# Drive growth and innovation in the U.S. annuity market: Leverage Oracle core insurance platform and AI capabilities

This data sheet highlights how the US annuity market is experiencing record-breaking growth and how Oracle's Insurance Policy Administration enables insurers to ait means for insurers. The US annuity market has been experiencing unprecedented growth over the past several years. As interest rates recover in 2025, sales of indexed annuities and income annuities are expected to return to or exceed the levels set in 2023 with total sales growing as much as 10% and ranging from $342 billion to $362 billion as interest rates start to recover in 2025, according to LIMRA.

## Opportunities for core system vendors

The rapid growth in the annuity market presents a wealth of opportunities for system vendors to support insurers to modernize and scale their operations. System vendors can help insurers:

**Modernize legacy systems**
Many insurers still rely on outdated systems, which impede innovation. Vendors offering scalable, modern platforms can help carriers meet the evolving demands of the annuity market.

**Enhance broker and advisor tools**
Tools that simplify the sales process and integrate seamlessly with broader investment portfolios are crucial for brokers and financial advisors, who drive annuity sales.

**Innovate product offerings**
Vendors can assist insurers in creating innovative products such as flexible FIAs that can evolve at renewal, helping to retain customers and grow assets under management.

**Simplify sales processes**
Since annuities are complex products often sold rather than bought, vendors providing streamlined sales tools will play a pivotal role in boosting adoption.

**Customize products with riders Cusdd**
Platforms that enable the addition of flexible riders to existing products will allow insurers to cater to diverse customer needs and maintain a competitive edge.dddd

## Oracle insurance solution for annuity companies

Oracle Insurance Policy Administration (OIPA) delivers a robust annuities solution designed to help insurers modernize operations and improve customer engagement. The platform includes digital portals that support self-service and tailored interactions for brokers and policyholders, enhancing usability and satisfaction.

The core policy administration system manages the full policy life cycle—from issuance to claims— ensuring operational efficiency and scalability. Integrated business intelligence tools provide actionable insights, enabling insurers to make informed, data-driven decisions based on customer behavior and market trends.

Seamless integration with the Oracle Fusion Sales and Service application unifies sales and support processes, fostering consistent and efficient communication. The solution also features advanced communication tools for delivering timely, compliant, and personalized correspondence, helping insurers build stronger relationships and maintain trust in a competitive marketplace.

## Annuities supported by Oracle Insurance Policy Administration

Oracle Insurance Policy Administration provides comprehensive support for a wide range of annuity products, equipping insurers to address the diverse requirements of both individual and group customers. The platform supports variable annuities, fixed indexed annuities, fixed immediate annuities, registered index-linked annuities (RILAs), and fixed annuities within a unified system, streamlining policy administration across product lines. The core system is also equipped with annuities accelerator products to get you to production faster on a modern core platform.

Built for flexibility and scalability, the solution manages key processes such as the accumulation and de-accumulation phase, actuarial payout calculations, and regulatory compliance for both the qualified and non-qualified annuities. With integrated compliance features, advanced automation, and configurable workflows, the platform enables insurers to optimize operations, drive innovation, and deliver tailored retirement income solutions while adapting to market demands.

## OIPA supported end-to-end workflows for all types of individual and group annuities

Supported individual and group annuities on the Oracle Insurance Policy Administration platform supports individual retirement accounts (IRAs) including FIAs; multi-year guaranteed annuity (MYGAs); registered indexed-linked annuities (RILAs); and variable annuities with support for 401(k), 403(b), and 457(b) plans.

### Types of annuities supported with OIPA

- Variable annuity: Investment-based annuity with returns tied to market performance
- Fixed indexed annuity: Annuity that offers returns linked to an index with downside protection
- Fixed immediate annuity: Annuity that provides guaranteed income payments starting immediately
- Registered indexed linked annuity: Annuity with market-linked returns and has limited downside risk
- Fixed annuity: Annuity that guarantees a fixed interest rate and steady income

## Core capabilities with OIPA

Oracle Insurance Policy Administration provides a comprehensive platform for managing annuity lines of business, designed to address the complexities of diverse product portfolios. It supports the full contract life cycle—from issuance to termination—helping enable streamlined administration across all stages.

The platform includes robust money movement management capabilities for handling premium collections, withdrawals, and transfers, along with product management tools to design and implement a variety of annuity offerings. Integrated fund management ensures accurate tracking and allocation of investments, supporting transparency and precision.
OIPA also offers flexible payout term options and simplifies annuitization processes, enabling insurers to deliver tailored income solutions. Efficient claims management capabilities enable timely and accurate benefit delivery, enhancing both customer satisfaction and operational effectiveness.

**End-to-end support for lines of business with configurable rules engine**

**Key capabilities include:**

- New business and underwriting
- Investment transaction management
- Policy servicing
- Claims
- Contributions and billing
- Accounts
- Commissions and reinsurance

## Support core capabilities for annuity line of business

Core functionality is included with OIPA as base templates to fully support annuities and participating life products with cash value.

## OIPA functionality at a glance

| CONTRACT LIFECYCLE MANAGEMENT | ANNUITIZATION AND CLAIMS | MONEY MOVEMENT AND MANAGEMENT |
|---|---|---|
| • Accumulation phase<br>• Tax rules for 1099s<br>• Required minimum distributions<br>• Fund fee calculation<br>• Pre-TEFRA and post-TEFRA<br>• Withdrawals and surrenders<br>• Purchase payments<br>• Transfer and rollovers | • Payout options<br>• Death benefits<br>• Payout and option quotes<br>• Actuarial formulas | • Systematic withdrawal programs<br>• Required minimum distribution<br>• Fund rebalance<br>• Dollar cost averaging<br>• Partial surrender<br>• Allocation change<br>• Fund transfer |
| **PAYOUT TERM OPTIONS** | **PRODUCT MANAGEMENT** | **FUNDS MANAGEMENT** |
| • Deferred and immediate options<br>• Single life with cash refunds<br>• Single life with term certain<br>• Joint life and joint life with term certain<br>• Term certain<br>• Structured | • Plan rules and definitions<br>• State variations<br>• Tax withholding<br>• Regulatory process<br>• Qualified and nonqualified contributions<br>• Capital gain calculations | • Indexed funds<br>• Variable funds<br>• Fixed interest funds<br>• Funds valuation (point in time)<br>• Funds allocations<br>• Internal rate of return |

## Annuities prebuilt configuration to help accelerate annuities migration to OIPA

Oracle Insurance Policy Administration simplifies the migration and implementation process for annuities with prebuilt configurations designed to streamline operations. These configurations include predefined templates and workflows specifically tailored for annuity products, covering key areas such as product definitions, payout options, and contract life cycle management. By utilizing these ready-to-use setups insurers can accelerate their migration, reduce development efforts, and maintain consistency while minimizing the risk of errors.

The functionality supports a wide range of annuity types—variable, fixed, and indexed—enabling carriers to modernize their operations efficiently. OIPA's configurable framework allows organizations to adapt these templates to their unique business requirements. This shortens time to market and provides  innovative, customer-focused annuity solutions.

## OIPA Annuities Template Accelerator for your Qualified and Non-Qualified Annuities

| Functionality | Available in Base Template | Configuration | Integration | Customization |
|---|---|---|---|---|
| Electronic Application/Suitability Checks | ✓ | ✓ | ✓ | |
| Purchases and Contributions | ✓ | ✓ | | |
| Fees and Charges Management | ✓ | ✓ | | |
| Surrender and Withdrawals | ✓ | ✓ | | |
| Fund Valuation & Allocations | ✓ | ✓ | | |
| Annuity Payout Options | ✓ | ✓ | | |
| Tax Treatment/Rules | ✓ | ✓ | | |
| Benefits and Riders | ✓ | ✓ | | |
| Quote/Payout Illustration | ✓ | ✓ | | |
| Actuarial Calculations | ✓ | ✓ | ✓ | |
| Broker Illustrations | | | ✓ | |
| ACH/Payments/Bank Draft | ✓ | ✓ | ✓ | |
| CRM | | | ✓ | |
| Correspondences/Statements | | | ✓ | |

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