Robert Schwartz / Anja Volkenandt
Agenda

SAP for Life Insurance Companies

Value Proposition

Demo
Key Issues for Life Insurance Companies

“key technology elements [of policy administration]
■ straight through processing
■ flexible, tools-based configuration…”

“Insurers require flexible systems to manage increasingly complex compensations models.”
– TowerGroup, June 2007
Annuity Processing: Still a Bastion of Inefficency

“…carriers need to find a way to differentiate themselves and thus create a competitive edge. Accomplishing this goal requires the use of technology to save time and administration overhead.”
– TowerGroup, June 2007
Annuity Processing: Still a Bastion of Inefficency

“…need for greater industry oversight and transparency… to establish replicable enterprise controls for more effective data integration and replicable processes.”

“New product drives sales”
– Datamonitor, Q1 2007
Global Insurance Technology Business Update
Value Chain for Life Insurance

Primary Activities
- Product Development
- Sales and Distribution
- New Business/Underwriting
- Customer Service
- Life Claims & Annuity Benefits
- Investment & Risk Management

Support Activities
- Business Partner Management
- Billing and Payments
- Reinsurance, Actuarial, Document Management
- Human Resources, Financials, Treasury, Procurement, Legal and Compliance
- Technology Platform

SAP Offerings Certified SAP Partners
New Business Individual Life
New Business Individual Life

Underwriting
- Issue Policy

Commission
- Commission Contract
  - Commission Case
  - Commissions Calculation
    - Post commission results
      - Calculate Target Agreement and Bonuses
        - Settlement
          - Correspondence
  - Participants Determination
    - Payout commissions

Business Partner

Payment
Life Insurance Products Templates

- Fixed and Term
  - Term Life
  - Whole Life
  - Universal Life
  - Accidental Death
  - Occupational Disability

- Variable
  - Variable Life
  - Variable Universal Life

- Annuity
  - Immediate Annuity
  - Deferred Annuity

Enhancement of sample products for a faster implementation.
Continuous Development and Improvement

Basis

Life

Fixed & Term

Variable

Further Internationalization

*Note: Release Plan may change without prior notice
SAP for Life Insurance

Sales & Distribution
- Agent Portal
- Sales Management
- Commissions
- Customer Service
- Illustration

Core Business
- Product Development
- New Business/Underwriting
- Policy Administration
- Billing & Payments
- Reinsurance
- Investment & Risk Management
- Life Claims & Annuity Benefits

Back Office
- Human Resources
- Financials
- Treasury
- Procurement
- Legal & Compliance

Business Partner Management

Technology Platform
ESOA is at the Core of SAP’s Vision

Flexibility

Front-end and multichannel

Collaboration and process management

Stability

Business functionality and enterprise services

Role-specific Optimization

Enterprise Services Repository

SAP: Generic and FS-specific Components

ESOA is at the Core of SAP’s Vision
Enterprise Services establish a common and stable service contract between business and IT, while allowing "strategic decoupling".

Business Strategy

Business Intent
- Create Illustration
- Process New Business
- Underwrite
- Bind & Issue

IT Implementation
- Create_Application
- Check_Customer
- Check_Risk
- Create_Policy
- Create_Reserve

IT Strategy (Optimize)
Agenda

SAP for Life Insurance Companies

Value Proposition

Demo
Value Proposition for Life Insurance Carriers

**Business Value**
- Configurable system
- Reduce product development cycle time
- Increase speed to market
- Straight through processing
- Improve data integrity
- Lower cost of ownership

**IT Value**
- Reduce integration cost
- Eliminate data redundancies
- Reduce maintenance cost
- Simplify application landscapes
- Reduce training cost
Life Insurance Companies Run SAP
“SAP has developed applications specifically for the insurance industry, which we believe will enable us to achieve our internal goals and gain a competitive advantage.”

Mitchell Graye, Executive VP and CFO
Great West Life & Annuity Insurance
Agenda

- SAP for Life Insurance Companies
- Value Proposition
- Demo
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