Teradata Offers Analytical Solution for Insurance Claims Cost Management

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Financial services solution for U.S. and global insurance markets

Teradata, a division of NCR Corporation (NYSE: NCR), has engineered Teradata(R) Behavior Explorer, an insurance-specific business intelligence application, to focus on the claims area of property and casualty companies. When combined with the power of the Teradata data warehouse, it empowers insurance companies to reduce property and casualty claims costs by better assessing and improving claims management.

"In today's fiercely competitive and dynamic insurance market, we believe Teradata Behavior Explorer will enable insurers to manage their claims costs more effectively than their competitors," said Bill Sinn, director of insurance industry marketing at Teradata. "We introduced this application to assist the industry in meeting the challenges of rising losses and to give insurers the necessary information to take actions to change that downward trend."

By running on the Teradata database engine, Teradata Behavior Explorer extends the power, speed and flexibility of enterprise data warehousing. It provides improved decision-making through its agility in analyzing data on the insurance claims life cycle, enabling business users to develop strategies to address areas of concern, and then, measure the effect of those strategies.

Teradata Behavior Explorer provides insurance companies a return on investment through increased customer-claim satisfaction and customer retention. It increases claim recoveries for subrogation, salvage and reinsurance. In addition, it improves performance and effectiveness of distribution and service channels, optimizes service-level performance, productivity and transformation of paper-based reports to an automated decision-support environment.

"Over 75 percent of the premium dollar is used to pay claims. To the extent that insurers can improve their claims costs management, they can improve their loss ratio. Since the loss ratio is the largest part of the combined ratio, Teradata Behavior Explorer can help improve it too," said Sinn.

According to Sinn, the ability to perform "dynamic measurement and management" of claims is critical today because a claims department can see its results instantly at the branch manager's or adjuster's desktop and take action immediately instead of waiting for month- or quarter-end reports or for IT department-generated reports.

Teradata Behavior Explorer helps manage customer interactions and assess the effectiveness and efficiency of claims management through two separate and interrelated modules:

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  * Product View provides analysis of product holdings by customer, product
    and distribution segments.  It provides an overview of claims experience
    by internal profit center, as well as by underwriting company.  For
    example, an insurer may discover that it is experiencing an increase in
    the average automotive physical damage settlement for a particular
    industry.  Underwriting may revise its guidelines to increase
    deductibles for that class or develop a loss-prevention program to
    reduce claims.

  * Transaction View provides channel utilization analysis to determine the
    effectiveness and productivity of its claims service administration.
    Each claim interaction -- new claim reports, payments, closings, reserve
    changes and salvage recovery -- is defined as an "event" to be used to
    profile the behavior of both specific customers and larger customer
    segments.  Claims can analyze the effectiveness of its branches and
    individual adjusters, service centers or service providers.  They can
    then use this information to improve skills, reconfigure offices,
    reroute assignments, or negotiate better contracts with claims service
    providers.
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Teradata has also developed a Claims Costs Business Impact Model to help customers assess the return on investment that can be achieved within their organization by reducing costs through improved claims management.

Access to the Behavior Explorer for claims application and the Teradata warehouse is provided through interactive analysis, standard reports and ad hoc queries. Behavior Explorer is now commercially available to the insurance industry and is backed by Teradata's Professional and Worldwide Support Services.

About Teradata Division

Teradata, a division of NCR Corporation, offers powerful analytical solutions that help businesses drive growth. Teradata solutions include the Teradata database, and analytical applications for customer relationship management, operations and financial management, business performance management and e-business. To learn more about Teradata Division and its solutions, go to http://www.Teradata.com .

About NCR Corporation

NCR Corporation (NYSE: NCR) is a leader in providing Relationship Technology(TM) solutions to customers worldwide. NCR's Relationship Technology solutions include the Teradata(R) database and analytical applications such as customer relationship management (CRM) and demand chain management, store automation systems and automated teller machines (ATMs). The company's business solutions are built on the foundation of its long- established industry knowledge and consulting expertise, value-adding software, global customer support services, a complete line of consumable and media products, and leading edge hardware technology. NCR employs 32,900 in more than 100 countries, and is a component stock of the Standard & Poor's 500 Index. More information about NCR and its solutions may be found at www.ncr.com .

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