

Getting ahead of the pack

Insurers have a wealth of options when it comes to technology spending. *U.S. Insurer* conducted a poll to find out who insurers' favorite vendors are.

Inurers have a lot of choice when it comes to picking technology partners. Vendors are lining up to offer their services to insurers, with more than 150 firms serving the US insurance software market.

Insurers are spending more money than ever on technology. Research firm Celent says insurers in North America, Europe, Japan and China will spend roughly \$10 billion on enterprise software this year, and predicts this figure will rise to \$15 billion by 2011.

Celent says last year saw a big increase in the number of insurance software deals, with the deal count in the fourth quarter 80% higher than it was in the fourth quarter of 2004. In 2005, document management accounted for 36% of the deals, while core processing accounted for 32%.

"We're not surprised to see the dramatic up-tick in activity," said Craig Weber, senior analyst at Celent, in a statement in May this year. "Our conversations with carriers and vendors suggest that the checkbooks are out, as long as solutions deliver real value."

Celent says the big four insurance software companies – Computer Sciences Corporation (CSC), Fiserv, SunGard and CGI – are now being challenged by a new crop of players hungry for business. It predicts a big wave of consolidation is around the corner. Celent expects the hottest areas for consolidation will be property/casualty policy administration and claims. It also predicts there will be big consolidation in billing, life policy administration, illustrations, business intelligence and possibly document management.

But, for now, it can be hard for insurers to differentiate between the mass of technology vendors look-

ing to provide them with solutions for every part of their business.

U.S. Insurer conducted an online poll to find out who the best technology vendors are in the US for a number of categories. We surveyed chief technology buyers and other people responsible for technology at insurance companies.

The cream of the crop

The star performer was Guidewire, which scooped three of the five categories. It was most popular in claims processing and management, policy administration, and underwriting systems. Guidewire had a stronger showing in this year's survey than last year's. The only category it won last year was claims processing and managing. Both the policy administration and underwriting systems categories in last year's survey were won by CSC.

Guidewire also performed well in the billing category, where it was highly commended.

It is easy to see Guidewire's appeal to insurers. The firm serves only the property/casualty industry, and counts big firms such as CNA and SunCorp among its clients.

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TECHNOLOGY SURVEY

Best IT vendors for:

CLAIMS PROCESSING AND MANAGEMENT



POLICY ADMINISTRATION:



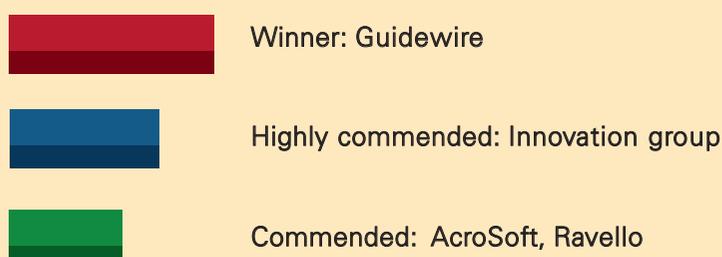
BILLING:



DOCUMENT SOLUTIONS:



UNDERWRITING SYSTEMS:



Evidence of its success came when one of its clients, Merastar Insurance Company, was selected as a finalist in the claims management category of AM Best's E-Fusion technology awards this year. Merastar was selected for its implementation of the Guidewire ClaimCenter system to handle personal claims. The nine-month project was started in July 2005.

ClaimCenter is one of three parts to the Guidewire platform, along with PolicyCenter and BillingCenter. The platform is entirely web-based.

In the past year, Guidewire has added 14 clients, expanded into Canada, the UK and Australia, increased staff by 129%, and launched PolicyCenter, which extended the firm's web-based offering into underwriting and policy administration.

The second strongest performer in the survey was CSC. It came first in the billing category and was highly commended in the policy administration and claims processing and management categories. Insurance is just one of a wide range of industries that CSC serves. The firm was founded in 1959, and now boasts 78,000 employees.

CSC's insurance offering covers life insurance, annuities and pensions, property/casualty insurance, and reinsurance. Among its clients are Axa, Allstate and MetLife. In May it reached the milestone of having more than 75 million North American life insurance annuity policies administered by its software. As an example of its success, CSC provides administration services for the majority of Swiss Re's Admin Re program, under which the reinsurer buys blocks of closed life business and administers their run-off.

On the reinsurance side CSC recently teamed up with Q.Know to offer a platform that will allow reinsurers to manage information from across a company on staff's desktops.

The only other technology vendor to win a category was ImageRight, which was the most popular in the document solutions category. This category was won by Document Sciences in last year's survey.

That ImageRight did well in this category should come as no surprise. It is a document management system designed specifically for the insurance industry. The firm says that clients typically see a full return on their investments by between 12 and 18 months. In April it reached the milestone of signing its 300th customer. It signed its first customer in 1994.

Other firms with a good showing in the survey were Exstream Software, which was highly commended in the document solutions category, and Innovation Group, which was highly commended in underwriting systems category. Other firms that were commended by the survey's respondents were AcroSoft, Docucorp, Duck Creek, ePolicy and Ravello. ■