



## **The Pension Protection Act Now Allows Insurers to Offer Combined Insurance Products But Siloed IT Systems Will Prevent Immediate Delivery of Hybrid Offerings Flexible Enterprise Platforms Needed to Meet Consumer Demand, says MajescoMastek**

### **Business Year Ahead 2007 - II**

**EDISON, N.J.--(BUSINESS WIRE)--**Consumers will likely be disappointed about the immediate availability of combined life, annuity and long-term care insurance products now allowable under recently enacted legislation, because most current software will prevent their delivery, according to IT solutions provider MajescoMastek.

The passage of the Pension Protection Act in August 2006 will have a sweeping long-term impact on the insurance industry. But insurance carriers' IT systems that can only support a single base insurance product and operate in product silos will impede the widespread introduction of hybrid products in the short term, the Edison, N.J.-based company predicts.

"To live up to the promise of new hybrid products inherent in the legislation, insurance companies will now need to scramble to make major overhauls of their software systems or significant changes in their business structures," says Steve Kendrick, MajescoMastek's head of Insurance Business Development.

That's because, he notes, software solutions have always been designed primarily to support a single product in a single market offering.

"Insurance carriers that implement flexible enterprise platforms which allow them to deliver multiple line-of-business combination products within one policy will be in the forefront of the race to field new hybrid products," he says.

Recent advances in software know-how should enable underwriters who are early adopters to be ready to deliver these products, which consumers will increasingly demand, starting in earnest in 2009.

"Software platforms must begin to get ready now," Kendrick says. "Nimble carriers will be considering earlier support plans by offering annuity base plan products with guaranteed purchase options for long term care riders in the future."

Looking 10 years out, says Kendrick, this new legislation—assisted by technology--will provide consumers, agents and advisors with needed new products to confront risks and take advantage of investment opportunities in the 21st century. Its impact, he predicts, will be even greater than change produced by universal life (UL) in the early 1980s.

MajescoMastek is the U.S. company of Mastek, a \$156 million global technology solutions provider. MajescoMastek offers insurance carriers Elixir, the only SOA-based enterprise platform for life and annuity carriers. <http://www.majescomastek.com>

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