Farmers Insurance Group® Named Model Insurer of the Year by Analyst Firm Celent Pegasystems' technology enables Farmers to transform its claims operations

LOS ANGELES, March 3, 2011 /PRNewswire/ -- Farmers Insurance Group has been recognized as the 2011 Model Insurer of the Year by Celent, a leading research and advisory firm. Celent's annual award is given to organizations that most highly exemplify IT best practices and measurable business results.

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"We're glad that Celent recognized Farmers business and technology achievements attained with our claims intake by leveraging Pegasystems in a best of breed, business-focused approach," noted Shohreh Abedi, Farmers Chief Information Officer. "Celent recognition provides an external validation of Farmers' key project objective: making a positive impact on our valued customers and employees."

Celent's recognition marks the third time Farmers has been commemorated this past year for its use of Pega technology. It recently won the Gold Award for North America as part of the annual Global Awards for Excellence in Business Process Management (BPM) and Workflow. It also won first place for enterprise systems in the INNovators Awards, a designation by trade magazine Insurance Networking News (INN) intended to advance the spread of business technology acumen in the insurance industry. Farmers Small Commercial won a similar award in 2008.

"We are thrilled that Farmers Insurance is receiving further recognition for achieving significant business results," Grant Johnson, Chief Marketing Officer at Pegasystems said. "Pegasystems' unique Build for Change approach help clients like Farmers transform their business by increasing operational agility, reducing costs, improving customer service and boosting productivity."

In a new report, *Celent Model Insurer 2011: Case Studies of Effective Technology Use in Insurance* Celent recognized Farmers Insurance for leveraging Pega's industry-leading Build for Change® technology to revamp its <u>customer service</u> initiatives and First Notice of Loss (FNOL) application, known as HERO.

The HERO application, which has driven more efficient claims handling times, higher customer satisfaction and shorter training times for Farmers employees, presents context-aware information to guide customers in filing auto claims. HERO, bolstered by Pega technology, triggers the right questions, gathers the right answers and integrates into the claim system itself so that all information becomes part of the case file.

"The Celent Model Insurer of the Year recognition is awarded each year to the company that best delivers outstanding results through the implementation of technology to solve insurance business challenges," stated Mike Fitzgerald, Senior Analyst, Celent. "With its HERO initiative, Farmers used superior automation, process, and project management execution to achieve clear, sustainable benefits."

"Farmers has seen vast benefits including a 90-percent reduction in the time required for both training of new customer service representatives (CSRs) and adoption of the new methods. In addition, HERO has increased CSR quality assurance scores in terms of both efficiency and file quality," Abedi continued. "As a result, Farmers has experienced a dramatic 20 percent reduction in overall claims handling times and queue times, enabling more calls to be handled by a representative in a given day. The application's success has spawned other units of the Farmers family of companies to quickly implement similar programs. Pega has partnered on the project with Capgemini, a leading consulting firm which is a platinum-level partner."

About Farmers

Farmers Insurance Group of Companies is the country's 3rd largest insurer of both personal lines passenger automobile and homeowners insurance, and also provides a wide range of other insurance and financial services products. Farmers Insurance is proud to serve more than 10 million households with more than 20 million individual policies across all 50 states through the efforts of over 50,000 exclusive and independent agents and nearly 24,000 employees.

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About Pegasystems

Pegasystems, the leader in business process management solutions and a leading provider of CRM solutions, helps organizations enhance customer loyalty, generate new business, and improve productivity. Our patented Build for Change®

technology speeds the delivery of critical business solutions by directly capturing business objectives and eliminating manual programming. Pegasystems enables clients to quickly adapt to changing business conditions in order to outperform the competition. For more information, please visit us at www.pega.com.

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