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Pegasystems Announces Insurance Industry Framework

*Helping Insurers Realize More Efficient and Effective
New Business and Claims Processes*

LAS VEGAS and CAMBRIDGE, Mass., May 23, 2006 – Pegasystems Inc., the leading provider of unified process and rules technology, today announced the upcoming availability of its Insurance Industry Framework, designed to promote insurance best practices to drive competitive advantage and accelerate return on investment for insurers.

The framework takes advantage of the IBM Insurance Application Architecture and ACORD XML standards to help carriers and brokers realize gains in the efficiency and effectiveness of their new business and claims processes. With data models, workflows and product configuration services, the Insurance Industry Framework adds insurance-specific best practices on top of Pegasystems' award-winning SmartBPM™ Suite to form a foundation for reuse of processes and rules across the insurance enterprise.

The Insurance Industry Framework helps insurers in three key areas:

- **Acquiring and Retaining Business:** Carriers are improving efficiency and effectiveness of new business, endorsement and servicing processes. Increases are being achieved in first-pass underwriting rates and in the rate of disqualified applications by automating underwriting decisions and applying underwriting rules in the front office and distribution channels;
- **Claims Management:** Carriers are realizing up to 40% gains in efficiency and 60% reductions in training time by embedding intelligent decision-making and policy automation into systems; and
- **Product Management:** Carriers are realizing over 50% reduction in development costs, reducing cycle time for roll-out of new functionality and driving product to market in record time by enabling companies to reuse assets and common components across numerous products.

Pegasystems' Insurance Industry Framework complements the Customer Process Manager Framework to fully meet the needs of customer and agent call center environments.

“Pegasystems boasts ten of the top 20 US insurance carriers as customers. The vast appeal of our solution for these companies is our ability to automate key processes and drive competitive advantage by allowing them to embrace business change,” said Chris Fletcher, director, BPM Insurance Solutions. “Our Insurance Industry Framework takes accelerating ROI to the next level by providing our customers with a single technology and insurance-specific framework for repeated use across their entire insurance value chains, while mitigating risk and allowing for business growth.”

About Pegasystems

Pegasystems Inc. (Nasdaq: PEGA) provides software to automate complex, changing business processes. Pegasystems, the leader in unified process and rules technology, gives business people and IT departments the ability to use best processes across the enterprise and outperform their competition.

Our new class of Business Process Management (BPM) technology makes enterprise systems easy to use and easy to change. By automating policy manuals, system specifications and lines of manual coding with dynamically responsive updates, Pegasystems powers the world's most sophisticated organizations to Build for Change™.

Pegasystems' award-winning, standards-based BPM suite is complemented with best-practice solution frameworks to help leaders in the financial services, insurance, healthcare, manufacturing and government markets drive growth and productivity.

Headquartered in Cambridge, MA, Pegasystems has regional offices in North America, Europe and the Pacific Rim. For more information, visit www.pega.com.

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