

AIM Evaluation: PAS Vendors' External Third-Party Data Integration Capabilities

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IMPACT POINTS

- Leveraging the Aite Impact Matrix (AIM), a proprietary Aite Group vendor assessment framework, this Impact Report evaluates the overall competitive position of each policy administration system (PAS) vendor, focusing on vendor stability, client strength, product features, and client services.
- The following criteria were applied to develop a list of vendors for participation: an ability to provide PAS capabilities for property and casualty (P&C) carriers and an ability to integrate third-party data through the PAS.
- A total of 33 vendors were invited to participate, and 13 vendors agreed to be evaluated under the AIM framework.
- The market for these PAS vendors appears to be strong. Most P&C insurance carriers require some type of PAS, and a sizable number of these carriers have turned to external vendors instead of building homegrown systems. Participants in this Impact Report have indicated that sales cycles are shortening, revenue is solid, and funding for research and development (R&D) is abundant.
- PAS vendors are helping their carrier partners integrate external third-party data (ETPD) into core processes, such as underwriting and claims. They are prompted by carriers' focus on policyholder experience and growing acceptance of a data-driven insurance ecosystem, a rising influx of new types of data, an accompanying expansion of analytical capabilities, and the rise of the cloud.
- Nearly all participating vendors report revenue of at least US\$11 million, and most state that their three-year cumulative growth exceeds 15%.
- IT spending among P&C carriers around the world is projected to grow from US\$17 billion to US\$20 billion by 2027.
- Achieving best-in-class status in Aite Group's AIM, a highly governed and quantitative vendor evaluation methodology introduced via this report, are Guidewire, Insurity, and BriteCore.
- Majesco, EIS Group, and Duck Creek all showed as strong contenders.
- Socotra, a relatively new entrant in the core-systems space, is gaining traction as an emerging provider with a robust set of product features and a heavy focus on open application programming interfaces (APIs) that allow easy third-party data integration.

INTRODUCTION

P&C insurance carriers around the world are being asked to provide more customized and personalized experiences for their policyholders, such as a quicker and more accurate underwriting decision or a facilitated claims process. To make this happen, carriers increasingly rely on third-party data and on a PAS that can integrate it

This Impact Report explores how well leading PAS vendors can deliver on policyholder expectations by integrating third-party data to enhance core operational functions, such as underwriting and claim processing, and highlights their primary strengths and challenges. Finally, to help insurance carriers make more informed decisions as they select new technology partners, the report recognizes specific vendors for their strengths in critical areas.

METHODOLOGY

Leveraging the AIM, a proprietary Aite Group vendor assessment framework, this Impact Report evaluates the overall competitive position of each vendor, focusing on vendor stability, client strength, product features, and client services.

The following criteria were applied to develop a list of vendors for participation:

- The vendor must provide PAS capabilities for P&C carriers
- The vendor must be able to integrate third-party data through its PAS

Between July and October of 2018, participating vendors were required to complete a detailed product request for information (RFI) comprising both qualitative and quantitative questions and to provide active client references. Vendors were not required to demonstrate how their systems integrate third-party data. Instead, client references would serve as proof of each vendor's ability to execute on this function.

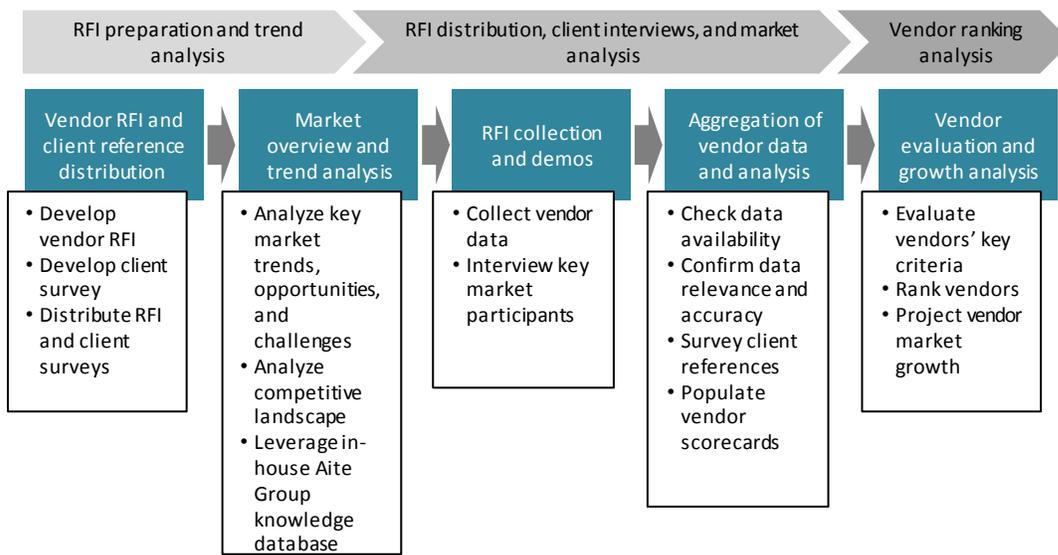
The following 13 vendors agreed to participate in this study: Beyontec, BriteCore, Decision Research Corporation (DRC), Duck Creek Technologies (Duck Creek), EIS Group (EIS), Guidewire, Instec, Insuresoft, Insurity (includes Oceanwide and Tropics), Majesco, OneShield, Sapiens (includes Adaptik, Maximum Processing, and StoneRiver), and Socotra.

Several vendors were asked to participate but declined, with most citing reasons such as a minimal focus on P&C, an inability to provide client references, a less mature or still-evolving data integration capability, or a relative overall newness in this space. These vendors include AGO, CodeObjects, Delphi Technology, DXC, eBaoTech, Epic-Premier, Finys, Insurance Systems Incorporated, Maple Technologies, Megalodon Insurance Systems, NTT Data, One Inc., Oracle, PCMS, Prima Solutions, QBIS Insurance Solutions, SAP, Solartis, Trifin, and Unirisx.

AIM INTRODUCED

The AIM is a comprehensive proprietary vendor evaluation process designed to provide a holistic analysis of participating vendors and identify market leaders in each evaluated vendor market. By incorporating many aspects of a vendor's essential characteristics for success and growth, including financial and client stability, product features, and customer service, the AIM provides an actionable guide for market participants looking for viable third-party vendor solutions and services. Figure 1 highlights the key stages of the AIM methodology.

Figure 1: AIM Methodology



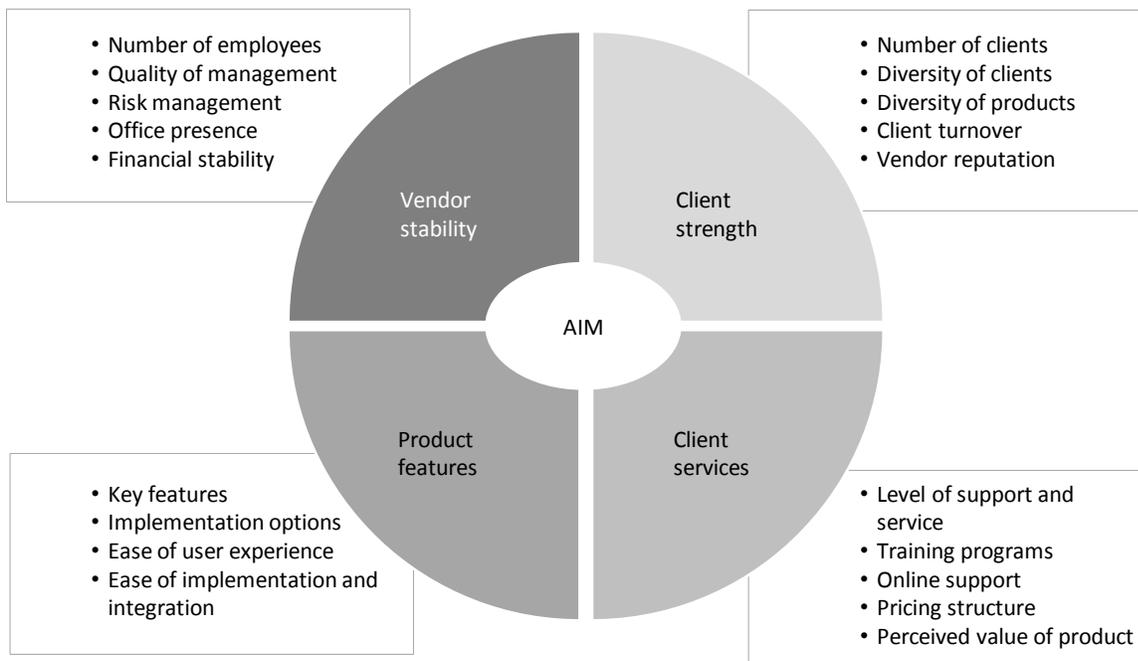
Source: Aite Group

To ensure full transparency in terms of key areas of measurement and evaluation, Aite Group shares the entire AIM with each vendor prior to publication. Each participating vendor also provides client references to measure their overall satisfaction. Details of the client reference survey and questions to be discussed with clients are shared with the participating vendor prior to the interviews. Aite Group reserves the right to identify and interview other clients that may not be recommended by participating vendors to validate certain areas of analysis.

AIM COMPONENTS

The AIM is composed of four key components: vendor stability, client strength, product features, and client services. Examples of the criteria that could be included in each component are listed in Figure 2.

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Figure 2: AIM Key Components

Source: Aite Group

VENDOR STABILITY

The vendor stability component evaluates the overall strength of the vendors in terms of financial stability, management reputation, risk management, and global presence. This component determines whether a given vendor has the basic foundation to compete and sustain its overall market presence.

CLIENT STRENGTH

The client strength component focuses on the number and diversity of customers for vendors, vendor reputation among the clients, and overall customer turnover. This component measures whether a given vendor has a strong foundation of clients and a robust client pipeline to sustain its growth trajectory.

PRODUCT FEATURES

The product features component analyzes the key features and functionality of vendor solutions and services, including implementation options, user experience, and the strength of the product roadmap. This component measures whether the vendor offers enough key features and functionality to remain competitive.

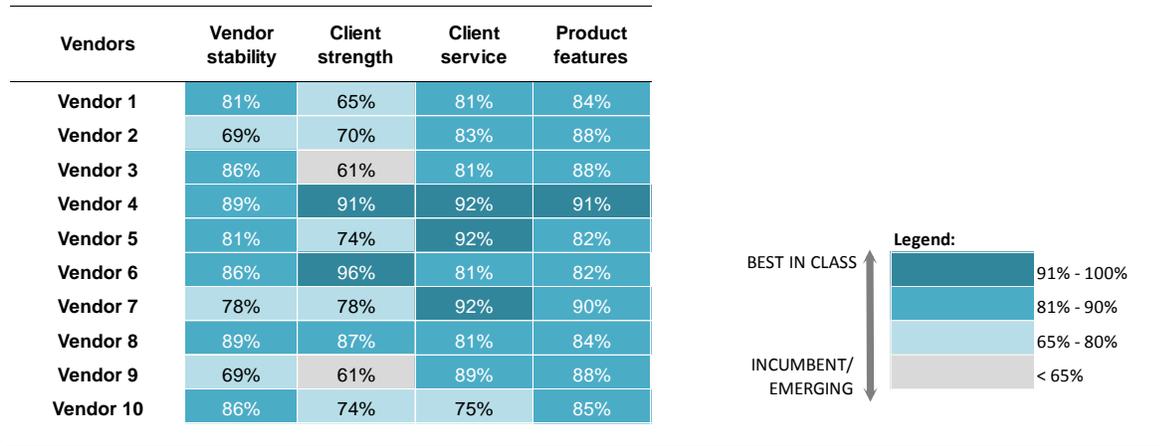
CLIENT SERVICES

The client services component evaluates the pricing structure and its various attributes as well as the comprehensive nature of the vendor's client support and service infrastructure. This component measures whether the vendor provides robust service and support to provide real value to the clients.

AIM

After a comprehensive analysis, Aite Group can assess participating vendors within the four key evaluation components (Figure 3).

Figure 3: Sample Assessment via Heat Map Representation

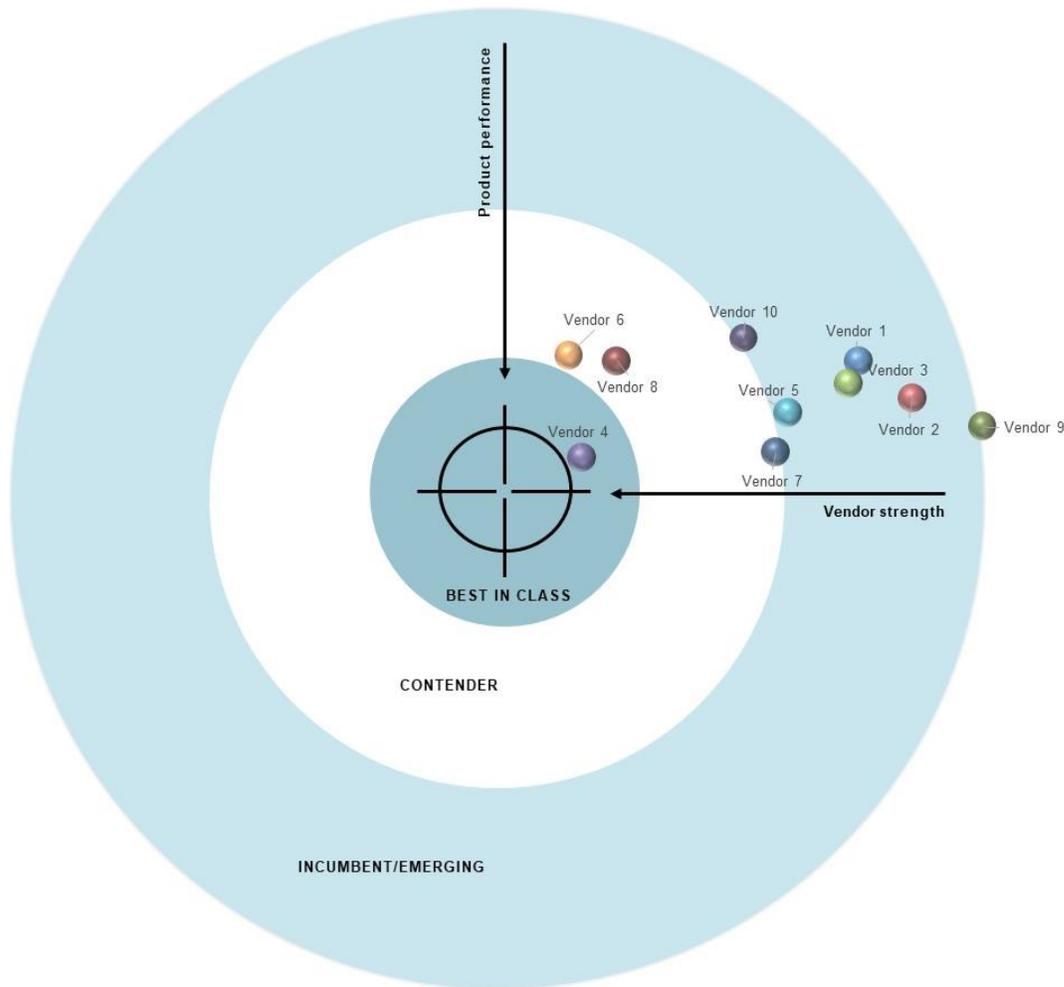


Source: Aite Group

The AIM leverages these four components to create a concise composite evaluation that identifies market-leading vendors:

- Vendor strength:** Combining the scores from the vendor stability and client strength, this criterion measures the vendor’s overall long-term business viability as a product and service provider.
- Product performance:** Combining the scores from the product features and client service components, this criterion measures the product’s ability to deliver key functionality and support.

Figure 4 is a sample output of the AIM, presenting those market-leading vendors that provide robust product performance and execute on their long-term strategies.

Figure 4: Sample AIM

Source: Aite Group

The AIM highlights three specific types of vendor groupings as a result of the analysis:

- **Best in class:** Vendors in this grouping represent the leaders in the particular vendor market, with strong financials, diverse client bases, and robust product offerings with industry-leading functionality and reliable client service. These are essentially the leading vendors that everyone else is chasing.
- **Contenders:** Contenders have created stable businesses and client bases as well as competitive product offerings. But they struggle at times to identify the next big market trend or product features, or lack consistent R&D or IT investment, leading to a failure to update overall performance and infrastructure. Contenders' overall competitive positions will vary a bit, from vendors that are having a tough time keeping up with the best-in-class vendors—due to a lack of resources or stable but outdated technology stacks—to vendors that are just inches away from joining the best-in-class grouping if only they could properly execute on the next release or successfully capture a new client segment.

- **Incumbent or emerging:** This last grouping represents vendors that either have a large potential for future growth or are established vendors with stagnating offerings. This group may represent startups or vendors with limited resources. They may exhibit unstable business models, low client count, and limited client service capabilities. However, this group of vendors may also support innovative product features and transformative business models that will help them home in on the AIM framework.

The relative positions of vendors that have been bucketed into these three distinctive vendor groupings within the AIM are, of course, not static. In fact, an emerging vendor of today may, given the speed of innovation in recent years, find itself in the best-in-class grouping five years from now.

The beauty of the AIM is that by leveraging this framework, Aite Group analysts can pinpoint vendors' strengths and weaknesses, and vendors can utilize this framework to make sure they are on the right path to reaching the coveted best-in-class position. The flexibility of the AIM is also designed to benefit those financial institutions looking to make vendor decisions tied to their unique set of internal requirements.

THE MARKET

This section provides information and analysis around the following key issues:

- Market trends
- Drivers for adoption and challenges
- Purchasing factors
- Functionality

MARKET TRENDS

The following market trends are shaping the present and future of the PAS market (Table A).

Table A: The Market

Market trends	Market implications
Increased focus on policyholder engagement and experience	Carriers have to determine whether current PAS systems need to be replaced or upgraded to better engage policyholders and deliver an improved experience.
Growing acceptance of insurance ecosystem	Carriers have to figure out an easy way to work with vendors that offer a wide variety of services.
Influx of new data	Carrier functions such as underwriting and claims processing are becoming more data-driven than ever.
Rise of the cloud	The cloud allows carriers to increase their data pools, in some instances without having to maintain the data.
Increased analytics	Carriers are in a better position to make sense of the data they have at their disposal and use analytical insights to drive improved outcomes in functional areas across the insurance value chain.

Source: Aite Group

POLICYHOLDER ENGAGEMENT AND EXPERIENCE

Most PAS vendors agree that a major shift has been underway (and is continuing to develop) around policyholder engagement and experience. For many policyholders, exposure to more customer-centric experiences in other industries has increased their expectations for interactions with their carriers. PAS vendors have noted that carriers are asking that their platforms be able to facilitate tasks that weren't required in the recent past. These newer tasks include achieving more targeted customer outreach, allowing customers to purchase a policy and have it bound online, and a delivering an expedited, more transparent claims process.

GROWING ACCEPTANCE OF INSURANCE ECOSYSTEM

New policyholder demands require new tasks. Carriers recognize that in many instances, they need assistance from external vendors to deliver those new tasks. In some cases, a carrier may have no or limited capability to execute a task; for other scenarios, a carrier might only need a boost. The insurance industry now has an ecosystem of vendors that offer a wide range of services to carriers with varying levels of involvement. PAS vendors believe that their platforms must be able to interact easily with these microservices to be relevant to carriers and competitive with other PAS vendors.

INFLUX OF NEW DATA

Carriers have traditionally relied on internal data to make decisions in functional areas such as underwriting and claims. While internal data will continue to play an important role in these areas' processes, PAS vendors believe that the availability of new data, such as geolocational data or social media data, will compel carriers to seek out data partners to help them attain a wide range of goals related to their core operational functions. With new types of data, carriers have an opportunity to make their processes more efficient, accurate, and customer-focused.

RISE OF THE CLOUD

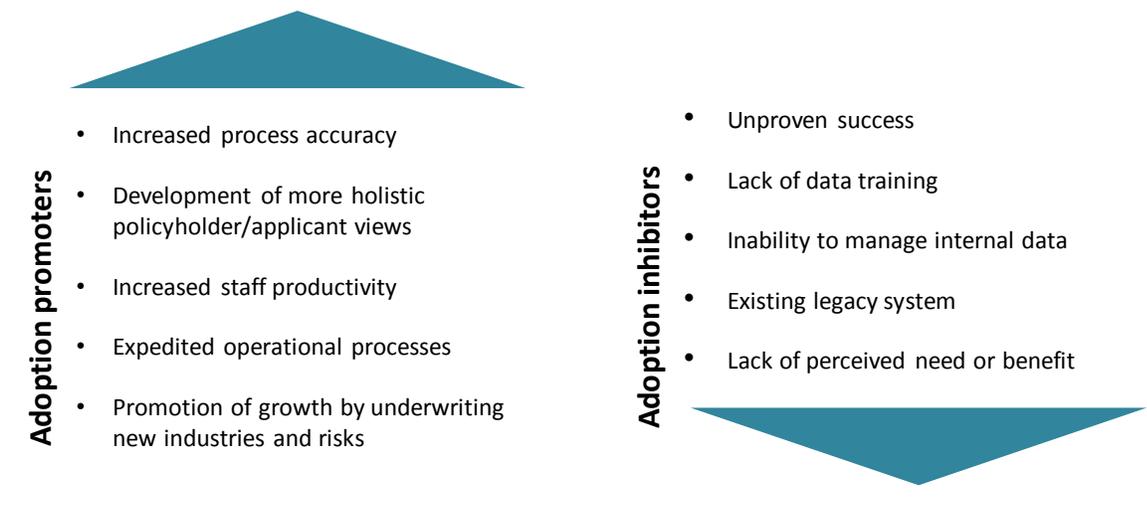
Many carriers face a conundrum. They want to meet these new consumer expectations but are burdened by limited systems that cannot manage this data, both in terms of the volume and types. The rise of the cloud has mitigated this issue since it can handle far more data than carriers can. This trend has worked to the benefit of carriers that are not able to host the robust amount of data required to fulfill policyholders' shifting demands. PAS vendors view acceptance of the cloud as central to many carriers' ability to deliver on policyholder expectations.

INCREASED ANALYTICS

PAS vendors really view this trend as a unifying thread for all of the other trends. Data analytics is seen as a sound solution to delivering a better policyholder experience through deeper engagement. Data analytics can alert a carrier when a policyholder needs outreach and when that person might need enhanced insurance coverage. Or it can help a carrier determine a more accurate and appropriate level of coverage for an applicant and arrive at an appropriate price more easily. And it can expedite a claims process and make it more accurate. This trend will not go away and will become table stakes as more carriers adapt this technique and more policyholders are exposed to it.

DRIVERS FOR AND AGAINST ADOPTION

This report is focused on one function of a PAS—data integration. Since all carriers have a PAS in some form, this section will not focus on adoption of the broader PAS but will instead focus on drivers for or against adoption as they relate to this narrower function of data integration through the PAS. The key drivers for adoption (or why carriers would choose to expand data integration) and against adoption (or why they would not choose to expand data integration) are listed and represented in Figure 5.

Figure 5: Factors for and Against Adoption

Source: Aite Group

Drivers for adoption are as follows:

- **Increased process accuracy:** Whether the process is underwriting or claims, adding enriched data into the mix is something that many carriers would like to see. For underwriting, integrating enriched data offers the possibility of pricing a risk more appropriately because more information about the risk would be known. In terms of claims, having more information can help carriers with more accurate payouts. For example, if carriers knew exactly where severe weather hit, that could help them determine if damage to property could have been caused by severe weather. In both of these instances, carriers have arrived at better outcomes for both themselves and their policyholders.
- **Development of more holistic policyholder/applicant views:** Having new data sources such as geolocation data or social media data can help round out the view of a policyholder or an applicant. This is not to say that carriers won't underwrite this business, just that they have an opportunity to underwrite more accurately. For example:
 - If a person constantly posts pictures on social media of people doing crazy things at his or her home, a carrier might consider more deeply whether it wants that business or if it needs to price the risk more appropriately.
 - Multiple properties on the same street that have historically been thought of as basically the same risk could actually have different risk exposures based on their location on the street. One property might be more prone to a natural disaster such as a wildfire and should be priced differently as a risk than the other properties on the same street that are less prone to a hazard.
 - Businesses can be viewed holistically as well. The same principles that apply to personal lines property can apply to commercial lines. Carriers should want to know if a business is in a location that is more prone to crime or natural

disasters, is under financial duress, or is the object of social media wrath. Again, none of these factors are deal-breakers for carriers, but they offer a broader view of a risk.

- **Increased staff productivity:** Having more data streaming into any process increases staff productivity and efficiency by shortening time spent on investigative work. Reducing time spent on less complex submissions is especially important, as staff would be freed to work on more complex submissions. Carriers looking to increase staff productivity are certainly able to do so through deeper integration of data.
- **Expedited operational processes:** Integrating more data into operational processes makes them faster. Decisions can be reached more swiftly because more information is known about the risk being presented or the claim being made. People can only think so quickly. Robust data and rigorous analytics can help people reach decisions, or even better, make the decision for the person. While a quicker operational process can create efficiencies, it can also increase policyholder or applicant satisfaction.
- **Promotion of growth by underwriting new industries and risks:** More data will allow carriers to better understand risks that previously had not been written.
 - For example, a new type of business that has emerged in the last few years likely will not have much loss data to draw from. In place of historical loss data, carriers will likely need data that is more forward-looking and holistic to help them make decisions. For carriers looking to expand in emerging industry classes, having this new data will be critical.

Drivers against adoption are as follows:

- **Unproven success:** Because carriers have not had access to these new data sources for very long, many carriers doubt that potential benefits can be derived from leveraging them to enhance various operational functions. Insurance carriers are not traditionally thought of as leaders. They are, however, thought of as fast followers. Widespread use of the PAS to integrate new types of data might not occur until a critical mass of carriers can demonstrate success through use cases.
- **Lack of data training:** Carriers rightly admit that they are better data stewards than data scientists. Simply put, carriers have not had extensive experience culling insights from data, so it is understandable that many would be leery of leveraging external data to enhance operational functions.
- **Inability to manage internal data:** Most carriers sit on reams of internal data that they have trouble harvesting and synthesizing. While some carriers are beginning to build business intelligence capabilities that can perform those tasks, the truth is that most have not done so. Quite rightly, many carriers are asking themselves if they are in a position to harvest and synthesize external data to enhance operational functions.

- **Existing legacy system:** Legacy systems are often scapegoated as the reason carriers are not more advanced along the technology curve. Some legacy systems are homegrown and are not able to integrate data so easily. Some systems that are not homegrown also do not have a robust architecture that could accommodate these capabilities. Upgrading any system, homegrown or not, requires significant investment, which carriers might not be willing to do.
- **Lack of perceived need or benefit:** Some carriers believe that their processes are sound and valued by their policyholders, and that therefore no alteration or enhancement is necessary. For example, these carriers believe that an underwriting decision that could be reached within minutes as opposed to an hour or two really does not matter that much to applicants. Accordingly, they do not see the need for any investment (in terms of time or money) to accommodate these new functionalities.

PURCHASING FACTORS

Despite the focus of this report on the ability of a PAS to integrate data, factors for purchasing a PAS extend well beyond the ability to integrate third-party data. Vendors most frequently cite the following factors, along with data integration ability, as purchase drivers for a PAS:

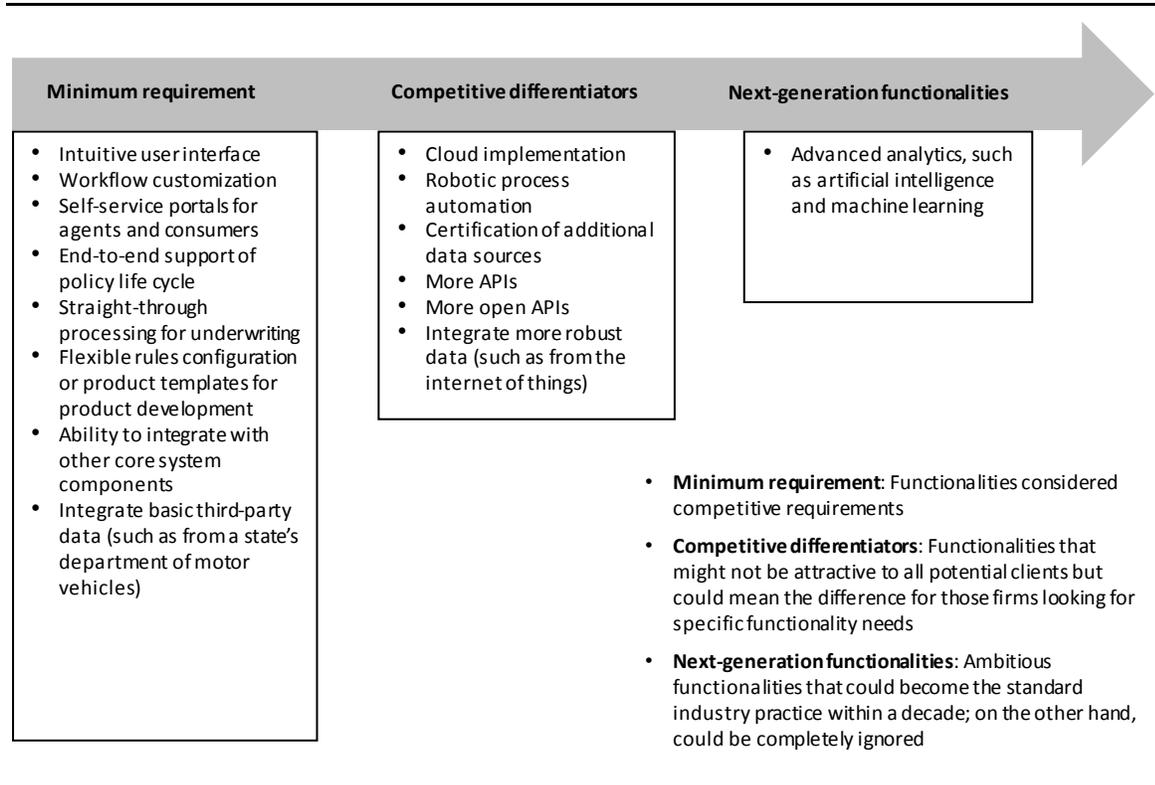
- **Platform architecture:** This factor was mentioned most frequently, as it is the most encompassing of the factors. Without a well-constructed platform that can be easily configured or reconfigured, a PAS will not be able to conduct the activities carriers need to have performed.
- **Comprehensive, out-of-the box content:** This factor speaks to the concept of speed to market. Without out-of-the-box content, such as content for bureau-related commercial lines, products cannot get built quickly. Most carriers value this platform feature highly, and it is a key purchasing factor.
- **Technological prowess:** Many vendors cited this as an important purchase factor that is tightly related to platform architecture. On its own, a flexible platform architecture is important, but without the technological expertise to configure the platform, it is not that helpful.
- **Insurance experience:** A robust understanding of the insurance industry is viewed as a major purchase factor by vendors. Not all PAS vendors are exclusively focused on insurance, so having that focus is believed to be a major purchase factor.
- **Data integration capabilities:** While readiness among carriers varies, as does the type of data these carriers need to integrate, the bottom line is that carriers expect their PAS vendors to include this capability in their platforms. Indeed, PAS vendors believe that data integration capabilities are an important purchase consideration.

FUNCTIONALITY

When it comes to functionality, a set of minimum requirements must be met to sustain the clients' basic needs. These minimum requirements are typically the same across the different regions and are generally found in nearly all vendors in the market.

To increase overall adoption and capture additional market share, vendors are focused on developing competitive differentiators. Competitive differentiators might not be attractive to all potential clients but are currently driving key client adoption and could mean the difference for those firms looking for specific functionalities. Next-generation features could become the standard industry practice within a decade; on the other hand, they could be completely ignored. Given each vendor's limited resources, it is imperative that appropriate investments are made across the needs of past, current, and future clients (Figure 6).

Figure 6: Key Functionality Trends



Source: Aite Group

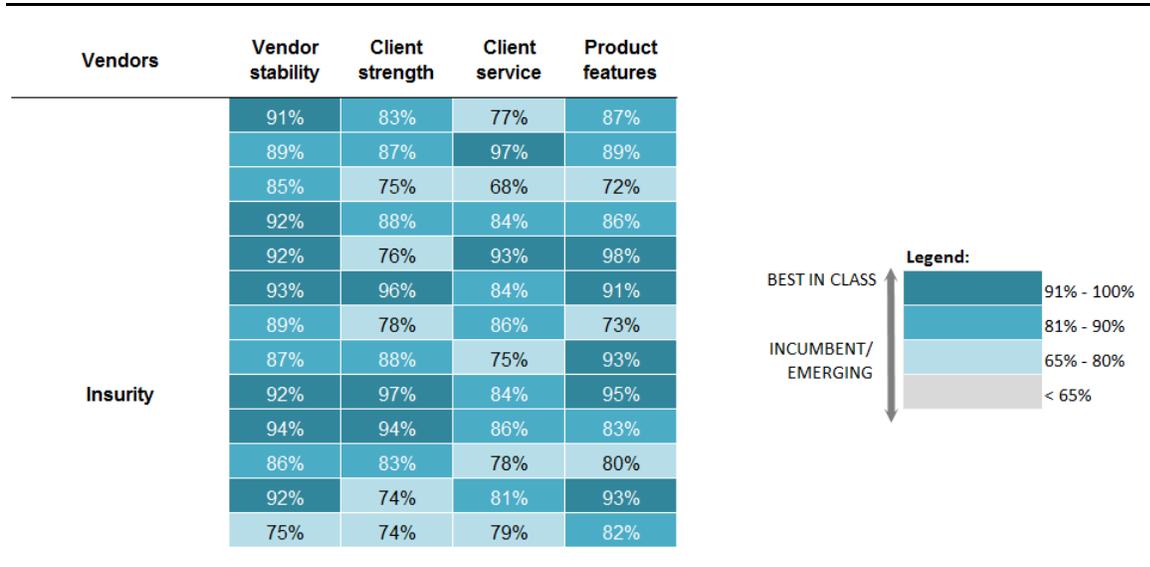
AIM EVALUATION

This section will break down the individual AIM components, drawing out the vendors that are strong in each area and how they are differentiated in the market.

THE AIM COMPONENTS ANALYSIS

Figure 7 overviews how each vendor scored in the various areas of importance. Each vendor is rated, in part, based on its own data provided when responding to the RFI distributed by Aite Group as well as on follow-up discussions as part of the AIM process. Ratings are also driven by the reference customers of the examined vendors to support a multidimensional rating.

Figure 7: AIM Components Analysis by Heat Map



Source: Vendors, Aite Group

VENDOR STABILITY

Insurity represented strongly in this category. Vendors that scored well generally had robust financials, solid infrastructures, and good risk controls.

CLIENT STRENGTH

Insurity was the leading vendor in this category with Guidewire and Majesco just behind. The primary drivers of a high score in client strength were client depth, client breadth, and overall client perception.

PRODUCT FEATURES

Vendors that showed strongly include EIS, Insurity, Insuresoft, Guidewire, and Sapiens. A plethora of factors went into this calculation, but the vendors that could demonstrate the ability to integrate ETPD, offer open APIs, and wrap that all into the traditional PAS construct were rewarded.

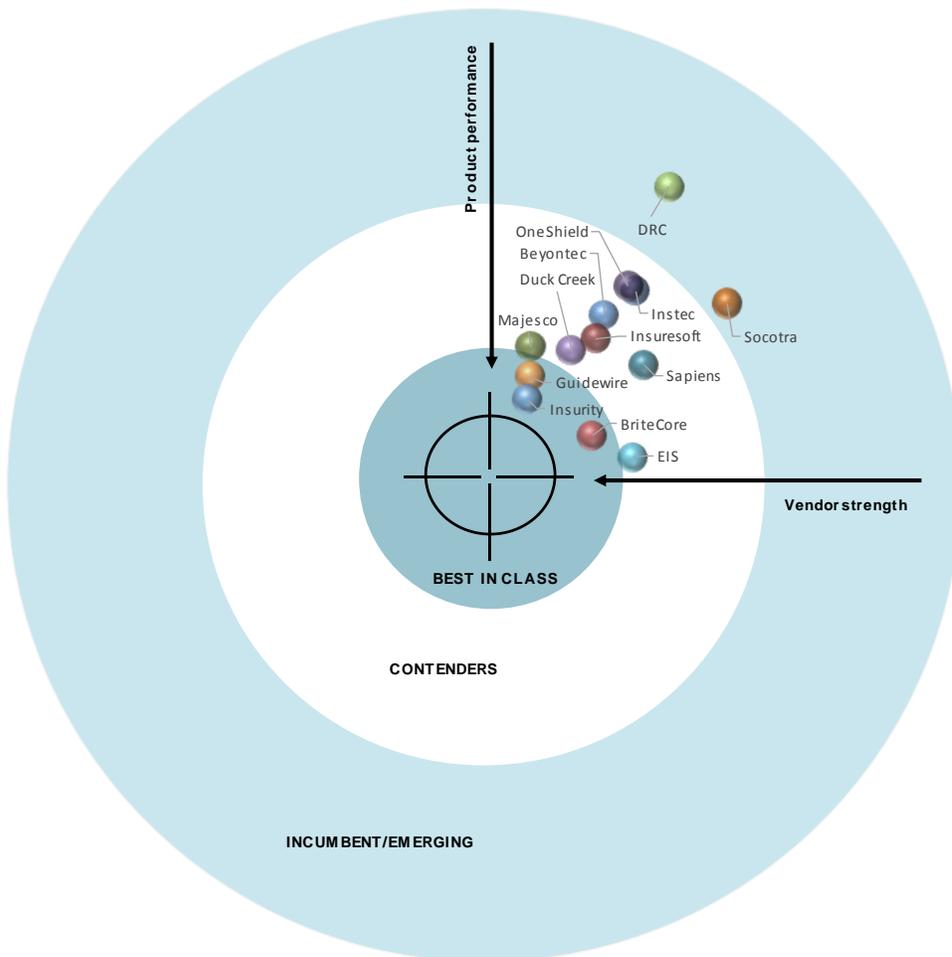
THE AIM RECOGNITION

The final results for the AIM recognition for this particular report are driven by two major factors:

- Vendor-provided information based on Aite Group’s detailed AIM RFI document
- Participating vendors’ client reference feedback and/or feedback sourced independently by Aite Group

Figure 8 represents the final AIM evaluation, highlighting the leading vendors in the market with a specific focus on their ability to integrate external third-party data.

Figure 8: PAS AIM



Source: Vendors, Aite Group

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VENDOR PROFILE

INSURITY

Insurity is a core-systems provider that is strongly focused on its data capabilities, both in terms of analytics (with its Valen Analytics unit) and absorption of data through its API Universe ecosystem. In addition, Insurity has been aggressive on the growth front by purchasing two core-systems providers, Oceanwide and Tropics, in recent years.

BASIC FIRM AND PRODUCT INFORMATION

- **Headquarters:** Hartford, Connecticut
- **Founded:** 1985
- **Number of employees:** 850
- **Ownership:** Privately held
- **Market positioning:** Insurity sees itself as being able to offer clients and prospects a flexible architecture that can accommodate a wide range of data to be imported through APIs.
- **Key products and services:** Insurity Platform
- **Key statistics:**
 - Seventy-three percent of clients have opted for cloud deployment.
 - Ninety-two percent of clients are based in the United States.
 - Its client retention rate is greater than 75%.
 - It averaged 17 client wins per year over the last three years.
- **Target customer base:** Any P&C insurance carrier, but Insurity tends to target Tier-3 and Tier-4 carriers (88% of its current client base).
- **Number of clients:** 245
- **Current revenue sources:** Annual fees from Insurity Platform
- **Implementation options clients have chosen:** On-site, hosted, and cloud
- **Pricing structure:** Pricing is normally listed as an annual fee made up of license, maintenance, and regulatory maintenance fees. Pricing considerations include products in scope (suite, PAS only, etc.), DWP, lines of business in scope, number of states/regions in scope, and service levels. Complexity of customer-specific requirements and hosting needs will also impact pricing.

KEY FEATURES AND FUNCTIONALITY

- Insurity provides the following components with its PAS: rating engine, document generation, billing, reinsurance, and claims.
- Insurity Platform’s front end uses documented APIs, at least 75% of which are considered open APIs.
- Third-party data integration is supported for rating engine, document generation, billing, CRM (for another provider’s CRM solution), reinsurance, and claims. Insuresoft provides open documentation for third-party data integration for all components.
- Data can be imported in client’s file format of choice.
- It can automatically route workflow based upon imported ETPD.
- Both business stakeholders and IT staff are able to adjust workflow and rules based upon imported ETPD if needed.
- Microservices are supported with a one-per-integration approach.
- It uses web services, Certified ACORD, ACORD, and RESTful APIs to integrate ETPD.
- It can extract, import, and synthesize standard data, social media, photos, telematics data, structured data, geolocational data, geospatial data, weather data, flood zone data, hazard data, and personal financial data.
- There is open documentation about how to prefill with new data sources.
- It can leverage AI/ML to deliver insights to carriers. Insurity has started to incorporate its Valen assets to help in this area around claims, underwriting, and the user experience evaluation process.

CLIENT FEEDBACK

Clients were asked to assess certain features and functions with regard to ETPD and data integration in general. Table B displays the sentiment of Insurity’s client references for each feature or function.

Table B: Insurity’s Client Feedback Summary

Feature or function	Satisfied	Neutral	Unsatisfied
Openness of APIs		✓	
Choice of ETPD file format for importation	✓		
Ability to use ETPD for policyholder communication		✓	
Ease of ETPD importation	✓		
Ability to use ETPD to route workflow	✓		

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Feature or function	Satisfied	Neutral	Unsatisfied
Ability to use ETPD to communicate through omnichannel	✓		
Breadth of ETPD that PAS can import	✓		
Ability to use ETPD to deliver quality insights		✓	
Overall quality of AI/ML features		✓	
Ability to prefill based on ETPD	✓		

Source: Client references provided August to October 2018

TOP STRATEGIC PRODUCT INITIATIVES OVER LAST TWO YEARS

- Introduction of microservices and RESTful APIs
- Incorporation of predictive analytics and data as part of Valen assets
- Further build out of enterprise accelerators to third-party products incorporated into a role-centric user experience (i.e., direct-to-consumer workers' compensation) that can be utilized in all products

TOP STRATEGIC PRODUCT INITIATIVES IN THE NEXT 12 TO 18 MONTHS

- More initiatives in AI for both underwriting and claims
- Expanding capabilities as part of API-driven microservices strategy
- Further development around digital strategy with an API ecosystem based on cloud deployment of microservices

AITE GROUP'S TAKE

Insurity is another PAS vendor with its own analytics unit (Valen). This is a solid indication that Insurity is absolutely committed to providing its clients with a strong data integration offering. Moreover, it is planning to replicate what other PAS vendors have done with insurtech-focused ecosystems. If this initiative comes to pass, it would signal an even deeper commitment to data. Currently, Insurity's clients are split when it comes to satisfaction or neutrality regarding its data integration functions, so it is critical that Insurity get this right, not only for the benefit of its current customer base but also for the prospects for which it will be competing against other vendors that are similarly focusing on data-driven ecosystems.

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CONCLUSION

Carriers:

- Carriers must embrace the reality of an evolving P&C insurance landscape that will include a greater focus on external data to assist in underwriting applications and processing claim submission.
- Carriers need to assess their own unique needs as they relate to leveraging third-party data. There are varying degrees of evolution, and not every evolutionary change will hit every carrier.
- If a carrier determines that its needs have outgrown its current PAS, it ought to determine if its current PAS vendor can evolve its current system to accommodate these new needs.
- If the current provider is not up to the task of meeting these new expectations, then carriers must begin a request-for-proposal process to identify a vendor that can meet those expectations. For some carriers, not all the features offered by some of the vendors in this study will be required for them to operate efficiently and profitably. Still, carriers should be thinking beyond their current needs and incorporate a solution into which they could grow.

Vendors:

- PAS vendors must recognize that many carriers are still trying to embrace the evolving insurance landscape and that many have yet to harness the power of their internal data.
- Based on each carrier's readiness level, vendors must be able to customize their product offerings as much as possible to meet the varying levels of need for third-party data integration.
- Primarily, a vendor should focus on its solution's ability to bring in a wide range of data types through open APIs that create a smooth user experience.
- At a secondary level, vendors must ensure that data can be integrated easily into core operations so that a true difference can be seen—whether a process is quicker, less costly, more efficient, or some combination of all three.

RELATED AITE GROUP RESEARCH

U.S. P&C Insurance PAS: A Client View of People and Technology, May 2017.

U.S. P&C Insurance Policy Administration System: Selected Performance Metrics, November 2016.

ABOUT AITE GROUP

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