



FINEOS InfoMatters - Information that Matters to the Global FINEOS Community

Welcome to the fourth quarter 2008 edition of FINEOS InfoMatters, our regular update of news and events for the Global FINEOS Community.

As we come to the end of 2008, we look back on what has been a very busy and exciting last quarter for FINEOS. We held our annual FINEOS Claims® Global Summit in Boston in November which was a great success. This year's event was attended by representatives from over 20 organizations from the USA, Canada, Australia, New Zealand, Europe and Africa.

We also announced two successful client go-lives at the Principal Financial Group and QUINN-Insurance. Principal Financial Group in the US has extended their use of FINEOS Claims from purely individual disability to group disability lines. FINEOS Claims will be used by 600 QUINN-Insurance employees in Ireland to manage claims for QUINN's private motor lines. The second phase of this project will see the expansion of FINEOS Claims to cover commercial lines and home insurance.

We look forward to working with you in the new year. To the right of this article, you can see a list of upcoming shows that we will be attending. Please let us know if you will be at any of these events, as we would like to arrange to meet you there.

Lastly, in this edition of the newsletter we are continuing the new feature, the Claims Corner. We hope you enjoy these updates, and we'd like to hear from you regarding topics you would like to see covered in upcoming editions. Simply email us topic suggestions at info@FINEOS.com.

Please enjoy the fourth quarter 2008 edition of FINEOS InfoMatters. We hope you have a safe and happy holiday season and a prosperous new year!

DECEMBER 2008

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Come See Us!

If you plan on being at any of the industry events listed below, please contact us to arrange a meeting.

Effective Claims Management in Insurance
26 - 27 February, Amsterdam

Eastern Claims Conference
1 - 3 March, New York, USA

JHA Dynamics of Disability Conference
4 - 6 March, Bonita Springs, FL, USA

FST Technology & Innovation for Insurance
26 - 27 March, Sydney, Australia

3rd Annual Technology & Innovation - The Future of Insurance & Wealth Management
7 - 8 April, Sydney, Australia

NDEDIC Annual Conference
5 - 9 May, Phoenix, Arizona, USA

Midwest Claim Conference
6 - 8 May, Lake Geneva, WI, USA

ACORD LOMA
17 - 19 May, Lake Buena Vista, FL, USA

QUINN-Insurance Goes Live with FINEOS Claims

QUINN Insurance FINEOS announced that QUINN-Insurance, the second largest property & casualty insurer in Ireland, has gone live with its FINEOS Claims solution. FINEOS is now providing comprehensive enterprise claims management for QUINN's private motor lines and will be used by 600 employees at QUINN's insurance operations in Ireland. The second phase of the project will see the expansion of FINEOS Claims to cover commercial lines and home insurance.

Colin Morgan, General Manager at QUINN-Insurance, welcomed the go-live of the project. "FINEOS Claims will deliver improved efficiencies in claims processing which in turn helps us deliver greater value to our customers. FINEOS will support our future growth plans by enabling us to drive a more efficient claims process to manage reserves and deliver customer satisfaction."

In the high claims volume insurance industry, particularly for motor claims, it is critical that insurers can process more claims faster and with greater accuracy. FINEOS Claims enables QUINN to automate its claims process and reduce administrative costs.

FINEOS was selected by QUINN following an evaluation of software solutions available for general insurance (property & casualty) claims processing. FINEOS' general insurance expertise and track record of delivery in the sector were key factors in the selection. QUINN was also confident that FINEOS was best placed to meet the aggressive timeframes it set for the project.

"We are delighted to have QUINN on board as a live client. The project timescales were aggressive but both companies worked well together to drive a focused and successful implementation."

Michael Kelly, CEO, FINEOS Corporation

About QUINN Insurance

Since being established in 1996, QUINN-Insurance has transformed the Irish insurance market by driving down the cost of insurance in Ireland and has gained a reputation for value, customer service and innovation. QUINN-Insurance has been the fastest growing insurance company in Ireland over the past 12 years, due to the excellent value products they have provided to their customers. QUINN-Insurance is now the second largest insurer in Ireland. In recent years QUINN-Insurance has expanded its business outside of Ireland and now is a leading insurer in the UK. The Company provides general insurance products including private and commercial motor, health and home insurance, as well as a range of business insurance options, including employer's liability, public liability and property damage. Products are sold over the phone to customers and brokers from purpose built call centres in Ireland and the UK. In addition, the Company's Internet site allows customers to get immediate cover for private motor, home and commercial motor insurance. The Company has over one million customers who have come for excellent value and top quality customer service. QUINN-Insurance Limited is regulated by the Irish Financial Regulator.

For more information, please visit www.quinn-insurance.ie.

Principal Financial Group Extends FINEOS Claims to Group Disability Insurance



FINEOS announced that the Principal Financial Group® has recently implemented FINEOS Claims to manage its group disability insurance (DI) and group life insurance claims and payment processes. The Principal® has been using

FINEOS Claims since 2005 to manage individual DI claims and this additional implementation brings the number of live users at The Principal to 300.

Cindy Ford, Assistant Vice President of Claims at The Principal, said, "With our successful delivery of group Life and DI claims, we believe that our joint Specialty Benefits and FINEOS project teams have delivered the right solution for The Principal. We are focused on providing best-in-class claim service, while managing costs through the use of efficient and effective processes. As implemented, FINEOS Claims supports these efforts, and provides a powerful rules management capability that offers us the flexibility and agility we need to quickly adapt to the changing business environment."

The enhanced functionality offered by FINEOS Claims delivers efficiency gains, including:

- Document upload features and print-to-mail functionality
- Auto calculation of key dates and benefit payment amounts
- Ability to establish a case strategy through the use of multiple tasks and auto-generating tasks
- Repetitive pay feature for Short Term and Long Term Disability
- A consolidated view of claimants who may have multiple products with The Principal, including Short and Long Term Disability, Individual Disability, Life and Life Premium Waiver.

"FINEOS Claims fits nicely into our overall IT Strategy", commented Doug Fick, Vice President & CIO, Specialty Benefits. "We have effectively interfaced the FINEOS Claims application with our downstream claims-related systems, including accounting, print-to-mail, check-draft and reserves. In addition, the system consolidates all benefit payment data, and manages and processes payments so that management has a comprehensive, real-time view of benefit payment activity. Moreover, FINEOS Claims, with its Rules Manager functionality, has helped to streamline our ability to bring new products to market. By intelligently routing and monitoring tasks, FINEOS Claims helps us manage standard work practices and improve the capture of data for analysis of trends, plan designs, risks etc."

According to Michael Kelly, CEO, FINEOS Corporation, "FINEOS has enjoyed a long relationship with The Principal and this is a major milestone for both companies. This project builds on the individual DI project and extends our leadership position within North American DI claims management technology."

About Principal Financial Group

The Principal Financial Group (The Principal) is a leader in offering businesses, individuals and institutional clients a wide range of financial products and services, including retirement

and investment services, life and health insurance, and banking through its diverse family of financial services companies. A member of the Fortune 500, the Principal Financial Group has \$308.0 billion in assets under management and serves some 19.0 million customers worldwide from offices in Asia, Australia, Europe, Latin America and the United States. Principal Financial Group, Inc. is traded on the New York Stock Exchange under the ticker symbol PFG.

For more information, please visit www.principal.com.

FINEOS Announces Successful Global Claims Summit

FINEOS held its annual FINEOS Claims Global Summit in Boston, USA on 5-7 November, 2008. This year's event, sponsored by FINEOS, IBM, Reed Group and Claim Analytics, was attended by representatives from over 20 organizations from the USA, Canada, Australia, New Zealand, Europe and Africa. The Summit is a unique, interactive event for FINEOS clients and partners to come together to share claims best practice and hear how their peers are driving improvements with innovative approaches to claims management.

Feedback from attendees has been excellent, with 85% of responding attendees rating the conference as "Very Good" or "Excellent", with the rest of the ratings being "Good".



Andrew Saunders, CEO, ITSS Group and Fiona Cromarty, Sr. Manager, Claims Systems and Technology, TAC

FINEOS CEO, Michael Kelly said, "This has been a tremendous success for FINEOS. More than ever, insurers will be looking at ways to cut costs by increasing automation and straight-through processing while also focusing on enterprise flexibility and agility. We know that in this challenging economic environment insurers can expect to see an increase in claims. This is why strong claims management is so crucial. It was great to see our clients and partners sharing knowledge with one another and learning from real-world experiences. We look forward to continuing to offer this industry-leading event in the years ahead."

The Summit kicked off with an address from Michael Kelly highlighting recent FINEOS successes in North America, Europe, Australasia and Africa. Since last year's Summit in Chicago, FINEOS has:

- celebrated fifteen years in business
- continued to increase year on year revenues and profits
- grown employee headcount by almost 20%
- won ICT Company of the Year
- invested significantly in R&D
- signed recent deals with four top tier insurance clients
- gone live at over 12 client sites during the past eight months

- released FINEOS Claims Version 6 which has had very positive customer and market feedback
- made significant appointments to strengthen the FINEOS board and the FINEOS team in North America.



Summit attendees from Mutual of Omaha at the Old State House in Boston, MA

This was followed by a keynote address by Gartner analyst, Steve Forte, who discussed the importance of Customer Relationship Management and Customer Experience in the claims process especially given the more challenging economic climate. He also talked about the crucial link between the underwriting process and the claims process, stressing the importance of the information feedback loop between the two groups to ensure better underwriting using claims trend experience.

Andrew Saunders, CEO of ITSS, the IT shared services center for the Transport Accident Corporation (TAC) and Victoria Workcover Authority (VWA) in Melbourne, a combined claims organization of 3,000 people serving the state of Victoria in Australia, gave a presentation on how FINEOS was implemented at TAC in a single phase to replace 19 IT systems with the FINEOS solution. Fiona Cromarty of TAC presented the change management program undertaken by the organization which helped make this project such a huge success.

Andy Albano of Assurant gave an insightful presentation about how Assurant have extracted significant benefits from their FINEOS Disability claims solution. He outlined how the Assurant business team have used the FINEOS configuration tools to deliver crucial productivity gains in throughput over the last four years with zero IT development. He also discussed Assurant's current project to move to FINEOS Version 6. Assurant have been live with FINEOS for over five years and have driven significant process improvement and business change benefits from FINEOS.

Julie Vincent gave a presentation about how Commlnsure, Australia's largest insurer and already a FINEOS Claims for P&C user, implemented FINEOS for new business straight-through processing. The project targeted a team of 400 new business users and since go-live, the FINEOS system has supported 40% extra growth in new business throughput with only a 5% increase in workload.

Dr Presley Reed, Chairman and President of Reed Group, presented some interesting statistics on Disability and Workers' Comp and cited another FINEOS client, the Accident Compensation Corporation (ACC) in New Zealand, as one of the world's top performers in claims management and return to work practice. He also demonstrated how Reed's MDA product integrates with the FINEOS Claims solution.

The second day of the Summit was devoted to updates from FINEOS, including an overview of FINEOS Operations and FINEOS Claims Product Strategy & Roadmap. New functionality and capability enhancements in the recent releases of FINEOS Claims were examined and clients were able to contribute their ideas for upcoming releases. There was also an introduction to FINEOS Claims for Dental, and the FINEOS North America Client Advisory Group (CAG) and FINEOS Government clients met separately after the Summit.



Claims Corner: Improving Customer Service with Technology

by Randall Day,
Head of Claims Solutions,
FINEOS Corporation

FINEOS has presented information recently, both at the Claims Summit in Boston and in industry publications, discussing the increasingly critical nature of customer service in the insurance industry. The immediate reaction of many who have been in the industry for some time may be dismissive. After all, don't all claims departments conduct service surveys and talk about the importance of claims service? Hopefully the answer to these questions is yes. However, today and tomorrow bring new significance to this old topic.

Most companies have traditionally been more focused on financial aspects of their claims as they (obviously) should have been. Most efforts within claims have been geared toward measuring leakage, cutting costs, and improving processes. Not all of these efforts have necessarily been in the best interest of the customer. Too much enthusiasm in the leakage area leads to perceptions of underpayment. Cost cutting may mean cutting jobs which create increased workloads and logjams and processes may be internally vs customer focused, leading to delays and frustrations.

Now this traditionally undervalued aspect of claims handling is at the forefront of attention for some very good reasons. Insurance markets in many western countries are very mature which means organic growth opportunities are challenging. The primary way to grow an insurance company's business today is by taking business from competitors. If price points are comparable, how can this be done? Service becomes a distinguishing factor as customers demand more convenience and access to information. Retaining good customers becomes a priority as it costs seven to ten times more to obtain a customer than it does to retain a customer. Failure to retain a high percentage of customers only further stresses the growth equation.

Technology capabilities such as those provided by FINEOS Claims can help greatly. Business rules take out manual steps, speed up the adjudication process, and allow claims representatives to stay on top of their significant workloads more effectively. The electronic view of the file improves access

to information and allows representatives of the company to provide responses more effectively to customers. Customer Relationship Management (CRM) provides a more integrated view of the customer overall, not just on a claim by claim basis.

Technology isn't the only answer. As a prerequisite, a company must be dedicated to the idea of service and build metrics and surveys to support that goal. However, without fully optimising the claims system, a company can't reach its potential in the eyes of its policyholders.

New White Paper: "How Technology Can Enable Disability Claims"



Claims handling has always been a critical moment of truth for the insurance industry. It is also a costly business to administer. Moreover, disability claims are counter cyclical so effective claims management is more important today than at any point in recent memory. A poor economic or employment environment will lead to increased claim frequency and greater fraud.

This new white paper examines the disability claims process, identifies inefficiencies and suggests areas where improvements could be made to what can be a slow, sometimes confrontational and manually intensive process. It poses questions about the specific issues facing claims handlers. In addition, it looks at how technology can resolve some of these issues and it concludes with an overview of FINEOS Claims for Disability and the benefits it can afford.

To request a copy of this white paper, please send an email to info@FINEOS.com.

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