

Insurance

NETWORKING NEWS

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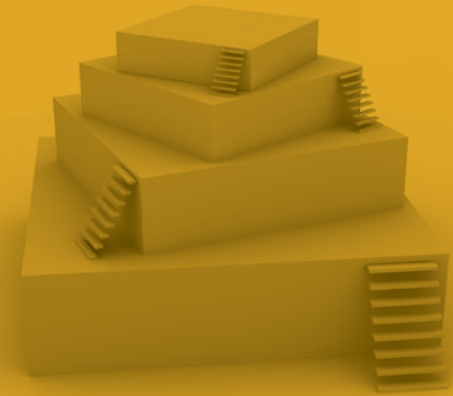
*Reader Recognition of Visionaries
in Business and Technology Solutions*

2009



Pat Speer
Editor-in-Chief

Stability, RESPONSIVENESS TAKE CENTER STAGE



It's no secret that the insurance vendor community has been in a steady state of flux. Whether attributed to a gloomy economy or not, the number of mergers and acquisitions among technology solution providers has added a new wrinkle to an already volatile marketplace. Yet, with that volatility comes an opportunity for leaders in the technology vendor space to step forward and take better care of their customer base while delivering innovation to insurers at record speed. And, it provides insurers with an opportunity to make the most informed decision possible about the vendor of choice.

In an effort to assist insurers in making those informed decisions, *Insurance Networking News*, in partnership with **Celent**, is pleased to provide the 2009 **Vanguards in Insurance Practices Program**, our third annual solution provider ranking. The ranking represents the factual and objective information necessary to help insurers make the right choice when it comes to purchasing that innovation.

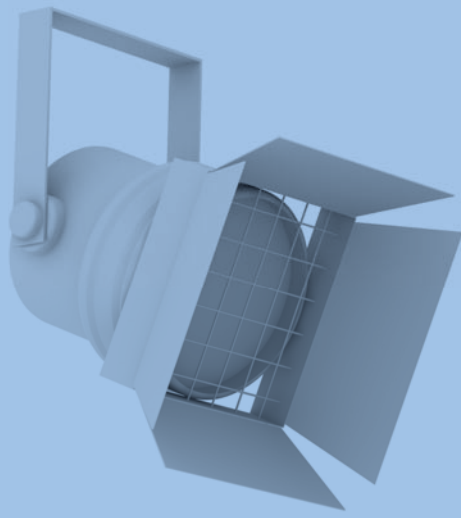
This honest and pragmatic view of the leaders in the technology solution provider space is derived from insurers themselves via votes cast by carriers and their staffs. This year's program offered up few surprises, as many familiar vendors once again find themselves in the winners circle. What did surprise us was the answer to why any one vendor was preferred over the others. Here we see that value of stability and responsiveness is as important as the innovation itself, as insurers

overwhelmingly ranked these features as contributing to solution provider preference.

The importance of responsiveness is certainly not lost on one company's ability to help insurers expedite claims. **BlueWave Technology**, Honolulu, offers a Java-based solution that combines business process management with centralized claims operations to expedite claims resolution. Celent already recognized this relative newcomer to insurance core systems as one of the companies that helped **Farmers Alliance Mutual Insurance** earn its "Model Carrier of the Year" award. BlueWave is recognized by the editors at INN as the 2009 "company to watch."

On behalf of *Insurance Networking News* and Celent's EVP, Craig Weber, we would like to thank INN's editorial staff, its prestigious and seasoned advisory board members and the thought leaders at Celent, who dedicated their valuable time and expertise to this important project. We also want to offer congratulations to the winners' and a special "thank you" to our readers, who are solely responsible for determining the top solution providers in our marketplace.

And as you evaluate various solution providers in order to make your own informed decision, we encourage you to review the **Official 2009 VIP Results** and the companies listed there.



Exacting METHODOLOGY

It's safe to say that it "takes a village" to provide the industry with the most objective state of the insurance technology solutions market. And so it was again this year, as our "village" of insurers, INN editors, and insurance industry experts created a collective source of intelligence that helped determine the 2009 Vanguards in Insurance Practices awards.

For Phase I of our program, it's an understatement to say that when it comes to evaluating technology vendors, what's valued most is insight from those using the technology, insurers themselves. So we based the Vanguards in Insurance Program on data gleaned purely from the results of a survey of insurance carriers and brokers.

As with last year's survey, our search was conducted via an online survey tool. 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.

We asked insurance professionals to name their preferred provider in five functional areas, and respondents voted for their favorite vendors in 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, respondents were also asked about their role and their company. We also added an important question to this year's VIP survey that would provide the "why" behind the ranking: "What was the fact that influenced your choice of preferred vendor?"

Between October and December, 2008, a total of 1,063 votes were cast by 276 unique respondents. (A drop from last year, respondents who appeared to be duplicates, or who could be identified as non-carrier staff were omitted from the results, and votes for software/hardware products were tallied up into the associated vendor/provider rank, therefore reducing total number of unique respondents.)

To make the survey as simple as possible, free-form fields were used to capture favorite vendors in each area. These responses were reviewed, normalized and cleansed 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 several 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.

A CHANGE IN VIP PHASE II






We changed the 2009 Phase II of the VIP program—the Vanguards in Insurance Best Practice Award that recognizes best practices with the use of standards to a positive end. Instead of inviting only the top three candidates in each of the five categories who were already determined as insurer picks for top solution providers, we opened the contest up to include all vendors that had earned a spot on our VIP Phase I ranking. The results were impressive, as INN received a four-fold increase in best practice nominations. And as with last year, of those

category respondents, many who submitted best practice case studies, chose to focus on industry's ACORD XML standards, proving that the industry is quickly stepping up into a unified, cohesive technical world.

The "village" that helped analyze the merits of Phase II nominees came from a number of areas. First, we applied the unique experiences and perspectives *Insurance Networking News* editors as well as expert input from seasoned **Celent analysts**. 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 **Eric Bulis** (SVP and CIO, SBLLI USA Mutual Life), **Ursuline Foley** (SVP and CIO, XLRe at XL Capital), **Dennis Mehmen** CIO, VP, Business Information Services, Grinnell Mutual Reinsurance 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 Celent and INN's advisory board members for their most valuable expertise and willing support of our effort. And we would like to congratulate the 2009 VIP winners in each category (see analysis), who are clearly helping their clients move in a positive direction. In this economy, it's only fitting that we urge you to use these results as a starting point when your plans include finding and engaging the best possible technology solution providers.

— Pat Speer and Craig Weber

					
	Integrated Systems	Point Solutions	Enterprise Technology	Platform Technology	IT Services
Directpointe, Inc.					●
Discount Telecommunications					●
Discoverature Solutions					●
Docucorp (Oracle)	●				
Document Management—ADmero Document Mgt			●		
Document Sciences (EMC)			●		
Duck Creek	●	●			
Ebix Inc.	●				
EDS					●
EMC			●		●
Exigen			●		
Exstream (HP)			●		
Fair Issac			●		
FirstBest Systems		●			
Fiserv (StoneRiver)	●	●	●	●	●
Forsythe Technology Inc.				●	●
FSC Insurance Solutions (StoneRiver)	●		●	●	
FUJITSU					●
Genworth	●				
Getrealtime.org					●
Guidewire	●	●	●	●	●
Hartford			●		
HCL Technologies, Ltd.					●
Hewlett-Packard (HP)				●	
Hyland Software/Onbase	●	●	●	●	●
Hyperion			●		
IBM			●	●	●
IBQ Systems		●			
ICE Systems, Inc.					●
idashboards			●		
IDMI Systems	●	●			
Info Global Solutions			●		
Insurance Data Processing Inc. (IDP)	●	●			●
Insurance Services Inc.	●	●			
Insurance Softwares.com				●	
iix Insurance Information Exchange		●			
ILOG (IBM)			●		
ImageRight (Vertafore)	●	●	●	●	●
Impact Technologies		●	●	●	●
Infosys					●
Innovation Group	●				
INSTEC, Inc.	●				
InsureSoft	●	●			



Guidewire: Relevance Cultivated Through Customer Focus

2009 Vanguards in Insurance Practices / **FIRST PLACE** / Integrated Systems
 2009 Vanguards in Insurance Practices / **FIRST PLACE** / Point Solutions

Walk in a man's shoes to understand his perspective, or in this case sit at his desk. That's one way Guidewire Software ensures its software applications meet users' needs, and it contributes to Guidewire developing and maintaining highly relevant, highly functional products for property and casualty insurers.

That keen end-user focus and Guidewire's integrity are behind the company's success, says Guidewire CEO John Raguin.

"We tell customers what we can do and we stick by it, and we also tell them what we can't do," Raguin explains, noting it's a refreshing approach in an industry long reputed for over-hype, over-promise, and under-delivery. "That's made them feel comfortable about us, not only as a point-solution provider but more importantly as their integrated suite of the future."

In fact, in the VIP awards, Guidewire ranked No. 1 in integrated insurance systems and point insurance solutions. For three years running, Guidewire has dominated these and other categories, consistently landing among the top three winners.

Raguin believes a combination of factors is improving Guidewire's competitive position and describes the company's trajectory as "good" and "sustainable." "Customers are seeing both our technology and functionality superseding competitors' systems bit-by-bit, year-by-year," he says.

Guidewire has an open approach in how it works with customers around their business processes and how it integrates with other technology. The claims, underwriting and billing products it delivers are based on service-oriented architecture (SOA). The out-of-the-box software gives customers a significant jump start, but it is configurable so they can tailor it to their needs. Customers can stagger implementation to avoid major systems disruptions, and consistent architecture

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: 370

Total Revenues (2008): \$ figure not disclosed

Total Insurance Customers: 61

Year Founded: 2001

Years Serving Insurance Firms: 8 years

Private/Public: Private



John Raguin
 CEO
 Guidewire Software

across Guidewire's products allows for a completely integrated suite.

Return on Investment

Raguin cites many ways customers have achieved tremendous savings through Guidewire's products. One customer's claims system paid for itself within 18 months based on one of many positive outcomes: reduction in third-party litigation and adjustor costs by an increased ability to route these functions to internal people.

Customers have shortened their average claims lifecycle by several days and their claim take-in process from days to hours. "They're getting more information up front so they can assess the claim better, which often increases their SIU referrals by 300% or increases their subrogation referrals by 200%. These are the type of numbers we can see," he explains.

Insurance carriers replacing billing legacy systems are improving customer retention through fewer billing issues, they're speeding collections, and they're finding "lost money," which provides another significant return. Guidewire's innovative "trouble ticket" feature helps track troubled billing — the invoices that never were issued or the past-due accounts that disappeared in old systems.

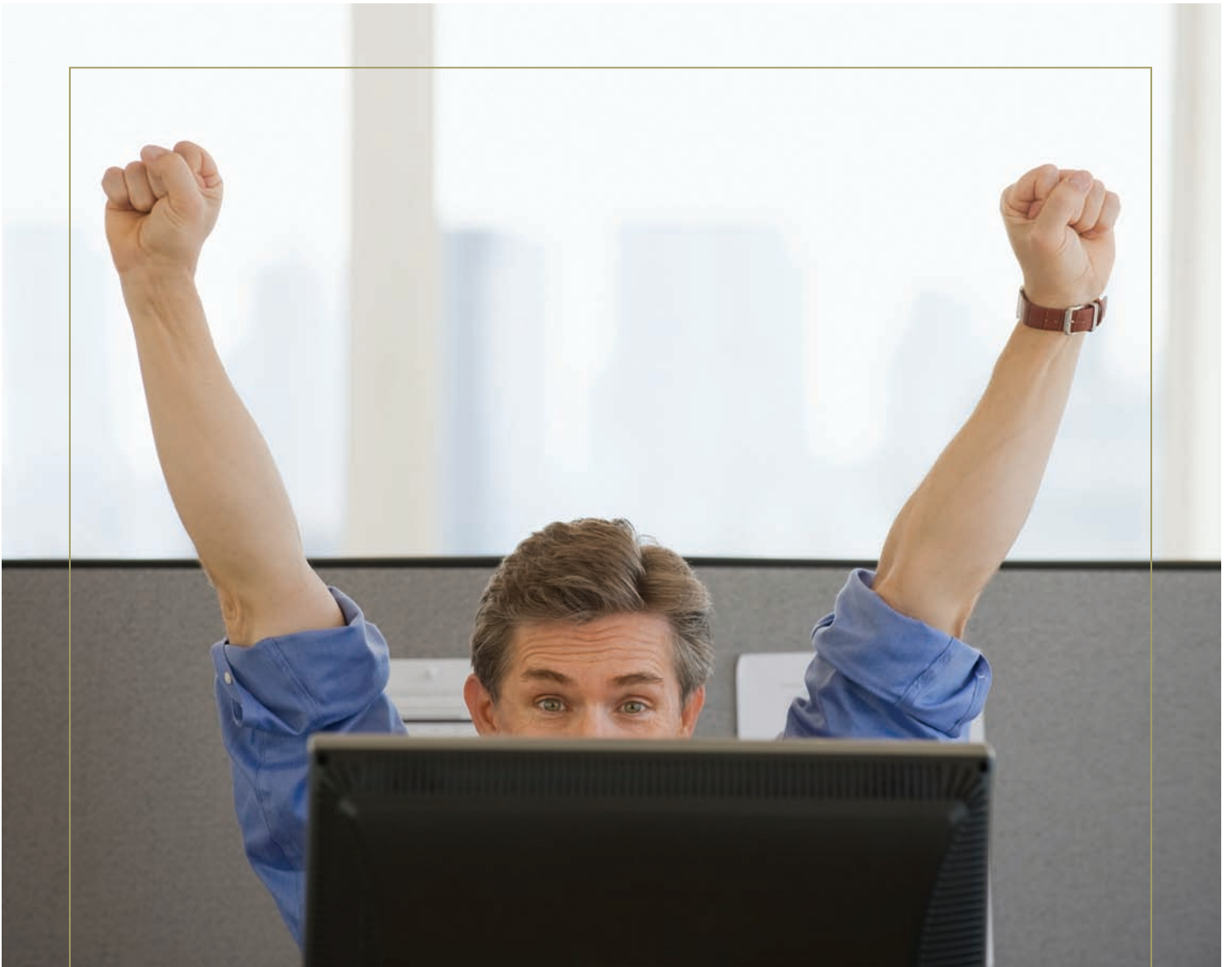
"You'd be surprised how much lost money there is in some of the old billing systems," Raguin says.

Most important, however, can be the increased business opportunities. For example, in policy administration, Guidewire's system can make agents' and underwriters' jobs easier, translating into satisfied agents writing more business. Automated or "no touch" underwriting is one popular feature among agents because it can mean an immediate quote and the authority to bind right away.

Trust

Customers' trust in Guidewire is a major factor in the company's success and its ability to continue to grow, Raguin says, and they earn it by being candid. On numerous occasions when customers opted for other vendors that stated solutions or timetables that Guidewire considered unrealistic, the customers often later returned, stating: "Let's see how we can reshape this to get it right."

Guidewire spans customers from relatively small in size to companies of \$20 billion plus in premiums. Guidewire continues to expand internationally; this past year, it signed its first customers in Japan and Brazil.



The Policy System You've Been Waiting For

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The wait is over. The days of P&C carriers being limited by aging policy administration systems are gone. Now you can take control of your sales and service processes in a single system that provides flexibility, operational efficiency, and ease of use by harnessing the power of modern technology.

Leverage rules and workflow automation to improve underwriting discipline and efficiency, increase ease of doing business with an intuitive web presence for your agents, and freely configure products and processes for the way you want to go to market.

Guidewire PolicyCenter® is a web-based underwriting and policy management system for personal and commercial lines carriers. PolicyCenter helps your organization grow business profitably by increasing efficiency and lowering expenses, while responding flexibly to market opportunities and improving relationships with customers and agents.

To learn how PolicyCenter can transform your underwriting and policy management operations, visit www.guidewire.com/pc1.

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