

A man in a blue shirt and tie is sitting at a desk, holding a red pen over a document. The image is split into two horizontal sections. The top section shows the man's face and upper torso, and the bottom section shows his hands holding the pen over the document. An orange banner is overlaid on the top section.

Creating a Data-Driven Advantage in Insurance

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When You Know More, You Can Do More

Teradata has more than 30 years of experience working with business and government leaders, creating and implementing data-driven solutions with the flexibility and scalability to effectively handle changes now and in the future. Teradata solutions and applications transform big data sets into actionable knowledge and valuable insights. Teradata delivers complete, best-of-breed solutions that include data platforms, discovery platforms, integrated data warehouses, analytics, and marketing applications.



What Would You Do If You Knew?

As the regulatory environment grows more onerous, the frequency and severity of natural and manmade catastrophic events increases, economic turmoil and market uncertainty persist, and competition continues to become fiercer, there is no shortage of challenges facing life and property/casualty insurance companies. On top of those challenges are distribution channels that can be expensive and difficult to manage and a multitude of tech savvy customers with increasing convenience needs and wants.

Adding yet another layer of complexity is the unprecedented explosion of data and the need to align the appropriate technology with business needs to understand, adapt to, and identify opportunity in this rapidly changing world. In the face of these emerging pressures, insurance companies are reassessing how they manage information assets and deploy advanced analytics to build data-driven businesses for competitive advantage.

While data relating to sales and distribution, customers and marketing, claims, actuarial and risk, finance and investments, and IT that streams into departmental and corporate databases every day holds the answers, analytics unlocks them—uncovering new questions that lead to new insights to make the right decisions at the right moment, empowering the actions that produce more amazing outcomes.

Amazing Outcomes Start Here



These amazing outcomes in insurance start with collecting, unifying, and analyzing all of the data that surrounds your company to enhance customer and agent engagement across channels, provide more holistic underwriting, optimize risk management, drive financial consistency, and increase claims efficiency.

However, many carriers are still grappling with entrenched back-end legacy IT systems that inhibit analytics and business benefits. Upgrades to these systems or system replacements are often challenging and consume valuable resources. The explosion of big data—which refers to the tremendous volume, velocity, and variety of data types—combined with new technologies to manage big data, such as Apache™ Hadoop,® and cyber security issues to protect data and customer information, add to the IT challenges.

In a very real way, many insurance companies have extremely limited visibility when attacking these challenges. Each discipline—underwriting, marketing, actuarial, claims/SIU, finance, field/distribution management, etc.—have their own dedicated or “stovepiped” databases and their own understanding of data. The lack of data governance and a complete view of the business means decisions are made based on incomplete data and limited information. Insurance is all about managing risk, which requires having as much information as possible.

Time for a New Approach

Harnessing and analyzing massive data volumes that accumulate with breathtaking speed using one central repository form the foundation to put new data-driven insights to work. Users across disciplines can still answer their subject-specific questions, but they now have access to data from related functions. The result: Their questions can be more sophisticated and cover a broader enterprise scope, so they see opportunity instead of obstacles.

A new data-oriented approach does not mean starting from scratch. The goal is to leverage your existing ecosystem and capabilities, providing an integrated approach to harness all your internal and external data and embrace data reuse to speed time to market and improve operating expenses.

Evolving the information management ecosystem will enable the ability to make vast amounts of external data relate to internal data—to rapidly analyze information without IT intervention—to drive action and results.

From Insights to Action: The Data-Driven Transformation

Data-driven organizations excel at capturing, accessing, and analyzing all forms of data to extract intelligence. Teradata helps the world’s leading insurance companies transform data into insights that lead to greater knowledge about customers, agents, financials, and risk. By pairing customized insurance analytics with real-time business needs, Teradata empowers carriers to know, predict, and manage impacts, events, needs, and wants to realize exceptional results across the enterprise.

When data is treated as a strategic asset, organizations can transform to be analytics driven to use data to gain a competitive advantage. For insurance companies, there’s great wealth waiting to be tapped in a diverse range of data relating to sales and distribution, customers and marketing, claims, actuarial and risk, finance, and investments.

Teradata in Insurance

Many of the world’s most successful insurance providers (L&H, P&C) choose Teradata to lead their way to a better understanding of their business and their customers, because they know Teradata delivers proven value with the lowest risk. Teradata is:

- Utilized by 3 of the top 5 P&C writers
- Ranked at the top of Garner’s Magic Quadrant quarter after quarter
- Recognized in the industry for superb analytics in customer retention, opportunity identification, and risk mitigation



The Analytics Advantage

Teradata helps enterprises know more about their customers and business so they can do more of what really matters, better and faster than any alternatives. By unlocking the potential in diverse data, Teradata empowers insurance companies with a number of new capabilities. These capabilities and examples of how these capabilities can be used include:

- **Risk management analytics** – identify and mitigate emerging risk with an exposure management strategy.
- **Data-driven finance** – create a more agile enterprise to analyze and drive timely decisions through data integration and proactive analysis, including redefining core financial processes.
- **Claims and fraud analytics** – improve service and settlement provided to catastrophe claimants through faster assignment of appropriate adjuster skills at first notice of loss.
- **Underwriting and pricing analytics** – standardize pricing across an acquired book of business.
- **Customer analytics** – understand customer demographics and develop products and services to meet the changing customer profile.

- **Data-driven marketing** – use a 360-degree view of the customer to improve relationships, enhance customer knowledge, customer service, and customer communications.
- **Next generation analytics** – join leading companies in exploring digital and mobile opportunities, telematics, SAS in-database processing, and more.

Through these unique and powerful analytics, newfound knowledge can be applied in meaningful ways to deliver significant value in five primary areas:

Improve Customer and Agent Engagement Across Channels

Identifying the most relevant/high profile customers that should be contacted by an agent that day—to address policy reviews or policy rate increases—allows agents to focus on the activities that will drive the best outcomes and best customer service.

Increase Efficiency in Claims Settlement, Reduce Expenses and Fraud

Understanding which adjusters are best suited to handle a claim (based on claim severity, adjuster experience, and skill sets) enables more efficient claims triage, so the claimant can be contacted sooner for better settlement

outcomes and customer service. Analytics can also identify which claims are most likely to be fraudulent. The goal is to identify these claims at the first notice of loss and assign them to an investigator before the claim is paid. Better insight into the details of the causes of loss can be used to identify emerging claims trends faster, which can result in mitigation activities and policy and coverage changes.

Provide More Granular, Holistic Underwriting

Identifying and capturing more details about the risk (demographics, location, etc.) can enable insurance companies to better segment risks to offer better pricing and services for that risk. This ability can open up additional opportunities for market segments and product offerings.

Drive Financial Consistency and Optimization

Analyzing all financial transactions and components can allow greater reconciliation and a faster cycle of financial analysis. Unlocking the power of data also provides the ability to understand all of the components of premiums and expenses (including taxes, surcharges, and fees).

Optimize Risk Management and Compliance

Seeing risk concentration and exposure across product lines and territories delivers a full picture of risk exposure, including market, operational, and credit risk. This detail can also be used to support reinsurance and regulatory reporting.

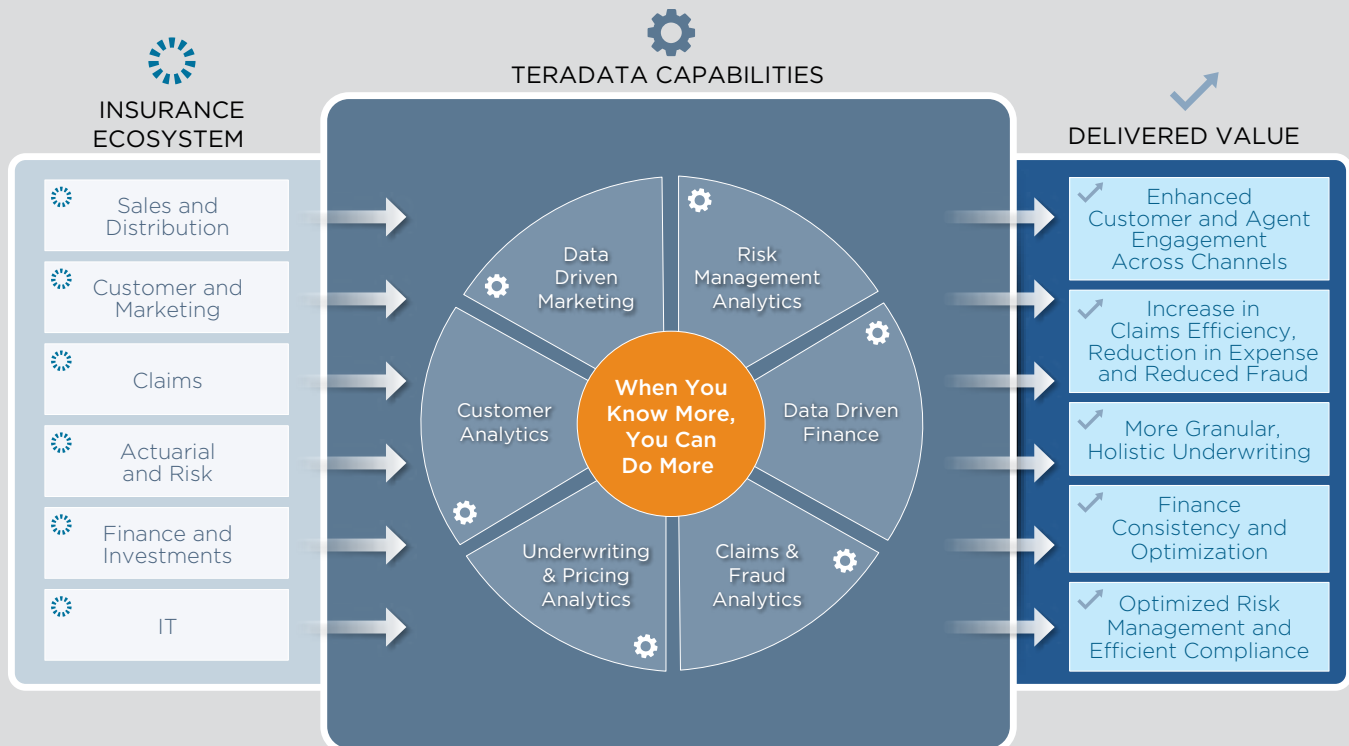
Tap Into the Teradata Advantage

Teradata's insurance solutions are built upon the world's leading analytic data platform ecosystem, marketing and analytic applications, and consulting services. Our integrated solutions are engineered to analyze massive amounts of data in microseconds, yet designed for everyday use by the broadest constituency of business users.

Professional Services

Best practice advice from Teradata experts who have completed 30+ years of successful implementations, including proven data models and vetted processes. Services include business consulting, architecture and implementation, and optimization and management.

Teradata Framework for Creating a Next Generation Analytics Advantage



Analytic Data Platform Ecosystem

The world's most scalable analytics platform for structured, multi-structured, and big data analytics through integrated and shared data environments (Integrated Data Warehouse) and the integrated Teradata Aster Discovery Platform. The discovery platform makes it faster and easier for a wider group of users to generate powerful, high impact business insights from big data. Rapid discovery analytics deliver iterative exploration using a variety of analytic techniques to support dynamic decision making. The Teradata Unified Data Architecture™ is a comprehensive enterprise approach that seamlessly integrates multiple technologies into a cohesive and hybrid architecture for all data, data processing, and analytic needs.

Marketing and Analytic Applications

Build stronger customer experiences and boost sales by consolidating every element of your data-driven marketing program—including processes, resources, campaign financials, performance analytics, and even digital messaging templates—in a single application, on-premise, or in the cloud.

Data Models

Teradata's Financial Service Data Model (FS DM) is an integrated, cross-functional model that provides an enterprise-wide view of data—a comprehensive, flexible blueprint of how data within a company is organized. It provides structure across multiple business areas. The Teradata FS DM is easily extended as business grows to avoid costly re-designs.

Different by Design

From the very beginning, Teradata has focused on helping businesses use data analytics to make the best decisions and make a difference in their world, and that focus makes us unique in the industry. Teradata solutions are designed differently to analyze information better and faster. The pursuit of knowledge is our passion, and no company is more passionate about data-driven analytics than Teradata. It began when we introduced Teradata Database—the world's first parallel database designed to analyze data rather than simply store it. And it continues in our commitment to lead the industry with new innovations and new technology—a commitment that has consistently earned Teradata some of the industry's highest accolades:

Gartner Magic Quadrant Leader

- Data Warehouse Database Management Systems
- Multichannel Campaign Management
- Integrated Marketing Management
- Marketing Resource Management

Forrester Wave™ EDW Platforms

- “Teradata provides the most scalable, flexible, cloud-capable Enterprise Data Warehouse in today's market.”

Forrester Wave™: Big Data Hadoop Solutions Leader

- Forrester notes Teradata creates a unique, high-performance Hadoop appliance that few other vendors can match.



Unlock New Opportunities to Know More

By unlocking the potential in diverse data, Teradata empowers insurance companies with a wide range of new capabilities that impact many areas.

Key Business Processes	Business Improvement Opportunities				
Distribution Management	Channel Strategy Rationalization	Channel Usage, Preference & Profitability	Channel Management, Recruitment & Retention	Sales Reporting & Performance Analysis	Channel Communications
Claims Management	Claim Payment Management	Salvage Recoveries	Catastrophe Management	Claim Service Provider/Vendor Management	Claim Service Satisfaction
Operations Management	New Business Processing	Policy Admin Analysis	Underwriting Risk Analysis	Fraud & Abuse	Customer Service Management
Risk Management	Capital Management	Performance Management	Investment Management	Reinsurance Optimization	Risk Management
Customer Management	Customer Communication Strategy	Customer Growth	Product & Customer Alignment	Customer Acquisition	Customer Retention
Finance & Performance Management	Financial Reporting & Analysis Improvement	Financial Process Optimization	Enterprise Performance Management Enablement	Operational Analysis & Reporting Enhancement	Consistent Compliance Infrastructure Assurance
Information Management	Enterprise Data Architecture (DMC)	Data Quality & Stewardship	Privacy & Data Security	Business Continuance	Accessibility & Performance



Managing Big Data



Organizations across all industries have more data than ever before, and the volume of data continues to grow exponentially. The potential of big data lies in tapping into tremendous amounts of transactional data (e.g. structured) and new digital data types (e.g. multi-structured, which could include weather data, telematics, text analytics, social media, etc.). Insurance companies are looking for cost-effective ways to capture the value of the big data “avalanche”—extraneous data and new data types that were previously often discarded due to cost, scale, or processing limitations. Apache™ Hadoop® has emerged as the cost-effective, next-generation data

management platform to capture, refine, explore, and integrate multi-structure data within the enterprise.

The Teradata Portfolio for Hadoop is a flexible suite of products and services that integrates Hadoop into a Teradata environment and across a broader enterprise architecture, while taking advantage of world-class Teradata service and support.

For more information, contact your Teradata representative or visit Teradata.com/healthcare.

Better Insights Lead to Amazing Outcomes

Teradata helps many of the world’s most successful insurance companies transform data into insights, which leads to amazing outcomes:

Data-Driven Marketing Yields \$276 Million in Additional Premium

A major insurance company wanted to avoid cancelations due to premium changes and match coverage with customer needs. Using a Teradata platform, the carrier identified the most effective agent activities to retain preferred customers. Previously, agents did not really know who their high value customers were and which activities would have the best results, because the data was not there to support such advanced analytics.

With the new data-driven marketing solution, agents could now prioritize their activities to focus on more valuable customers. At times, this simply meant agents would reach out to a customer who was about to see a significant premium increase, before the bill was sent. This proactive contact helped improve customer retention and increased premiums through cross-selling and policy coverage reviews, and also resulted in greater agent satisfaction. The financial impact: \$276 million in additional premium.

Standardizing Pricing across an Acquired Book of Business

Following a merger with a smaller insurer, a top-five carrier wanted to integrate the acquired insurer’s

auto policy system into its existing system. The insurer recognized the opportunity to realize significant cost savings, but each company’s applications were custom-built and did not share common values or process data similarly. Using its existing Teradata Integrated Data Warehouse, the insurance company combined eight years of auto-related customer and policy history, enabling more than 4,000 users to rate and re-rate auto products in response to customer need and a fluctuating market. Users can query agent data and product or policy data at any level of granularity, view data in tables, graphs, and summaries, and review individual policy details. They also have a year-to-date or 12-month format to view data and prior year comparisons.

The results include:

- Reduced report time to 4 to 45 seconds, rather than days or weeks
- Realized a productivity improvement of 20 to 30 percent
- Eliminated requests for manual policy audits, which saved major time and money for business and technology teams
- Allowed for better cross-sell opportunities and richer analyses

10000 Innovation Drive, Dayton, OH 45342 Teradata.com

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