

# CELENT

 CELENT Awards 2017

## EMEA POLICY ADMINISTRATION SYSTEMS 2017

LIFE, ANNUITIES, AND PENSION ABCD VENDOR VIEW

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This authorized reprint contains material excerpted from a recent Celent report profiling and evaluating 38 different life / annuities / pension / health policy administration system vendors in EMEA. The full report is more than 245 pages long. This report was not sponsored by Fadata in any way.

This reprint was prepared specifically for Fadata, but the analysis presented has not been changed from that presented in the full report. All other vendors have been removed from the ABCD graphic by Celent. For more information on the full report, please contact Celent at [info@celent.com](mailto:info@celent.com).

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# INTRODUCTION

## KEY RESEARCH QUESTIONS

- 1** *What is a life/annuity/pension policy administration system?*
- 2** *Who are the vendors in the EMEA marketplace by line of business?*
- 3** *Which systems win Celent's 2017 Life/Annuity/Pension PAS ABCD Awards?*

This report is part of a series on policy administration systems (PAS) in North America, Latin America, EMEA, and Asia-Pacific. It profiles the majority of the life, annuities and pension insurance administration systems available in EMEA today.

It uses Celent's ABCD vendor view, which is our standard representation of a vendor marketplace, designed to show at a glance the relative positions of each vendor in four categories: Advanced technology, Breadth of functionality, Customer base, and Depth of client services. Insurers should consider which factors in breadth, technology, experience, and client service are most important to them, and review the detailed profiles in this report to assess vendor suitability.

This report includes 27 systems that fully met the inclusion criteria for Celent's ABCD Vendor View as described in the "Report Methodology" section of this report. Eleven additional vendors that did not meet the ABCD criteria are also profiled; these vendors are either market entrants or, for a variety of reasons, did not fully meet the inclusion criteria. For a full list of vendors in this report, see Table 1 on page 8.

This report should help insurers define their core systems requirements and, where appropriate, create a short list of vendors for evaluation. Expanded PAS functionality and improved technology means that insurers continue to have a wide spectrum of systems and vendors to consider when they are looking for a solution to fit their needs.

# POLICY ADMINISTRATION SYSTEMS: DEFINITION AND FUNCTIONALITY

## Key Research Question

# 1

*What is a life/annuity/pension policy administration system?*

The primary systems of record for life, annuity, and pension insurance business operations, handling all business transactions from the front end processes of individual policyholder management to the back end of billing and premium payments. They also store all product rules and definitions.

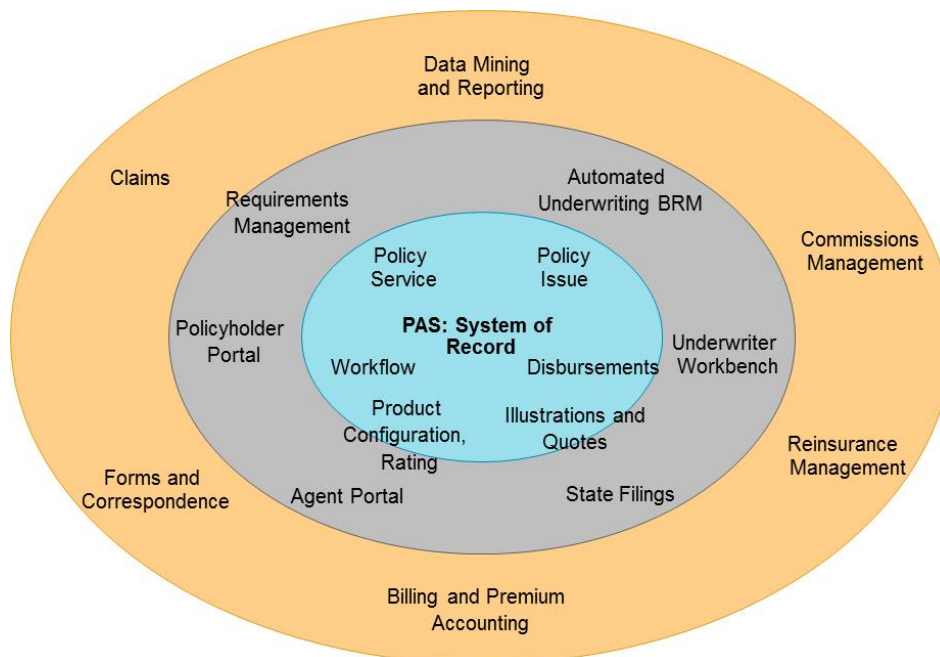
## DEFINITION

In one sense, the definition of a policy administration system (PAS) is very simple: It is the system of record for all policies that an insurance company has written. At this most basic level, a PAS is a repository of policy-level data related to objects of insurance, policy coverage, conditions, exclusions, duration of the policy, endorsements, beginning and end dates, and so forth. A permanent policy record is created at the time a policy is issued and includes the complete history of the policy through renewal, termination, cancellation, and/or reinstatement.

## Core Processes

In actual practice, an insurer uses a PAS, either by itself or closely integrated with specific point solutions, to execute a number of core processes, and relies on several types of supporting capabilities, as shown in Figure 1.

Figure 1: Policy Administration System Components and Functionality



Source: Celent

As shown in the center section of Figure 1, there are six core processes, with two that have both core and supporting functions.

**Policy Issue** is the ability to create a policy in the system of record. The system must be able to verify that a policy fulfills basic requirements, create or store a policy number that will represent the policy through its lifetime, store additional relevant information about policy features, and make the policy available for servicing and inquiry.

**Policy Service** includes the activities that begin with issuance of a policy, and continues through the life of the policy, including: riders, changes of status for the insured policyholder, the objects of insurance, lapses or cancellations, beneficiary information, etc.

**Workflow** is the basic process management functions which allow users to do more than simply store and edit data; workflow instead creates functional paths for users to follow. This is not to be confused with more robust workflow or business process management systems, which are typically third party systems. Some vendors provide visual tools for editing system workflow, while many others require the writing of custom code.

**Disbursements** functionality supports a variety of situations that result in payments to policy owners or annuitants. For example, loans, surrenders, premium refunds, or annuitization all trigger payout and accounting processes.

**Product Design and Rating** is a concept which straddles the core and supporting functionality areas. It is core to a PAS to provide a definition of a product and the ability to set some rating rules and variables. Some systems end there, requiring custom code to make changes, while others provide visual or script-based modeling tools for users. Insurers requiring complex rating rules may choose to work with third party rating engines and integrate them into the system.

**Quoting and Illustrations** is another concept that straddles the line between core and supporting. It is core to a PAS to provide some ability to view the rates/pricing for a policy. Supporting functionality includes the ability to create more robust illustrations and presentation or point-of-sale materials.

### Supporting Capabilities

There are six supporting processes, as shown in the surrounding, light blue section of Figure 1.

**Automated Underwriting / Business Rules Management** Some PAS are capable of supporting advanced decision-making, with minimal human interaction, in an underwriting context and in the context of regular service transactions. Business rules management functionality supports the design, managing, and execution of business rules attached to products, processes, and workflow.

**Underwriter Workbench** is similar to core policy service capabilities in that it provides an interface for users to manage system transactions. But the focus of an underwriter workbench is on new business submissions, giving underwriters the tools to evaluate, review, track, and make decisions on policy applications.

**Requirements Management** is a specialized process related to underwriting that provides a case-level view of underwriting requirements, and the ability to order, receive, and process requirements. Typically, this requires integration points to a multitude of data sources, such as Medical Information Bureau (MIB), paramedical providers, credit bureaus, and other sources.

**Agent Portal** includes all agent-facing online functionality. This is a critical supporting process for a PAS because the combination of the portal and the back end systems is what drives an insurer's ability to handle functions such as inquiry and new business submission effectively.

**Policyholder Portal** is another supporting capability, aimed squarely at helping insurers deliver web-based functionality directly to consumers. Functions supported can be informational (e.g., policy value inquiry) or transactional (e.g., loan or surrender requests).

**State Filings** is the final supporting process, and it includes the production and management of forms required to submit new products to states for approval. It is not typically included in PAS, but it is logically related in that it is the expression of products that are run on any policy administration platform.

### Advanced Functionality

A good modern PAS will provide most, although not necessarily all, of the advanced functionalities listed below. (Note: Each full profile in this report has a table summarizing whether the PAS in question offers these advanced functionalities, and if so, in what manner and in what form.) This is not an exhaustive list, but rather the most common additional functionalities, and therefore, the ones most commonly provided by vendors bundled with or in addition to their policy administration offering.

**Data Mining and Reporting** is the true business intelligence and data warehousing function, typically external to a PAS. While many PAS provide basic reporting functionality, well-thought-out PAS facilitate the integration to third party reporting and analytic databases. A true BI/analytics tool allows the management of data marts, detailed ad hoc reporting, customized dashboards, and complex data analysis — not just for the PAS but for all an insurer's data.

**Billing and Premium Accounting** functions are typically handled downstream of a PAS. A billing component will support a broad set of billing methods, such as direct and agency bill, as well as various present and payment options, and configuration capabilities. The PAS may keep track of paid-to dates and billing modes, but a billing system handles the creation and delivery of bills, and an accounting system keeps track of premiums paid and similar functions. Insurers often have an enterprise billing system which is fed by the PAS, but it should be noted that the origination of the transaction happens in the PAS.

**Claim management** refers to the claims workflow management. A fully functional claims system will record and support all steps in the claims process from first notice of loss to final settlement. The claims systems will exchange data with a broad set of internal and external systems as well. Celent does not consider a claims system to be connected to policy administration, but many vendors offer both for an integrated end-to-end suite.

**Commissions Management** is where commission rules and calculation of payments to distribution channels are managed. It needs to integrate with several systems to handle this effectively, but a true commission system can manage more complicated commission rules and do better incentive planning. These systems are often closely integrated to agent portals in order to facilitate delivery of critical remuneration data which is used to motivate and incent agents.

**Reinsurance Management** includes administration of facultative or treaty-based reinsurance, including storage of policy-level data and key reinsurance accounting functions. Most often this is a separate system.

**Forms and Correspondence** refers to document and content automation systems which allow template-based generations of official policies, underwriting rejection letters, and

any other documentation that needs to be stored or sent. Many policy admin systems have basic forms and correspondence functionality, though a third party system usually handles document generation across the enterprise.

# REPORT METHODOLOGY

## CRITERIA FOR INCLUSION

Celent's objective is to include in this report as many as possible of the leading life/annuity/pension policy administration systems being used or actively sold to insurers in EMEA. Celent actively reviews vendor systems in the insurance software market and invites the vendors to participate in reports like these.

Celent's ABCD Vendor View analysis is used to highlight those vendors who have attained success selling their systems in a particular market, in this case EMEA. Even if a vendor is not included in the ABCD Vendor Views, Celent profiles all vendors who are new or emerging entrants to the market as well as those with re-architected products.

The three key criteria to be included in Celent's ABCD analysis are:

- At least three customers in production with the current version of the system.
- At least one new sale to one new customer within the last 24 months.
- Participation by at least three reference customers.

This report contains 38 profiles. Each of the profiles presents information about the vendor and solution; available professional services and support capabilities in the region; customer base; functionality and lines of business deployed; technology and partnerships; and implementations and cost. The vendors included in Celent's ABCD Vendor View analysis have two additional sections: reference customer feedback and some summary comments.

## EVALUATION PROCESS

Celent sent a detailed RFI to a broad set of life/annuity/pension PAS vendors. After Celent received completed RFIs from the vendors, each vendor was evaluated for meeting the criteria for inclusion in the ABCD Vendor View analysis. Each vendor included in Celent's ABCD evaluation provided a briefing and demo for Celent concentrating on usability and functionality for everyday users as well as external portals (if available), product and rules configuration, and other key features highlighted by the vendors.

Celent also asked at least three references provided by each vendor in the ABCD Vendor View analysis to complete an online survey in order to obtain their view of the system's business and technology value. The RFIs, the demos/briefings, and the reference surveys provided quantitative and qualitative data that was used in the ABCD analysis of these vendors. This process is described in the next section.

Additionally, data from the RFIs received from every vendor was included in the system profiles presented in this report. All vendors had an opportunity to review their profile for factual accuracy, but they could not influence the overall evaluation of the system or the vendor's placement in the ABCD Vendor View charts if the vendor was included in the evaluation.

Celent has retained final authority over the content of the published profiles. Some of the vendors profiled in this report are Celent clients, and some are not. No preference was given to Celent clients either for inclusion in the report or for the subsequent evaluation.



Not all data gathered from the detailed RFIs, vendor briefings and demos, and reference surveys/interviews has been included in the profiles. Rather, Celent has attempted to capture key points and values about each vendor at an appropriate level. Unpublished information remains in the Celent knowledge base and is available to Celent's subscription or consulting clients.

**Key  
Research  
Question**

**2**

*Who are the vendors in the EMEA marketplace by line of business?*

Thirty-eight vendors are presented in the profiles in this report, and many of them market their PAS across multiple lines of business.

# CELENT'S ABCD VENDOR VIEW

Celent's framework for evaluating vendors is called the Celent ABCD Vendor View. This is a standard representation of a vendor marketplace designed to show at a glance the relative positions of each vendor in four categories: Advanced technology, Breadth of functionality, Customer base, and Depth of client services. The Celent ABCD Vendor View shows relative positions of each solution evaluated. Each vendor solution is judged relative to the others in the group.

While this is a standard tool that Celent uses across vendor reports in many different areas, each report will define each category slightly differently. For this report, some of the factors used to evaluate each vendor are listed below.

Table 1: Examples of Possible Factors Used in Celent Policy Administration System ABCD

ABCD CATEGORIES	POSSIBLE FACTORS
Advanced Technology	Platform and Modernity (Code base, platform, databases, localization capabilities, etc.) UI (Ease of use, mobility) Data and adaptability/extendibility (Openness of application, code base, data model, etc.) Integration (Web services, APIs, reference comments) Scalability and cloud (Cloud readiness, largest installations, etc.) Ease of change (Change tooling, debugging capabilities, etc.) Celent opinion of demo and system
Breadth of Functionality	Functions and features provided in base offering In production lines of business and number of deployments for each User experience Celent opinion of demo and system
Customer Base	Number of live insurers using the system for life lines of business Number of countries where the system is implemented New client momentum
Depth of Customer Service	Size professional services and support team in region Insurers' post-implementation experiences

Source: Celent

## THE XCELENT AWARDS

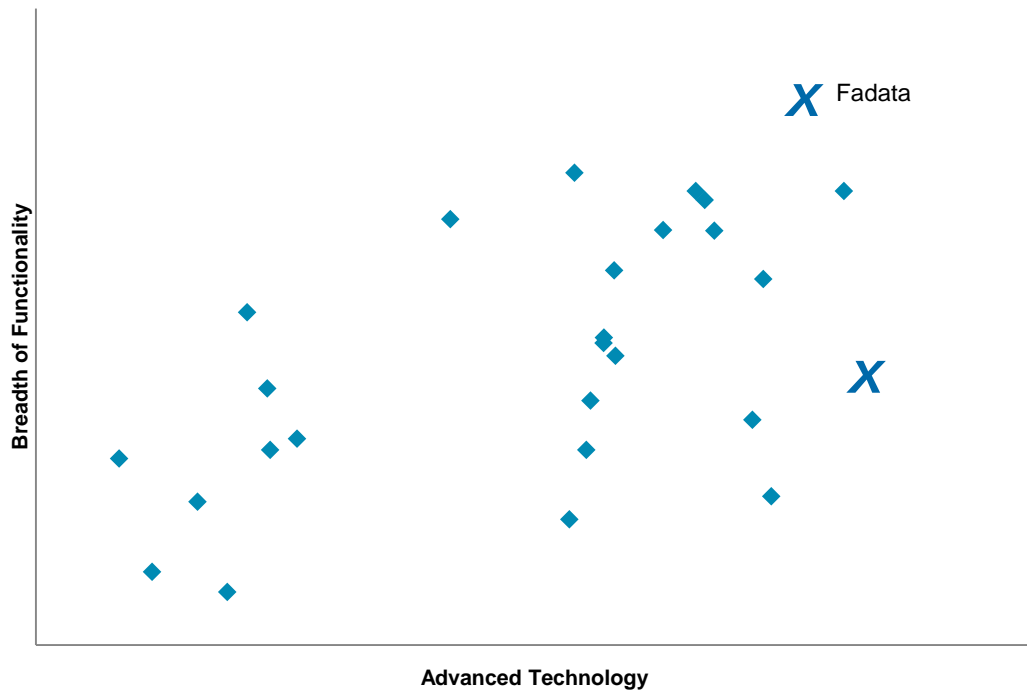
XCelent within this framework, the top performers in each of the ABCD dimensions receive a corresponding XCelent Award:

- XCelent Technology for the leading Advanced Technology score
- XCelent Functionality for the leading Breadth of Functionality score
- XCelent Customer Base for the leading Customer Base score
- XCelent Service for the Depth of Service score

## XCELENT TECHNOLOGY AND XCELENT FUNCTIONALITY

Figure 2 positions each vendor along two dimensions: the vertical axis displaying the relative rankings for Advanced Technology and the horizontal axis showing relative Breadth of Functionality rankings.

Figure 2: 2017 XCelet Technology and XCelet Functionality

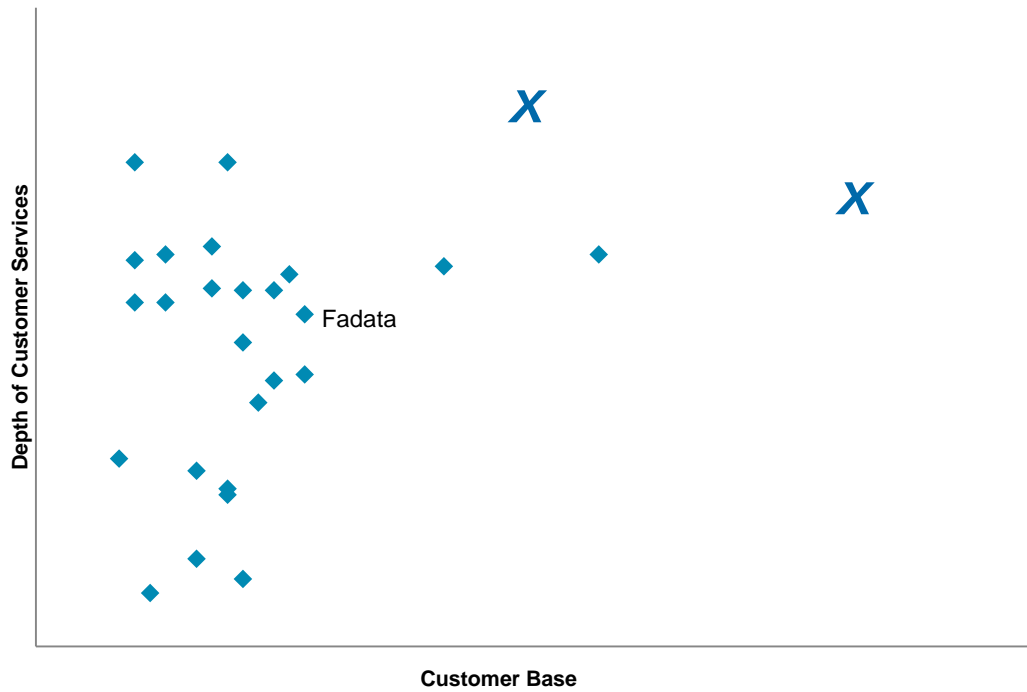


Source: Celent

## XCELENT CUSTOMER BASE AND XCELENT SERVICE

Figure 3 positions each vendor along two dimensions: the vertical axis displaying the relative level of depth of customer service and the horizontal axis displaying the relative customer base.

Figure 3: 2017 Customer Base and Depth of Customer Service



Source: Celent

Celent advises insurers to take into account past vendor results, but not to compare the placement of vendors in the charts from prior years because not only is the market changing, but so has our analysis. The criteria used to determine the A, B, C, and D rankings in this report are broadly similar, but not identical, to the criteria used in the previous Celent PAS vendor reports. For example, in this report we are considering new criteria in Advanced Technology related to integration and digital capabilities. The market is also evolving due to acquisitions and partnerships, solutions development, and alternative delivery models.

We suggest that insurers consider their specific needs and each vendor for what it offers. Although they are very successful in one or more of the criteria, the XCelent Award winners may not be the best match for an insurer's specific business goals and solution requirements.

# VENDOR PROFILES

## ABOUT THE PROFILES

Each of the profiles presents information about the vendor and solution; professional services and support capabilities; customer base; functionality and lines of business deployed; technology and partnerships; and implementations and cost. As stated earlier, if a system was included in the ABCD Vendor View analysis, the profile also includes customer feedback and Celent's opinion of the system and the vendor.

When discussing insurance customers of the various solutions the profiles may use the terms very small, small, medium, large, and very large insurers. Very small insurers (Tier 5) have under €100 million in annual premium; small (Tier 4) €100 million to €499 million; medium (Tier 3) have €500 million to €999 million; large (Tier 2) have €1 billion to €4.9 billion; and very large (Tier 1) have €5 billion or more.

## CUSTOMER FEEDBACK

If included in the ABCD Vendor View analysis, the vendor's reference feedback gathered through the use of an online survey is presented in the profile. Customer feedback sections include a diagram that displays the average ratings given to the vendor in five categories. Each average rating includes up to eight underlying ratings shown in Table 2 scored by the customer on a scale of 1 to 5, where 1 means poor and 5 is excellent.

Table 2: Customer Feedback Ratings

DIAGRAM AVERAGE (QUESTION ASKED)	RATINGS INCLUDED IN AVERAGE*
<b>FUNCTIONALITY</b> (How would you rate the features and functions you are currently using?)	Producer/agent portal Policyholder portal Customer service desktop Underwriter desktop / underwriting and case management Product configuration/definition and maintenance Workflow / business process design Business rules Document management Business intelligence Analytics Billing Claims management Commission management Reinsurance management Regulatory reporting
<b>USER EXPERIENCE</b> (Do the following users find this system EASY AND EFFICIENT to use? Using a 1 to 5 scale, where 1 is very difficult to use and 5 is very easy to use)	Underwriters Underwriter support staff Policy service staff System administrators Business analysts (doing configuration)

DIAGRAM AVERAGE (QUESTION ASKED)	RATINGS INCLUDED IN AVERAGE*
<b>TECHNOLOGY</b> (How would you rate the TECHNOLOGY of this solution on a scale of 1 to 5 where 1 means Very Poor and 5 means Excellent?)	Ease of system maintenance Flexibility of data model Scalability Continuous improvements in technical performance Configurability Ease of integration with internal and external data/systems
<b>IMPLEMENTATION</b> (If you are familiar with the original implementation of this system at your company, how would you rate this vendor in the following areas?)	Responsiveness Project management Implementation completed on time Implementation completed on budget Overall project success Knowledge of your business
<b>SUPPORT</b> (After implementation, how would you rate the vendor's professional services staff in the following areas?)	Skill and knowledge of professional services staff Timeliness of responses to service requests Quality of response to service requests Cost of services Overall value of professional services

Source: Celent

\*Scale 1 to 5, where 1 is poor and 5 is excellent. Not Applicable or No Opinion not included in average.

## FUNCTION CATEGORY

Each profile includes a diagram outlining available end-to-end components and the features/functions availability within the systems. The legend describes the color coding for each feature or component; colors were chosen based on the vendor having the majority of possible options in that color. The following table list the features considered for each category:

Table 3: Category Function

CATEGORY	FEATURES
DESKTOP	Customer Service Desktop for policyholder service Email generation
CLIENT CENTRICITY	Supports the ability for client to be an insured/payor/owner on separate policies
PORTAL	Producer Portal Prospective Customer Portal Policyholder Portal
QUOTE/ILLUSTRATION	Performs basic illustration calculations, such as policy values and premium amounts Performs complex illustration calculations, such as solves for different variables Performs basic solve for calculations Performs complex solve for calculations Calculation and side by side display of multiple quotes Ability to create and display illustration output

CATEGORY	FEATURES
APPLICATION	<ul style="list-style-type: none"> <li>Electronic application</li> <li>Dynamic interviewing</li> <li>Ability to upload or import application to avoid data entry</li> <li>Electronic signature</li> </ul>
DATA SERVICES	<ul style="list-style-type: none"> <li>Integration and prefill with data from external data services</li> <li>Can upload or import data from Excel</li> </ul>
UNDERWRITING	<ul style="list-style-type: none"> <li>Underwriters desktop / workstation</li> <li>Automated underwriter assignment</li> <li>Preconfigured ordering and receiving third party data</li> <li>Automated, rule-based underwriting using third party data</li> </ul>
PREMIUM CALCULATIONS	<ul style="list-style-type: none"> <li>Includes an actuarial calculation engine</li> <li>Rate table design and update management tools</li> <li>Rating rules and formulas externalized from programming code</li> <li>Rating algorithm definition and management maintained separately from rate tables</li> <li>Date management capabilities - the ability to manage multiple dates based versions of rate, table, or algorithm changes.</li> <li>Ability to use external party information sources into rate algorithms during real-time calculation</li> </ul>
CLAIMS	<ul style="list-style-type: none"> <li>Ability to receive notice of claim and track production statistics</li> <li>Automatic tracking of the status of any requests in relation to a claims case</li> <li>Pre-defined selection of causes of claims</li> <li>Automatic benefits calculation</li> <li>Automatic calculation of tax reductions and application of interest</li> <li>Claims handling dashboard showing status of claims</li> </ul>
WORKFLOW/AUDITING	<ul style="list-style-type: none"> <li>Workflow Management</li> <li>Workflow Management graphic design environment, with automated code generation</li> <li>Business Rules Management</li> <li>Reusable, sharable rules</li> <li>Rules repository</li> <li>Unlimited number of rules can be assigned to a single role</li> <li>Automated work flow alerts, e.g. bottlenecks, past dues</li> <li>Manager-level reports/audit/review capability by staff person</li> <li>Manager-level reports/audit/review capability by work group</li> <li>Ability to track changes in audit logs</li> <li>Configurable data logs in audit function of tracking changes</li> </ul>

CATEGORY	FEATURES
SECURITY	<ul style="list-style-type: none"> <li>Role-based security</li> <li>Authority within roles extends to all data fields and functions</li> <li>Authority for an individual user extends to all data fields and functions</li> </ul>
PRODUCT MANAGEMENT	<ul style="list-style-type: none"> <li>System supports a product dictionary/repository</li> <li>Ability to design and manage product-specific rules</li> <li>Ability to design separate state specific processing</li> <li>Testing, modeling and product analysis tools are included</li> <li>Underwriting rule definition and management maintained separately from rate rules</li> <li>Product filing management</li> </ul>
REINSURANCE	<ul style="list-style-type: none"> <li>Ability to manage and track reinsurance - both treaty and facultative</li> </ul>
BILLING	<ul style="list-style-type: none"> <li>Premium Accounting</li> <li>Specification of billing parameters</li> </ul>
DIGITAL EXTENSIONS	<ul style="list-style-type: none"> <li>Features related to integration with wearables</li> <li>Features related to integration with robo advisors</li> <li>Features related to integration with chat bots</li> <li>Personalized video based interaction</li> <li>Web recording and replay</li> </ul>
DISTRIBUTION MANAGEMENT	<ul style="list-style-type: none"> <li>Calculate and administer commissions</li> <li>Ability to support producer hierarchy management</li> <li>Producer validation and tracking</li> </ul>
DOCUMENT MANAGEMENT	<ul style="list-style-type: none"> <li>Includes a content repository/content management tools</li> <li>Can link and display mages, emails, documents, or other file types with the applicable record</li> </ul>
DOCUMENT CREATION	<ul style="list-style-type: none"> <li>Document creation tools</li> <li>Multi-channel delivery and output</li> <li>Configurable business rules to support advanced personalization, multiple jurisdictions, languages and output channels</li> </ul>
FORMS MANAGEMENT	<ul style="list-style-type: none"> <li>Ability to design and manage product-specific forms</li> <li>Ability to use overlapping dates on forms during product rule transitions</li> <li>Forms can be attached automatically through configurable rules or manually</li> <li>Ability to store templates, to assemble contracts for specific states or jurisdictions, and to store the contract.</li> <li>Insurance document generation</li> <li>E-delivery of insurance documents including contracts and forms</li> </ul>



CATEGORY	FEATURES
REPORTING/ANALYSIS	Business intelligence and analytics Management reporting dashboard Management and Financial Reporting Data Store User defined ad hoc reporting
TPA	Ability to track hours/activities Ability to manage different fee schedules Ability to assign to external adjusters

Source: Celent

## IMPLEMENTATION PRICING ESTIMATES

Concerning implementation costs and fees, Celent asked vendors to provide information about license and implementation costs (work by the insurer, vendor, or third parties) for two hypothetical insurance companies:

- A single licensed company that writes in one country, for eight lines of business, producing annual GWP OF €250 million.
- A holding company, which has four companies, writes in five countries across 24 lines of business and has GWP of €2.5 billion.

For these two scenarios, we have asked vendors to provide information on various price elements including license, vendor fees, third party fees, and maintenance. The maintenance figure is a percentage of the license fee per annum if not stated otherwise. The vendor fees are the total insurer out of pocket implementation costs including license, customization, etc. to be paid to the policy administration system vendor. Third party fees include implementation costs paid to other third party system integrators.

# FADATA: INSIS

## XCELENT Functionality 2017

### COMPANY

Fadata is a privately owned company with outside investors headquartered in London, UK. The company has approximately 250 employees, of which 90 are available to provide professional services / client support for their PAS solution. Up to 185 INSIS dedicated professionals are physically located in EMEA.

The last user conference, the Fadata Community Forum, took place in June 2017 to provide information and discussions between Fadata, its customers, and implementation partners.

Table 4: Company and Product Snapshot

COMPANY	Annual corporate revenues	Confidential
	Year founded	1990
	Exchanges/Symbols	Not publicly quoted
	Headquarters Location	Global: London, UK
PAS SYSTEM	Name	INSIS
	Current release and date of release	v10.5.1 (Sept 2017)
	Release intervals	Minor enhancements: Quarterly to semi-annually Major enhancements: Annually
	Upgrades	Insurers must upgrade by going from one version to the next sequentially (e.g., 4.0 to 5.0). Vendor support for prior versions: support current versions and up to two prior.
Target market	Mid-tier insurers — single business class and composite. Expansion into Northern Europe and select adjacent geographies	

Source: Vendor RFI

### CELENT OPINION

Fadata is a UK-based core insurance system vendor that has been highly successful at marketing its policy administration system, INSIS, over the past decades. The company was recently acquired by Riverside, with Charles Taylor as an additional investor and has offices throughout Europe, including a software development and operations centre in Sofia, Bulgaria.

INSIS is a policy administration system that supports all lines of businesses. Over the past decades, Celent has profiled the system in almost all of its core insurance system vendor reports in life, general and health insurance for the region. INSIS strength lies in its modularity as the vendor offers flexible components along the insurance value chain as well as its integration capabilities. In addition, the product configuration and design is particularly well structured and the use of Jboss BPM allows for an intuitive business

process configuration. While Fadata is currently building a new front end leveraging the INSIS rules engine, the company has recently invested in the acquisition of Impeo, a German front end system vendor specialist, that will be able to add expertise and contribute to improve the work currently being done.

Fadata has been going through major changes since its acquisition by Charles Taylor and Riverside but the company has been able to increase investment in its offering through further development of INSIS and the recent acquisition of Impeo. With this acquisition Fadata now has an office in Munich, and the vendor also recently opened a new office in Stockholm, demonstrating it remains aggressive on the market. The challenge going forward will be to penetrate new markets such as the North American and the Asia-Pacific regions.

## OVERALL FUNCTIONALITY

The following chart describes how components and other functionalities are made available.

Figure 4: Functionality

SUITE FUNCTIONALITY		CATEGORY FUNCTIONALITY		
Illustrations	New Business Underwriting	Desktop	Client Centricity	Portal
Billing	Claims	Quote/illustration	Application	Data Services
CRM	Reinsurance	Underwriting	Premium calculations	Claims
Product design/dev	Distribution Management	Workflow/auditing	Security	Product Mgmt
Producer Portal	Prospective Cust. Portal	Reinsurance	Billing	Digital Extensions
Policyholder Portal	Business Intelligence	Distribution Mgmt	Document Mgmt	Document Creation
		Forms Management	Reporting/Analysis	TPA

<span style="display:inline-block; width:15px; height:15px; background-color:#008000; border:1px solid black;"></span> Yes – integrated into the policy admin module	<span style="display:inline-block; width:15px; height:15px; background-color:#000080; border:1px solid black;"></span> Available out of the box	<span style="display:inline-block; width:15px; height:15px; background-color:#4169E1; border:1px solid black;"></span> Available with integration to a separate module provided by this vendor
<span style="display:inline-block; width:15px; height:15px; background-color:#90EE90; border:1px solid black;"></span> Yes – separate module	<span style="display:inline-block; width:15px; height:15px; background-color:#ADD8E6; border:1px solid black;"></span> Available with integration to a third-party solution	<span style="display:inline-block; width:15px; height:15px; background-color:#00CED1; border:1px solid black;"></span> Configurable using simple tools targeted for a business user
<span style="display:inline-block; width:15px; height:15px; background-color:#FFFF00; border:1px solid black;"></span> Yes – through a formal partnership with another vendor	<span style="display:inline-block; width:15px; height:15px; background-color:#00CED1; border:1px solid black;"></span> Configurable using tools targeted to IT users	<span style="display:inline-block; width:15px; height:15px; background-color:#ADD8E6; border:1px solid black;"></span> Configurable through a scripting language
<span style="display:inline-block; width:15px; height:15px; background-color:#FF0000; border:1px solid black;"></span> No	<span style="display:inline-block; width:15px; height:15px; background-color:#FF8C00; border:1px solid black;"></span> Coding required	<span style="display:inline-block; width:15px; height:15px; background-color:#FFD700; border:1px solid black;"></span> Under Development
<span style="display:inline-block; width:15px; height:15px; background-color:#A9A9A9; border:1px solid black;"></span> On the roadmap	<span style="display:inline-block; width:15px; height:15px; background-color:#808080; border:1px solid black;"></span> Not available	<span style="display:inline-block; width:15px; height:15px; background-color:#FFD700; border:1px solid black;"></span> Could develop (would be considered customization)
		<span style="display:inline-block; width:15px; height:15px; background-color:#000000; border:1px solid black;"></span> Not applicable

Source: Vendor RFI

## CUSTOMER BASE

Fadata has a total of 29 life, annuity and health insurer clients in EMEA. Twenty-five are in production, and four clients are under implementation. The breakdown of in-production clients is as follows: Tier 2 (two clients), Tier 3 (eight clients), and Tier 4 (15 clients).

Table 5: Customer Base

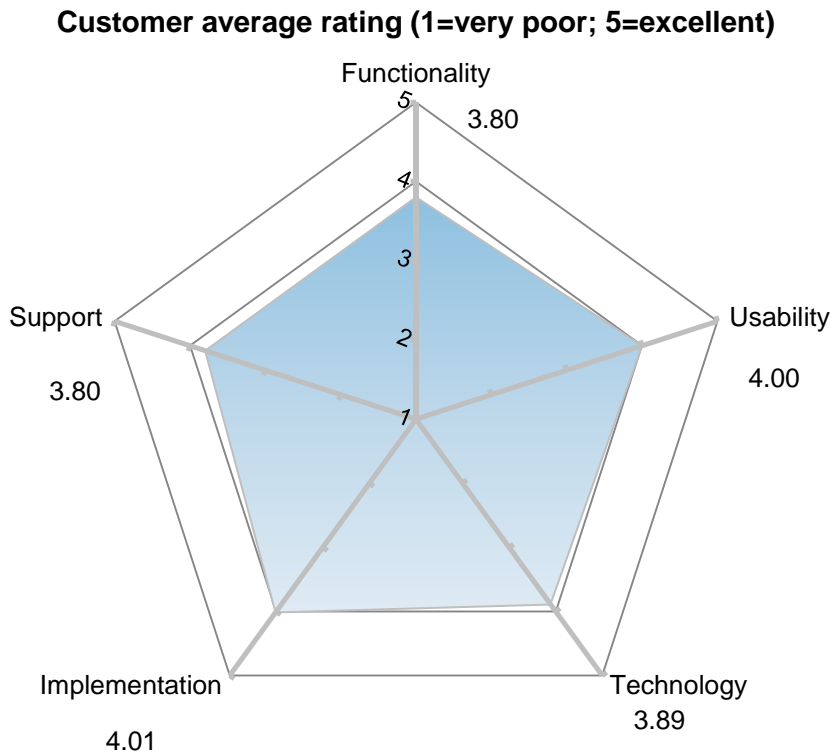
EUROPEAN, MIDDLE EASTERN, AND AFRICAN CUSTOMER BASE	In production with release less than four years old	25
	In production with release older than four years old	-
	New clients since 2015	Europe: Norway, 1; UK, 1; Austria, 1
	Deployment method (percentage of client base)	On Premise: 100%

Source: Vendor RFI

### CUSTOMER FEEDBACK

Four clients provided feedback on INSIS. Two clients have been using the system for more than three years. One client has been using the system for less than and year. One client is currently implementing the system. They are located in Russia, Romania, Turkey, and Poland.

Figure 5: Customer Feedback



Source: 2017 Celent Life PAS customer feedback survey

## LINES OF BUSINESS SUPPORTED

Table 6: Lines of Business Supported

LINE OF BUSINESS	INDIVIDUAL		GROUP	
	AVAILABILITY	NUMBER OF CLIENTS IN PRODUCTION	AVAILABILITY	NUMBER OF CLIENTS IN PRODUCTION
TERM LIFE	In production today	14	In production today	14
WHOLE LIFE	In production today	10	In production today	7
UNIVERSAL LIFE	In production today	13	In production today	1
INDEXED UNIVERSAL LIFE	Supported		Supported	
VARIABLE UNIVERSAL LIFE	In production today	1	Supported	
SENIOR OR PRENEED PRODUCTS	Supported		N/A	N/A
FIXED ANNUITIES	In production today	9	In production today	5
ENHANCED/IMPAIRED ANNUITIES	Supported		Supported	
VARIABLE ANNUITIES	In production today	5	In production today	5
ACCIDENTAL DEATH OR DISMEMBERMENT	In production today	2	In production today	2
SHORT-TERM DISABILITY	In production today	11	In production today	10
LONG-TERM DISABILITY	In production today	9	In production today	6
LONG-TERM CARE	In production today	1	In production today	1
INCOME PROTECTION	In production today	5	In production today	5
CRITICAL ILLNESS	In production today	7	In production today	5
VISION INSURANCE	In production today	2	In production today	3
DENTAL INSURANCE	In production today	2	In production today	3
CREDIT INSURANCE	In production today	1	In production today	0
ASSISTANCE PROGRAMS / OTHER CONCIERGE SERVICES	In production today	3	In production today	7
PENSION (INDIVIDUAL, GROUP DEFINED CONTRIBUTION, ETC.)	In production today	6	In production today	1

LINE OF BUSINESS	INDIVIDUAL		GROUP	
	AVAILABILITY	NUMBER OF CLIENTS IN PRODUCTION	AVAILABILITY	NUMBER OF CLIENTS IN PRODUCTION
GROUP PENSION (DEFINED BENEFIT)	N/A	N/A	In production today	6
WRAP	Supported		Supported	
SAVINGS (BONDS, MUTUAL FUNDS, ETC.)	In production today	6	Supported	
DRAWDOWN	In production today	1	Supported	

Source: Vendor RFI

## TECHNOLOGY

The primary UI for business users, developers, and configurers is browser based. The UIs and process flows are designed to be mobile device-independent. The solution natively supports Apple (iOS), Android, Windows, Blackberry, and mobile friendly HTML5 mobile apps.

Table 7: Technology Options

TECHNOLOGY	SPECIFICS
CODE BASE	<p><u>Core technology:</u> Java: 60% Other (PL/SQL): 40%</p> <p><u>Business users:</u> Java: 50% Other (PL/SQL): 50%</p> <p><u>Developers:</u> Java: 50% Other (PL/SQL): 50%</p>
OPERATING SYSTEMS	<p>Implemented in JEE/Java</p> <p>Operating systems deployed on: As JEE application based on Oracle Technology Stack INSIS can run on any OS supported by Oracle. They have deployments on major server OS-es, including: Linux, AIX, MS Windows, other *nix platforms.</p>
DATABASES	<p>Preferred: Oracle (only option) Additional options: None</p>
INTEGRATION METHODS	<p>Preferred: Web Services; Other XML</p> <p>Additional options: ACORD Standard XML; MQSeries, JMS or similar queue technology; Flat files; Custom API</p> <p>Public API integrations: Fadata has integrated JBoss jBPM as their workflow and BPM engine</p>
SCALABILITY	<p>Largest deployment: 6,000 users and 14M policies</p>

Source: Vendor RFI

The vendor provides documentation and training for API integrations. External systems can trigger events in the system which can be responded to by a workflow or business rule. Events in INSIS can be triggered through INSIS' integration interfaces. It can be done through standard services or, if appropriate standard service is not available, a

custom one can be provided. The services will then initiate the appropriate workflow or business process.

Insurers have access to custom code created specifically for them. Configuration tools targeted to a business user are available for the following: insurance product definition, screen definition, workflow definition, business rule definition, interface definition, data definition, and role-based security integration. Changes to the system are possible through reusable components, inheritance, and other schemes. All product components (including product features, coverages, benefits, transactions, rules, and calculations) are reusable for multiple products.

Product changes can be analyzed using the configuration and development user interface and can be tested in a standard way using common tools and they provide a set of prebuilt tests. A restart of the system is not required for any changes.

## PARTNERSHIPS

Fadata has established system integration partnerships. They have partnerships with BearingPoint, EY, Charles Taylor InsureTech, EVRY, Tieto, Sollers, and Infosys. The main technology partner is Oracle.

## IMPLEMENTATION, PRICING, AND SUPPORT

The preferred implementation approach is agile. A typical project team of about 12 people consists of resources from the insurer (40%), Fadata (10%), and external professional services firms (50%).

The average time to get the first line of insurance live in a single jurisdiction is typically 7 to 12 months depending on the integration requirements and the level of configuration required, with second and subsequent lines taking four to six months in the same jurisdiction. Second and subsequent jurisdiction implementations typically take four to six months.

Fadata offers term license, perpetual license, usage-based, SaaS, subscription, risk-based, and other pricing options. The license fees are typically based on number of functional components/modules, number of concurrent users, number of total or named users, premium volume, number of states or geographies, per transaction, number of policies and number of modules used pricing options. The vendor will offer a fixed price implementation when a flexible time and materials model is recommended.

The total cost to implement INSIS can vary according to the capabilities and available resources of the client, and the overall scope of system use.

*Was this report useful to you? Please send any comments, questions, or suggestions for upcoming research topics to [info@celent.com](mailto:info@celent.com).*

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If you found this report valuable, you might consider engaging with Celent for custom analysis and research. Our collective experience and the knowledge we gained while working on this report can help you streamline the creation, refinement, or execution of your strategies.

### SUPPORT FOR FINANCIAL INSTITUTIONS

Typical projects we support related to policy administration systems include:

**Vendor short listing and selection.** We perform discovery specific to you and your business to better understand your unique needs. We then create and administer a custom RFI to selected vendors to assist you in making rapid and accurate vendor choices.

**Business practice evaluations.** We spend time evaluating your business processes. Based on our knowledge of the market, we identify potential process or technology constraints and provide clear insights that will help you implement industry best practices.

**IT and business strategy creation.** We collect perspectives from your executive team, your front line business and IT staff, and your customers. We then analyze your current position, institutional capabilities, and technology against your goals. If necessary, we help you reformulate your technology and business plans to address short-term and long-term needs.

### SUPPORT FOR VENDORS

We provide services that help you refine your product and service offerings. Examples include:

**Product and service strategy evaluation.** We help you assess your market position in terms of functionality, technology, and services. Our strategy workshops will help you target the right customers and map your offerings to their needs.

**Market messaging and collateral review.** Based on our extensive experience with your potential clients, we assess your marketing and sales materials — including your website and any collateral.



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November 2017

Life Insurers' Perception of Policy Administration Systems: 2016 EMEA Edition  
May 2016

Deal Trends and Projections in the Life, Pension, Annuity, and Health PAS Market: 2016  
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April 2016

EMEA Policy Administration Systems 2015: Life, Health, Annuities, and Pensions ABCD  
Vendor View  
December 2015

Global Healthcare Policy Administration Solutions: An ABCD Vendor View  
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European Policy Administration Systems 2009: Life and Pension ABCD Vendor View  
September 2009



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