

TrueComp® for Insurance

Distribution Excellence Driving Competitive Advantage

TrueComp® for Insurance

Is Your Incentive Compensation System A Strategic Advantage?

"Though we're processing the same amount of data, we have a much faster turnaround time, allowing us to focus on analysis of plans rather than administrative headaches."

Kristi Austin,
Field Compensation Manager,
CUNA Mutual

Is it a strategic tool for focusing channel activity on corporate objectives?

Can it adapt to constant change in roles and hierarchies of agents and broker/dealers?

Can your current system support the push to deploy wealth management strategies?

Is the system flexible enough to motivate cross-selling, up-selling, and comprehensive product bundles across lines of business?

Enterprise Incentive Management (EIM) strategically aligns business activity with corporate objectives. EIM assures that the right objectives are in focus for all agencies, affiliates, and producers while driving market share and overall business success. EIM enables insurance organizations to respond quickly to new market opportunities and adapt to changing business environments.

TrueComp® for Insurance, from the EIM industry leader Callidus Software®, enables insurance carriers to meet these goals by providing a robust, flexible, and highly scalable EIM solution. TrueComp for Insurance extends Callidus Software's flagship TrueComp product by adding insurance industry-specific features to meet the unique product, regulatory, and organizational issues faced by insurance carriers.

Callidus Software Solutions Drive Business Performance



Challenge:

The Effective Distribution of Products

Insurance carriers face many regulatory, product, and risk-based challenges in today's turbulent marketplace, but the greatest challenge insurers' face is the ability to quickly and effectively create and distribute their products. Capturing distributor mind share and access to the market share they control is the key competitive advantage for insurance carriers today. Increasing distributor expectations for carrier speed, flexibility, and service requires carriers to re-examine all aspects of distribution management strategy and operational readiness, especially in the area of Enterprise Incentive Management.

Aligning Incentive Compensation to Corporate Goals

Incentive-based compensation can be a strategic advantage for insurance organizations—but only if it drives business goals. Most often however, insurance organizations are constrained by the complexity of the compensation plans they deploy. This can limit their effectiveness and result in lower-than-expected performance, missed sales, and unrealized profit.

In addition, internally developed incentive compensation systems lack the flexibility to handle the ever-changing field hierarchies, special and ad hoc requests from agents, and validation of producer regulatory compliance. This inability to effectively manage complex compensation requirements makes it difficult for insurance organizations to address the challenges of today's competitive market.

Using EIM, insurance organizations are able to address today's operational incentive compensation issues while providing leverage for strategic advantage tomorrow.

ADDRESS TODAY'S TACTICAL ISSUES Administrative Burden of Variable Compensation	BUILD TOMORROW'S STRATEGIC LEVERAGE Manage Behaviors to Achieve Strategic Leverage
<ul style="list-style-type: none">• Meet the needs of complex and inconsistent legacy compensation plans• Interface with multiple lines of business/technologies• Support distributors' financial services industry-based expectations and meet back-end insurance regulatory and process requirements• Reduce overall costs for a time-critical and intensive process• Effectively manage channels with widely different density of activity	<ul style="list-style-type: none">• Enable rapid entry into new markets and deployment of new distribution strategies• Encourage win-win behavior in the face of distribution transformation (i.e. producer demographics, channel shift/conflict)• Provide a single point of information to management with consistent and accurate product, channel, and market information• Make channel service a strategic differentiator in attracting and retaining distribution partners• Minimize disruption of compensation processes and information flow during mergers, acquisitions, and divestitures



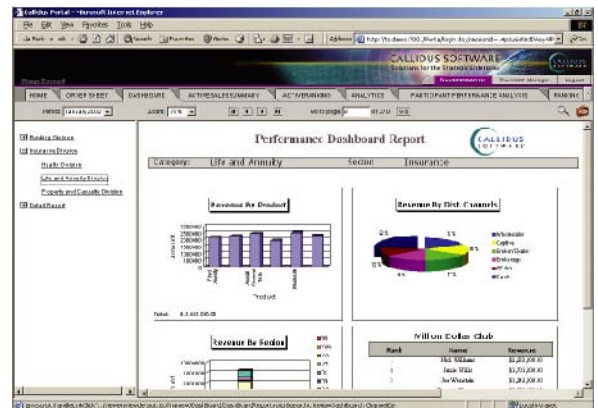
With TrueComp for Insurance, Insurance Organizations Command All Aspects of Enterprise Incentive Management

- Provide scalability and support for changing business climates
- Support high volume of transactions
- Manage complex compensation systems
- Integrate data from a wide range of legacy systems
- Model the impact of compensation plans
- Manage multiple business units and distribution channels through a single, streamlined enterprise system
- Enhance shareholder value through alignment of incentive compensation with corporate objectives

The screenshot shows the TrueReclution software interface. At the top, there is a search bar and navigation options. Below that is a table with the following columns: Transaction Name, Date/Transaction, ID, Request Type, Plan, Status, and Total Value. The table contains several rows of data. Below the table, there is a 'Content' section with tabs for 'History' and 'Audit'. The 'Content' section displays detailed information for a selected record, including 'Transaction Information' and 'Identified By'.

Transaction Name	Date/Transaction	ID	Request Type	Plan	Status	Total Value
Hobberg	04-11-2003	1	MonthlyCommission	Manual Override	Granted	344,500.00
Hobberg	04-11-2003	2	MonthlyCommission	Manual Override	Granted	344,500.00
Hobberg	04-11-2003	3	MonthlyCommission	Manual Override	Granted	344,500.00
Hobberg	04-11-2003	4	MonthlyCommission	Manual Override	Granted	344,500.00
Hobberg	04-11-2003	5	MonthlyCommission	Manual Override	Granted	344,500.00
Hobberg	04-11-2003	6	MonthlyCommission	Manual Override	Granted	344,500.00

Provide your producers timely and accurate compensation information and automated dispute resolution.



Access critical sales performance metrics across your distribution channels.

"Insurance companies should evaluate their commission management systems' ability to support their complex and diverse commission requirements. Agent performance, loyalty and motivation are tied directly to their ability to earn, and be accurately paid, commissions. Today, packaged ICM system applications provide an alternative to improve commission management and ensure the accurate payments of commissions."

from "Incentive Compensation Management for Insurance" by J. Galvin and K. Harris; September 10, 2002



Solution:

TrueComp for Insurance from Callidus Software

An effective insurance EIM strategy must accomplish three goals:

- 1 Instill confidence in the distributor through a high level of operational excellence;
- 2 Provide deep knowledge and insight into producer/channel sales behavior; and
- 3 Enable alignment of incentives with corporate goals through speedy and flexible plan implementation.

TrueComp for Insurance is the only comprehensive, fully functional software suite that addresses these specific challenges and requirements unique to the insurance industry.

TrueComp for Insurance enables insurance organizations to improve distribution effectiveness and productivity, ultimately aligning the activity in the sales and distribution channel with corporate goals while increasing shareholder value. With TrueComp for Insurance, insurance organizations see results—immediately improving distribution loyalty and effectiveness and providing a rapid return on investment.

INCREASING DISTRIBUTION LOYALTY AND EFFECTIVENESS	RAPID RETURN ON INVESTMENT
<ul style="list-style-type: none">• Increase accuracy and timeliness of payments• Easily enable custom compensation structures for unique products, channels, and markets• Facilitate secure distributor self-service and dispute resolution, increasing service levels while reducing costs• Provide visibility into channel/distributor activity and detailed information to help assess channel/distributor/product alignment and profitability	<ul style="list-style-type: none">• Reduce overpayments of commissions while reducing bottom-line costs• Focus distributors on selling, not reconciling commission payments• Increase profitability of existing distributors through increased mind share• Reduce IT costs by eliminating hard-coded compensation rules and increasing system reliability• Reduce administrative costs by eliminating institutionalized manual exception processing• Reduce regulatory risk through increased automation and enhanced audit trails

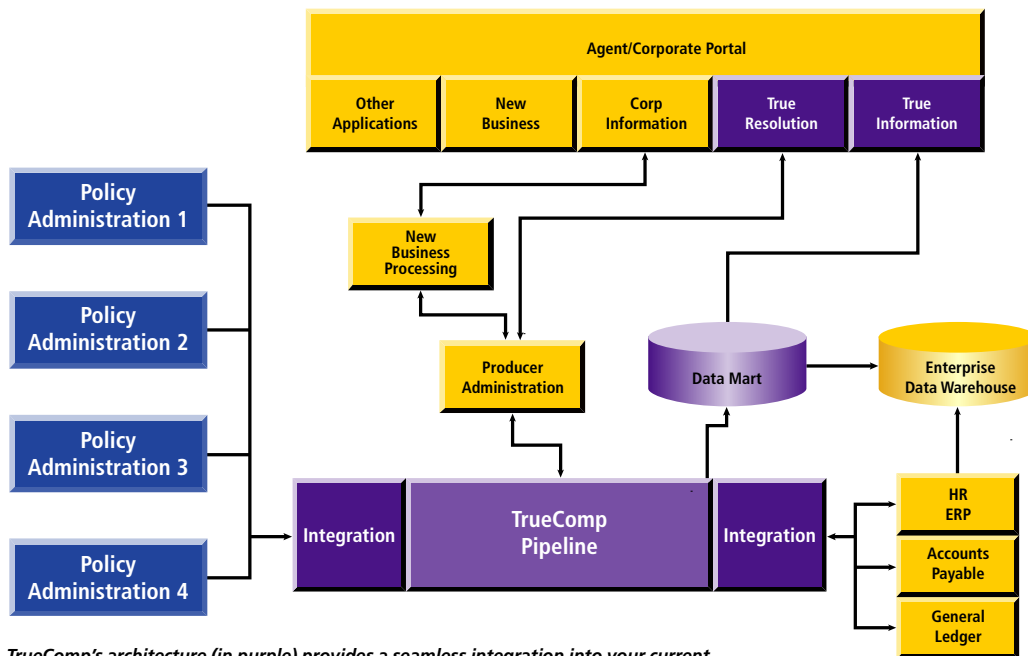


Callidus TrueComp for Insurance: An Integral Part of Your Application Infrastructure

Callidus **TrueComp** delivers business results to its users across the enterprise through robust functionality that finally allows insurance organizations to automate all aspects of incentive compensation programs. The result—the ability to design, deploy, and manage compensation programs according to changing business dynamics. TrueComp for Insurance builds upon this infrastructure to incorporate insurance industry-specific functionality, such as multi-dimensional lookup tables, multiple and interlocking payment hierarchies, and license and appointment validation, to meet the needs of the insurance organization while retaining the flexibility to incorporate other products (i.e. banking and wealth accumulation) into your Enterprise Incentive Management solution.

Beyond compensation administration, TrueComp for Insurance includes outstanding workflow, distributor portal, and reporting capabilities “out of the box.” **TrueInformation™** provides a hub of compensation-related information by extending the benefits of TrueComp to the desktop of every individual in the enterprise. TrueInformation is the key to secure, online access to up-to-date compensation information, schedules, reports, and critical performance metrics. **TrueResolution™**, an integrated sister product to TrueComp, automates the resolution of compensation-related issues with a powerful rule-based business process engine. TrueInformation and TrueResolution provide the real-time communication essential to reaping the benefits of any top-tier EIM solution.

No matter how robust an EIM solution may be, the key to a successful implementation is a quick and simple integration into the current application infrastructure. Most insurance carriers have multiple new business and policy administration systems, one or more existing portals, as well as many enterprise data warehouse initiatives. As a result, TrueComp for Insurance is designed to integrate with existing portals as well as complex insurance application architectures—accepting data feeds from multiple, disparate policy and agent administration systems while communicating with Human Resources, Accounts Payable and General Ledger systems, to provide accurate, real-time data through the TrueComp Data Mart. TrueComp’s integration functionality, built on industry-standard ETL technology, enables IT organizations to build robust, standardized interfaces to any administration, payment, and accounting system quickly and cleanly.



TrueComp's architecture (in purple) provides a seamless integration into your current insurance-organization application infrastructure (in yellow).

Callidus Software customers are global enterprises that share the challenges of complex product lines, diverse geography, layered compensation structures, and large multi-tier sales channels. Callidus Software EIM solutions give these companies the tools they need to drive top-line revenue by aligning business goals with pay-for-performance initiatives.

Callidus Software TrueComp, TruePerformance, and their integrated products represent the most comprehensive Enterprise Incentive Management solution available today—the industry, its customers, and its partners agree.

CUSTOMERS



PARTNERS



Callidus Software Solutions Drive Business Performance



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