 25 real-world implementations
• Addresses requirements for global reach without losing local focus
• Is highly ranked by independent analysts like Gartner and Celent
• Uses a state of the art architecture which supports next generation platforms like service oriented architecture (SOA)

End-to-end services to meet the unique needs of insurers
Capgemini can implement and configure your OIPA platform and components from start to finish, performing the services you need from policy migration and integration to application management support:
• Project management office (PMO) services including reporting, governance and management with PMI certified specialists using our proven frameworks and tools
• Testing services including functional testing, automation or test management performed by test professionals who specialize in insurance systems. Capgemini has over 2,000 testers devoted to financial services
• Process improvement services including business process management and assessment from domain specialists in insurance.
• Business analysis services including experienced business analysts who have worked on multiple policy administration implementations using Capgemini’s proprietary reference model.

Capgemini’s proprietary delivery framework speeds your transformation
Replacing a policy administration is a true business transformation, impacting business processes and people from policy acquisition to reporting. Especially important for life insurers is the product focus. Our services include support for your

Capgemini’s delivery methodology for Oracle Insurance Policy Administration focuses on four key areas

full transformation from planning and analysis to change management. Capgemini can help you:
• Achieve a smooth transition of policy administration functions to existing or new components, including the policy administration components on OIPA
• Lower the policy migration effort through extensive analysis using a propriety toolset and methodology which helps create scenarios for each block of business
• Implement OIPA using assets and experience gained executing multiple policy administration transformations. We have proven, proprietary accelerators for process design, use cases and test cases
• Manage your OIPA platform going forward using our OIPA Center of Excellence

World Insurance Report

The World Insurance Report from Capgemini and Efma focuses on key trends. In 2009, we looked at multi-distribution maturity, challenges and leading practices. Based on research from 59 interviews with senior executives from leading global insurers and 2,250+ distributor surveys, the report uses data from 17 countries.
Our approach and methodology includes tools, accelerators and cost transparency

Capgemini’s integration methodology is driven by business and IT principles and requirements and focuses on services and their interfaces to support SOA. Our methodology lets you automate and expedite the analysis and integration of system interfaces by at least 60% while supporting batch and real-time interfaces and includes:

- Toolkits and templates for interface analysis, assembly and generation
- ESB service registration, subscription, and discovery
- Content-based message routing and orchestration
- Common Services Framework utility management: notification, logging and error-reporting for ESB
- ESB components to execute common business and technical processes
- Distributed transactional integrity reporting and monitoring
- Dashboard for monitoring system state and data flow

Making integration easy
Capgemini has an integration framework tool which contains templates for capturing interface structure and specifications. The tool lets you generate code in Java, components for Spring and Hibernate, ESB services, and database entities—all based on the template data. Our tool also manages policy data by providing data translation, segmentation, mapping and enrichment. To support robust testing efforts, the tool lets you auto-generate test cases and synthetic data for functionality and stress testing.

At the end of the project, your company will have a fully implemented policy administration system that satisfies business requirements. Capgemini provides the enterprise architecture artifacts—such as logical, physical and hardware models—and a catalog of interface specifications and mappings to manage your new solution.

Consistently converting over 99% of your transactions
Capgemini’s proven conversion tools take the worry out of your policy conversions. We have three distinct tools to support your conversions:

- Data Traveler: Analyze, scrub, map, translate, program and test data that is converted from one system to another.
- Plan/Modification Analysis (PMA): Support the process of determining and establishing all of the converted products and associated product features that must be supported in the target system
- Conversion Verify: Used to perform hundreds of edits to check data consistencies within the target system database fields

We’ve used these tools and our proven conversion methodology to successfully convert 50 to many thousands of policies.

For more information, contact us at insurance@capgemini.com.

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About Capgemini and the Collaborative Business Experience

Capgemini, one of the world’s foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, called the Collaborative Business Experience.

Backed by over three decades of industry and service experience, the Collaborative Business Experience™ is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and collaboration-focused methods and tools. Capgemini utilizes a global delivery model called Rightshore® which aims to offer the right resources in the right location at competitive cost, helping businesses thrive through the power of collaboration.

Capgemini reported 2009 global revenues of EUR 8.4 billion and employs over 90,000 people worldwide.

More information about our services, offices and research is available at www.capgemini.com.

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