

InsPro License, Maintenance, and Hosting

DESCRIPTION	ESTIMATE	COMMENTS
One Time License Fee	\$750,000	Provides Life of Alabama an enterprise license to use all InsPro Enterprise components (license discounted from \$1,250,000) *.
Annual Maintenance	\$75,000 (years 2-3)	Annual Maintenance is 10% of the License fee (discounted from 20%) for years 2-3. In year 4 and beyond the annual maintenance fee is standard 20% of original license purchase price) Annual maintenance begins with Life of Alabama's acceptance of the InsPro product or the System is in Production use.
Hosting Services	\$65,000	Initial set-up fee includes 4 Environments
	\$15,000	Monthly minimum (monthly minimum discounted from \$30,000) monthly minimum includes the first 100k policies. Per Policy Per Month \$0.25 Policies in excess of 100k and up to 250k \$0.20 Policies in excess of 250k and below 500K \$0.15 Polices in excess of 500K and below 1 million \$0.01 Inactive policies
Production Support Services	\$3,000 Billed based on usage	The Production Support Services fee only applies if and when Life of Alabama elects to install the system at your location and not use InsPro Hosting Service. Monthly retainer to have access to InsPro technical staff 24x7 to assist with any online issues or batch cycle support. Actual support hours for production and development support services will be provided at T&M rates ranging from \$125 to 175 per hour, depending on the requirements.

* The InsPro Enterprise solution suite includes the following components: Product Configuration, New Business & Underwriting, Policy Administration, Billing & Collections, Agent Management & Commissions, Claims, InsDoc Document Management, InsPro Connect Web Portals, and the InsPro DataMart.

Hosting fees based on a minimum 3 year term. Monthly hosting fees are the greater of the Monthly Minimum or the number of policies/certificates multiplied by the per certificate fee.

Preliminary Implementation Cost Estimate for Life of Alabama

DESCRIPTION	COST	COMMENTS
Project Management	\$200,000	Estimate includes full-time PM over an 18-month implementation period.
Business Analyst Support	\$80,000	BA resources will perform the Business Process Review and support business requirements development for all identified GAPS.
Technical Support	\$80,000	InsPro technical resources and solution architects will work with Life of Alabama's technical staff to define the desired state for all integration and enhancements.
Training	\$28,000	20 days of "Train the Trainer"
Configuration – Products, Agent, and Claims	\$125,000	Configuration assumes 5 Life of Alabama plans with an estimated 10 variations.
Configuration – InsDoc	\$28,000	InsDoc Configuration will include configuration of 100 documents.
Integration Services	\$90,000	Detailed data mapping of all LICOA interfaces.
Conversion	\$120,000	Includes 4 mock Conversions. Each mock will have specific deliverables and gates that must be completed before moving to the next mock. Life of Alabama will be responsible for extracting the policy, agent, and claims data to be converted into InsPro's pre-defined conversion formats.
System Modifications	\$ N/A	TBD
TOTAL	\$751,000	

Deliverables and Assumptions –

Major Activity	Deliverables	Estimate / Timeline Assumptions
Configuration	<ol style="list-style-type: none"> 1. Business Process Review document 2. Configuration Strategy Document 3. 5 Life and Health plans fully configured (plans, rates, agent contracts, claims) with state variations 4. Finalize all GAPS with Life of Alabama Plans 5. InsDoc Configuration will include configuration of 100 documents. 	<ol style="list-style-type: none"> 1. Configuration assumes 5 Life of Alabama plans with and estimated 10 variations. The plans include: <ul style="list-style-type: none"> - Term Life - Whole Life - Cancer - Disability - Critical Illness
Integration	<ol style="list-style-type: none"> 1. Integration Strategy Document 2. Identification of all data elements in Data Mart required for Life of Alabama developed integrations 	<ol style="list-style-type: none"> 1. Life of Alabama's desired architecture state will be defined by the end of Month 2. 2. Detailed data mapping of all Life of Alabama interfaces.
Enhancements	TBD	TBD
Conversion	<ol style="list-style-type: none"> 1. Data Mapping Documentation for all fields required to convert to InsPro 2. Conversion Strategy document outlines all Life of Alabama requirements for converting history 3. 4 mock Conversions. Each mock will have specific deliverables and gates that must be completed before moving to the next mock. 	<ol style="list-style-type: none"> 1. Life of Alabama will be responsible for extracting the policy, agent, and claim data to be converted into InsPro's pre-defined conversion formats. 2. Life of Alabama will develop a validation strategy using a combination of InsPro validation reports and queries from the source system(s)