

Insurance

NETWORKING NEWS

In partnership with

CELENT



*Reader Recognition of Visionaries
in Business and Technology Solutions*



Readers Tell All: It's About Value

Pat Speer
Editor in Chief

Is growth in a soft market an illusion for insurance companies? Often challenged to simultaneously introduce unique products to the marketplace, improve time to market and streamline expenses, many companies are turning inward, finding new ways to innovate and increase revenue in the process.

The path to innovation, however, is often littered on one side with solution providers that did not live up to their promise, and on the other, those that exceeded the insurers' expectations. In this slowing economy, staying on course has never been more critical.

In the spirit of providing factual and objective information that will help our readers choose the right path, *Insurance Networking News* is pleased to present our second annual vendor ranking — the Vanguards in Insurance Practices Awards program. In partnership with **Celent**, the VIP program reflects our readers' preference for technology solution providers, and offers the ultimate best practice example of standards and technology in action.

After the 1,328 votes cast from 432 reader respondents were tallied, the cream rose to the top — some predictable, some surprising (see VIP top rankings).

The results of the VIP survey revealed as much about function as it did about a preferred provider of software or hardware — one out of seven readers

told us that they look inward and value “custom build” as their choice of solution provider.

With an eye on delivering value, the marketplace expands and contracts in response to these trends. One such vendor has paid particular attention to this goal over the past two years. Creating a niche for itself that hones in on its target market, Frisco, Texas-based **Skywire Software**, a **Hall Financial Group** subsidiary, acquired **Whitehill Technologies**, **Docucorp**, **Integrated Insurance Technologies** and **RiscClick**. In March, Skywire announced the spin-off of **iWave**, which integrates, automates and orchestrates ITIL-defined service management processes. This concomitant M&A effort rounds out the company's offerings, and earns them special recognition on our VIP program as this year's “company to watch.”

We encourage you to review the VIP Official Results (pages 5-8) and the companies listed there. Your peers have deemed that these companies deserve recognition for providing value to the marketplace.

Celent's Executive Vice President, Craig Weber, joins me in thanking INN's editorial staff, its Advisory Board members and the analysts at Celent, who provided valuable time and expertise to this important project. And we want to offer a special “thank you” to our readers, who have determined the “best of the best” solution providers in our marketplace. It is our hope that this vendor ranking will continue to deliver value to you as you make decisions in 2008 and beyond.

A Rigorous Approach

The purpose of the Vanguard in Insurance Practices program is to identify the software and services vendors in the insurance vertical that truly rise above the crowd. This identification and subsequent determination revolves around the experiences of insurance carrier staff, who have plenty to say about their favorite vendors.

Our collective experience suggests that when it comes to evaluating vendors, there is nothing decision makers appreciate more than insight from their peers. So we based the Vanguard in Insurance Practices program on data gleaned purely from the results of a survey of insurance carriers and brokers. We asked insurance professionals to let us in on their best vendor experiences.

As with last year's survey, our search was conducted via an online survey tool. We asked respondents, "Who is your preferred vendor in each of the following categories?" Respondents voted for their favorite vendors across each of five key functional areas: Integrated Insurance Systems, Point Insurance Solutions, Enterprise Technology, Platform Technology, and IT Services. To allow us to look at additional findings beyond the raw vote tallies, each respondent was also asked about their role and their company.

Links to an online nomination form were publicized on the *Insurance Networking News* Web site, and in several email blasts to *Insurance Networking News* readers. Between October and December, 2007, a total of 1,329 votes were cast by 432 unique respondents. (Respondents who appeared to be duplicates, or who could be identified as non-carrier staff were omitted from the results.)

To make the survey as simple as possible, free-form fields were used to capture favorite vendors in each area. These responses were reviewed and normalized by Celent staff. For example, vendor company names were standardized to make it possible to generate accurate vote counts. Non-specific responses such as "couldn't really say" were categorized as "n/a." In addition, all responses that suggested an alternative approach to purchasing and installing software, such as "custom solutions" and "internal builds", were recoded under a single category.

Some respondents named multiple favorite vendors in a single category, despite instructions to the contrary. To be fair to all the vendors named, these additional

vendor votes were counted. Some respondents also named a favorite in one category, while leaving others blank. This makes sense because the respondents' positions and their areas of experience varied.

The cleansed data was then tabulated for further review, and the top three candidates in each of the five categories were approached with an opportunity to participate in Phase II of the VIP program — the Vanguard in Insurance Best Practice Award. This award was developed to recognize the best possible technology implementation and associated use of standards to a positive end. Not surprisingly, those 15 category respondents, many who submitted best practice case studies chose to focus on industry's ACORD XML standards.

Phase II of the VIP program also leveraged the unique experiences and perspectives of the staffs of *Insurance Networking News* and Celent, but because qualifying the "best of the best" clearly required a subjective review with distinctive metrics, INN further enlisted the help of its prestigious, seasoned editorial advisory board members. The INN advisory board members who participated in the VIP Best Practice Award review include Patty Creedon, (vice president, Lincoln Financial Insurance Co.), Dick Mucci, (chairman and CEO of International, New York Life Insurance Co.), Mike Murray, (VP, Finance, OneBeacon Insurance Co.), Michael Romano (SVP, Corporate Compliance, Highmark Inc.), and Anthony Sisti (Information Systems Director, Travelers Insurance).

We would like to thank INN's advisory board members for their most valuable expertise and willing support of our effort. And we would like to congratulate the 2008 VIP winners in each category (see analysis), who are clearly striking a chord with their clients. We encourage you to use these results as a starting point when your plans include finding and engaging with the best providers out there. Happy hunting!

—Pat Speer and Craig Weber

					
	Integrated Systems	Platform Technology	Point Solutions	IT Services	Enterprise Technology
Documentum (EMC)	•				
Duck Creek	•				•
eBaoTech	•		•		•
Eclipse (IBM)				•	
EMC		•			
emFAST (FACSys)				•	
Enterasys Secure Networks		•			
ePolicy Software	•		•		
Erie Customer Computer Applications Inc.	•		•		•
EXL Service				•	
Exstream Software			•		
Fair Isaac			•		•
Fiserv	•	•	•	•	•
Freedom Insurance Division	•	•	•	•	•
FUJITSU		•		•	
Gallagher Bassett Services Inc.			•		
GE Centricity (General Electric)				•	
Genelco (IBM)	•				
Global 360					•
Guidewire	•		•		•
Haider Consulting Inc.				•	
HCL Technologies, Ltd.				•	
Hewlett-Packard (HP)		•		•	
Hyland Software/Onbase			•	•	•
IBM	•	•	•	•	•
ILOG					•
ImageRight	•	•	•	•	•
Infinity Systems	•				
Infosys Technologies				•	
Innovation Group	•		•	•	
Insurance Claims Service Inc. (ICS)				•	
INTEC, Inc.	•				
Insurance Data Processing (IDP)				•	
Insurance Systems, Inc. (ISI)	•		•		
Insurance Technologies, Inc.			•		
Insuresoft			•		
Internet Data Management Inc. (IDMI)	•		•		•
Insurity (ChoicePoint)	•		•		
IPM Services Inc.				•	
IPsoft Inc.				•	
ISCS Inc.	•	•	•	•	•
ISO	•		•	•	•
Key Management Group (KMG)				•	
Laser Fiche					•
LifePRO (PDMA)	•				
Linux		•			
Lombardi Software					•
Lotus (IBM)		•			•

2008 Vanguard in Insurance Practices / FIRST PLACE / Point Solutions

Guidewire: Claims Leader Now Claims the Full Suite

Guidewire Software takes pride in having shaken the tag of being merely a claims administration systems provider to property and casualty insurers. Claims clearly continues to be the firm's bread and butter: Most of its customers use its flagship product ClaimCenter, and in Gartner Inc.'s 2007 MarketScope report Guidewire was the only vendor rated in the highest category of "Strong Positive" for claims. However, the San Mateo, Calif.-based firm now has several customers using its other two products targeted specifically at P&C firms: BillingCenter, which coordinates, executes, and records receivables transactions, and PolicyCenter, its underwriting and policy administration core system.

For instance, seven carriers have selected BillingCenter, the first of which went live last year at New Mexico Mutual, which replaced its legacy billing system. "It takes a lot of time to actually clear the bar of not being viewed as one type of vendor," says John Raguin, the firm's CEO. "But last year was a significant year in the step of being looked at as a broad application provider."

Guidewire has been on a fast track. The winner of *Insurance Networking News'* 2007 InsureTopTech award, Guidewire saw 11 customers go into production that year, and in February 2008 its 30th client — the FCCI Insurance Group — went live, out of its 44 total customers. Building Guidewire's reputation as a provider of a full suite of offerings that easily integrate, last November Guild Insurance Ltd., a major Australian P&C firm, selected its software to fully replace its end-to-end claims handling, policy administration, billing and reinsurance solutions.

Meanwhile, the firm has begun to set up operations in France and Germany, and Rosgosstrakh (RGS), Russia's largest insurer, went live with ClaimCenter in just six months. Guidewire transformed the company from using entirely manual processes to automating its claims, all of

Guidewire at a Glance

Company: Guidewire Software, Inc.

Headquarters: San Mateo, Calif.

Serves: Property and casualty and workers' compensation insurers

Product Set: Provides software for underwriting, policy administration, claims, and billing. Its products are ClaimCenter, PolicyCenter, and BillingCenter.

Total # of Employees: 360-370

Total Revenues (2007): \$ figure not disclosed; '07 revenues up 100% over '06

Total Insurance Customers: 44

Year Founded: 2001

Years Serving Insurance Firms: 7 years

Private/Public: Private



John Raguin
CEO
Guidewire Software

which were in Russia's Cyrillic character set, which the vendor supports.

In the VIP awards, Guidewire shined in the point solutions and integrated systems categories. Guidewire attributes its success in the former partly to its 100% concentration on P&C firms, which gives it the focus needed to build systems that such insurers demand. It designed systems specifically for claims and then for billing because it saw these as underserved markets, whereas it rolled out a policy product because the company felt there were areas in which policy system providers didn't excel, says Raguin.

These three products not only integrate well with each other, but also with other modern systems — and legacy systems, too. "Guidewire's design approach was to build products that could easily integrate to third-party applications as well as other Guidewire applications," notes Raguin, recognizing that "few companies will turn their legacy systems completely off."

Among its competitive advantages, Guidewire touts the fact that its solutions are Java- and Web-based, both of which are in vogue, says John Seybold, the company's CTO. Further, it has constantly brought new products to market, such as with last year's release of BillingCenter

2.0, which provides support for both direct and agency billing for all lines of business. This year it will launch PolicyCenter 3.0 and ClaimCenter 5.0.

To ensure quality the firm invests heavily on testing — it has as much test code as production code — and has even created its own testing tools. Further, it helps companies comply with tight regulations because its systems are configurable so insurers can modify the data model and capture whatever information they need for their business. At the same time, insurers' IT staffers don't bristle at new regulations because the flexibility of Guidewire's systems enables techies to make quick changes to business rules.

As Guidewire continues to pursue its goal of providing a full set of modern systems to help carriers replace their legacy systems, it is encouraged by the mounting interest from larger carriers. It attributes this partly to a benchmark performance test it performed this year in conjunction with IBM's testing lab, when ClaimCenter held up well as 8,500 people used it concurrently. "It shows our ability to meet the needs of even very large carriers with our systems," says Seybold.



The Billing System You've Been Waiting For

From the company that brought you ClaimCenter – the market-leading claims system

The wait is over. The days of P&C billing organizations being limited by aging, primitive systems are gone. Now you can manage direct and agency billing in a single system with the flexibility, ease of use, and scalability of modern technology.

Provide superior service to your agents and insureds, while improving bottom-line results through streamlined cash management and reduced billing leakage.

Guidewire BillingCenter® is a 100% Web-based billing system for all lines of business and all types of billing. BillingCenter has the functionality to support all of your billing needs, and the flexibility to adapt to your unique requirements, both now and in the future.

To learn how BillingCenter can transform your billing operations, visit www.guidewire.com/in2.

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