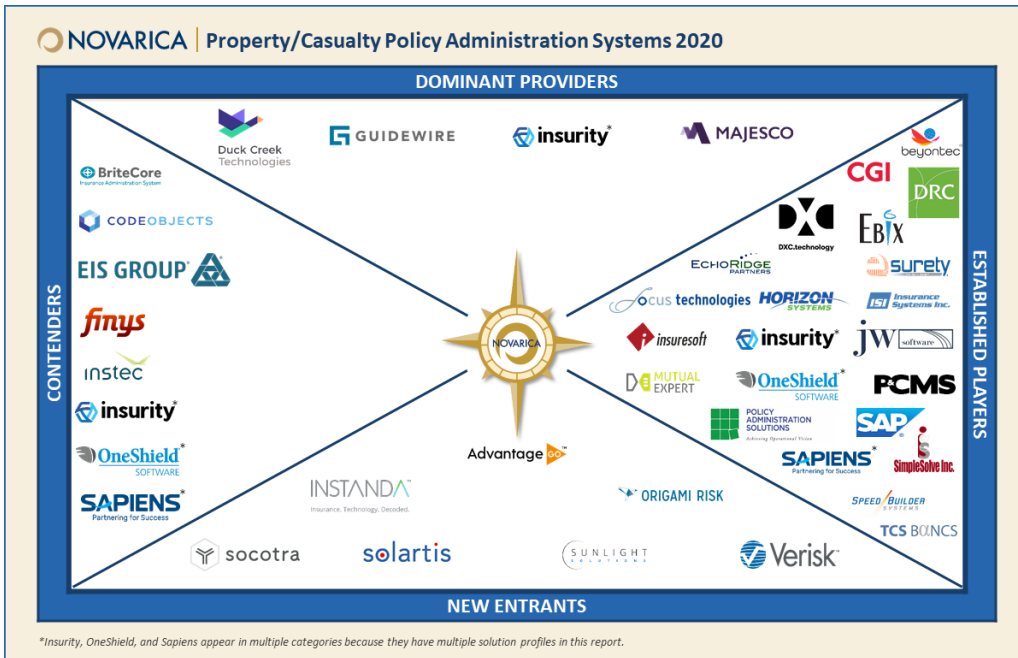


PROPERTY/CASUALTY POLICY ADMINISTRATION SYSTEMS

MAY 2020
Authorized Excerpt



SUMMARY

This authorized excerpt contains content from a Novarica Market Navigator report that provides an overview of the available policy administration systems and suites for US property/casualty insurers. The report contains profiles of 43 solutions, summarize the vendor organization, technology, differentiators, client base, lines of business supported, deployment options, implementation, upgrades/enhancements, and key functionality.

This excerpt includes the profile of SimpleSolve. The full report includes profiles of all providers listed in the graphic above.

Primary Report Contacts



Martin Higgins
Vice President



Martina Conlon
Executive Vice President

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INTRODUCTION

About This Report

This report provides an overview of the current solution provider marketplace for policy administration system (PAS) solutions for property/casualty (P/C) insurers. Novarica designed it to assist insurers in drawing up shortlists of potential providers based on vendor market position and offering details.

Novarica Market Navigator™ reports do not provide subjective analyses of vendor solutions. They are based on direct responses to a universal RFI that Novarica distributed, technical discussions with each vendor to verify the RFI responses, and subsequent follow-ups with the vendors to validate and confirm responses.

The RFI covers details of organization, technology stack, client base, and key functionality. Profiles also include a summary of key differentiators, lines of business supported, deployment options, implementation approaches, and how vendors handle upgrades and enhancements. Vendors provided screenshots of the products when available.

These reports do not render judgment since the specific situation and needs of insurers will determine the fit between potential providers and insurers. Novarica provides these types of advisory consultations to more than 100 insurer clients through its retained advisory services.

NOVARICA MARKET NAVIGATOR GRAPHIC

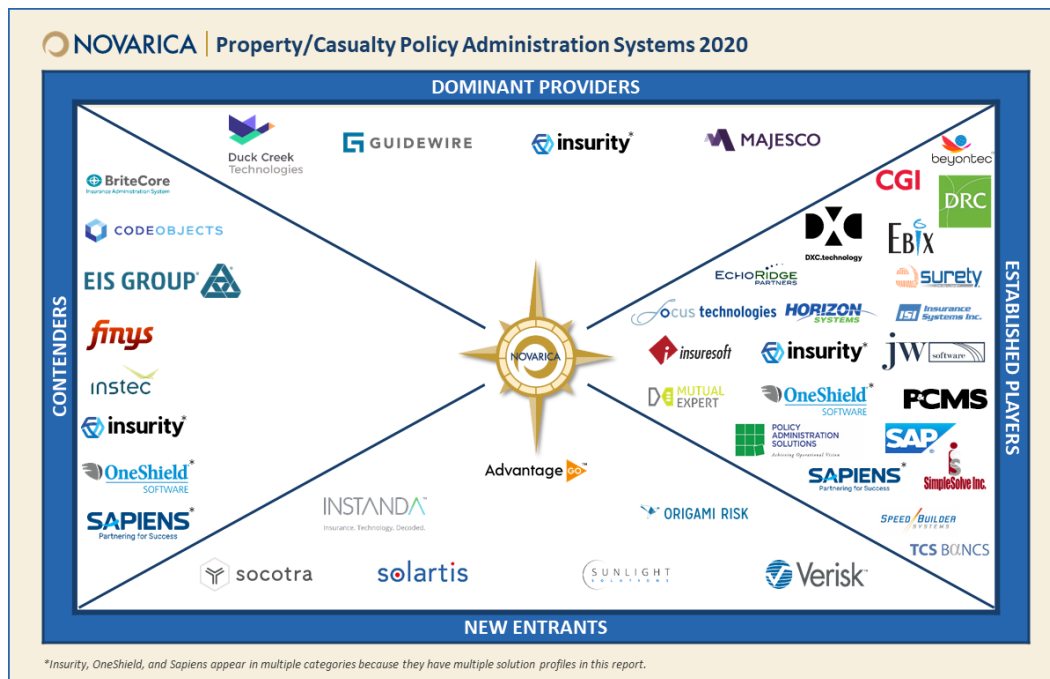
The new Novarica Market Navigator Graphic provides an at-a-glance overview of major providers in a specific segment. It is intended to help insurers quickly understand who is active in the space and their approximately relative market positions. Each provider is shown in one of the following four categories:

- **Dominant Players** have strong market positions and momentum. Their solutions in the segment are well-known.
- **Contenders** have substantial customer experience and momentum.
- **Established Providers** have generally been in the market longer and have substantial customer experience.
- **New Entrants** are emerging providers in this segment. This category includes new companies and established companies with newer solutions. They typically have limited existing customer bases.

Note that the categories refer specifically to this solution area. A company may be a Dominant Player in one segment, but a New Entrant in another based on the maturity of the solution and depth of market experience. Positioning on the graphic within each segment is alphabetical.

Also note that a provider's category does not imply a subjective judgment on solution quality, delivery, or fitness for any specific company's needs. Companies should carefully evaluate individual solutions relative to their specific needs, as well as consider the company's delivery capabilities and organizational bandwidth in addition to recent customer experience.

Figure 1: Market Position PAS P/C 2020



MARKET OVERVIEW

Novarica's studies of property/casualty insurer CIOs, conversations with insurers and vendors, and third-party research indicate that new core system replacements rates are still widespread in the industry. However, they have fallen off from their peak in the early 2010s in specific market segments. Many midsize insurers have already selected and begun new system implementations, but this is balanced by more small insurers considering a replacement. These smaller companies bring even more demand for cloud-based options and low-cost implementations.

The property/casualty policy administration market continues to flourish for those vendors with in-demand systems and reflects several trends:

- The need to improve product development speed and enhance product capability to pursue new opportunities (e.g., excess/surplus lines, workers' comp), or accommodate market demands (e.g., micro-rating, direct-to-consumer), especially as insurers engage in M&A.
- The need to improve product development flexibility to enter profitable new niches as the commercial market continues to harden, the economy continues to improve, and the personal auto market looks to enter other areas in preparation for external disruption.
- A desire to reduce the sizeable costs of maintaining legacy systems running on aging platforms. Many insurers report that more than 75% of their IT budgets go toward "keeping the lights on" in these environments, leaving little capacity for new product innovation or improving the capabilities of existing products.
- A desire to find cost-effective ways to support the operation and management of core systems. In some cases, this may require insurers to move away from systems that necessitate customization for enhanced functionality and toward systems that use configuration tools to achieve such enhancements. The objective in all instances is to reduce the long-term total cost of ownership.
- Increased data accessibility demands as BI and data analytics become a significant part of insurers' strategic objectives. Core system data must be available for analysis, whether within the system or via export and transformation, to set rates/pricing, reduce fraudulent claims, and generate other predictive models.
- The ability to integrate with third-party applications seamlessly as part of the underwriting workflow, including analytics for underwriting risk scoring/fraud detection, becomes more critical as insurers move toward more digital processing of submissions and approvals.
- The industry's gradual acceptance of cloud and SaaS for core systems has evolved into a preference for hosted options. Almost all vendors now provide a hosted subscription model, though the majority of existing clients still use an on-prem installation.

A critical factor in the rise of system replacements is the desire to attract and retain top producers and the new generation of producers who won't stand for the challenges that legacy solutions present. New systems are critical for attracting captive agents as well as increasing wallet share with independent agents.

Another factor for some insurers is the ability to offer policies (or at least quotes) to consumers directly, including the ability to provide sales and service via mobile devices. Attracting and retaining IT staff and front-/back-office employees are also important. Today's job seekers lack the skills and desire to work on systems that are over 30 years old.

Direct sellers—and other industries—have set a high bar for customer expectations of online self-service for quotes, policy changes, claims management, mobile self-service, and more. These expectations have led to a cost-of-doing-business push for customer-facing technology in personal lines, i.e., better customer and agent experience via usability improvements and 24/7 accessibility.

On the commercial side, the rise of online self-service across many consumer industries has raised users' expectations, forcing insurers to provide certain online capabilities, even for lines of business that seemed safe from such requirements just a few years ago. Inflexible legacy PAS can prevent insurers from taking advantage of new opportunities meeting customer and agent expectations.

M&A and Restructuring Activity

One market trend to be aware of when selecting a policy administration system is M&A activity. M&A activity has seen a significant decline from its peak several years ago, but acquisitions still happen for a variety of reasons. They can be beneficial or detrimental to insurers depending on the circumstances.

There have been two types of merger activity of note to insurers. The first is that larger vendors have historically acquired additional core systems for their portfolios (e.g., Guidewire acquiring ISCS, Insurity acquiring Oceanwide and Tropics, Majesco acquiring Cover-All, Sapiens acquiring Maximum Processing, StoneRiver, and Adaptik). Vendors added acquired products to portfolios as new product lines, integrated them into core offerings, or simply retired. Acquisitions of this type have declined in the last few years.

The second M&A and restructuring trend is the expansion of what the industry considers part of the core suite—most notably, acquisitions to round out offerings (e.g., Duck Creek acquiring Outline Systems, Guidewire acquiring Cyence, Insurity acquiring SpacialKey). Most insurers know that vendors, even those with broad sets of components in their portfolios, don't always offer a truly integrated suite. However, the promise of working with a single vendor with a stable financial backing is still a benefit to many.

EMERGING TECHNOLOGY AND CORE SYSTEMS

Cloud and Software-as-a-Service

Cloud and SaaS are no longer emerging. A majority of insurers are now considering core PAS systems in the cloud via a Software-as-a-Service (SaaS) model. A growing number of insurers that have adopted a cloud-first policy; cloud is a requirement for all new vendor partners. Vendors have responded accordingly, moving systems to the cloud and adjusting licensing models to allow ongoing subscription approaches.

Novarica expects this shift towards cloud and SaaS models to continue as insurers, concerned about the cost of core system upgrades, investigate the benefits of SaaS models to help mitigate these costs.

Novarica predicted several years ago that by 2020, 50% of insurers licensing a PAS for new books of business would choose a cloud-based or hybrid-cloud-based approach. Novarica's prediction has proved to be conservative: Leading vendors are reporting demand for cloud solutions in the 80-90% range as of Q1 2020.

Cloud-Optimized Products

A more recent trend is the emergence of derivative product offerings optimized for the cloud. In this model, vendors utilize cloud technology and services that offer unique capabilities that are not available in non-cloud versions. Enhancements include better performance, improved scalability via serverless computing and cloud databases, environment automation, and fault-tolerance with DevOps platforms like Kubernetes, as well as tighter integration with cloud-only services for analytics and AI.

Some vendors have indicated these cloud-optimized versions will be their strategic focus, though none have discontinued support for on-prem products as yet. However, customers choosing non-cloud product versions should accept that the product roadmap will be compromised. Some features will take longer to arrive; others may never become available on-prem.

Novarica expects this shift toward cloud to continue. Choosing on-prem versions will become less attractive as the gap between cloud and non-cloud capabilities grows; vendors will feel commercial pressure to rationalize offerings as demand decreases.

Multi-Tenancy

Another emerging application trend in core systems is multi-tenancy. A multi-tenant system is one where a shared application server infrastructure supports multiple clients. Multiple clients may also share databases in some cases. Insurers have become comfortable with this model by working with vendors like Salesforce and Workday, and new core systems have emerged that are built from the ground up to support multi-tenancy.

Two factors will make multi-tenant core systems more common in the future. First, this approach supports a single codebase for all customers, allowing for more efficient use of cloud hardware requirements and better scalability. A single codebase also simplifies the support and upgrade process and allows for more frequent deployments of improvements.

Second, investors are placing pressure on public enterprise technology companies (across all industries) to adopt a multi-tenant approach because the business model supports more scalable, profitable growth. It allows the vendor to maximize investment in software and minimize investment in services, which positively impacts valuation multiples.

Novarica expects that **vendors will** continue to support single-tenant deployment in the short term. However, multi-tenancy in core systems will likely become the norm over time.

InsureTech

Most insurers are aware of or participating in the InsureTech investment boom out of Silicon Valley (with outposts in insurance hubs like Des Moines and New York). These startups include technology offerings that insurers might want to license and leverage as well as new industry entrants that could become competitors or partners to incumbents.

Despite these InsureTech developments, insurer IT budgets are still dedicated mainly to the maintenance, modernization, and replacement of core systems. The reality is that this is how it should be. CIOs should not expect a core system to encompass all available emerging technology within its borders. Rather, they should consider how a new system's architecture will provide the flexibility and agility necessary to take advantage of future technology and allow integration with future partners. They should know the plan for upgrades and modernization upfront to keep any core system up to date.

Startup Core Systems

Some startups in the InsureTech space are developing and selling core systems. Some of these focus on traditional and specialty P/C lines; others focus on emerging, novel products like episodic/on-demand and gig insurance.

The long sales cycles for insurers purchasing and implementing core systems are not a good fit for the short financial runway of Silicon Valley startups, but some pilot programs are in place.

Some startup insurers who have built platforms from scratch are looking into the option of licensing these custom-made platforms to other insurers. It remains to be seen whether these platforms are a viable option for incumbent insurers, or if they reflect that startups are looking for any additional revenue stream.

Novarica does not include vendors in this report unless they have production clients, meaning that some startups that are hoping to enter the field were not eligible. Insurers interested in discussing startup core system vendors should reach out to Novarica directly.

Headless Core Systems, DXPs, and APIs

A "headless" implementation is one where the user interface of the core system is not used or is not the primary means of access to the system. Instead, the processing functionality of the core system is accessed via a custom user interface. These implementations reduce the core system to a set of services and business logic, rather than relying on it for the end-user environment.

Insurers looking to provide a differentiated user experience are realizing that customized "head" implementations on top of modern core systems can give them speed to market and reduce the work necessary to implement self-service portals. Some insurers have leveraged low-code or digital experience platforms (DXPs) to build multi-channel experiences on top of service-enabled core systems. Most DXPs and low-code platforms are horizontal systems; they require insurers to rethink how a configurable core system will map to a dynamic user interface.

Headless operation requires comprehensive, granular APIs or services that expose the core functionality to other applications. Some solution providers are building out APIs and microservices to enable flexibility, improve reuse within their solution sets, and address concerns that insurers have voiced regarding the difficulty of accessing functions with legacy systems. Few solution providers have a full set of APIs, but the granularity and availability of services are increasing rapidly. This modern architectural approach will bring a future generation of core system implementations flexibility and longevity as platforms.

As with most architecture innovations, the insurance industry will take some time to see this as a necessity rather than a nice-to-have when making core system selections. Most insurers judge core systems based on capabilities and look for the underlying technology to meet a minimum bar of acceptability. It will take a while before APIs, microservices, and support for headless become part of that "minimum bar" for the bulk of insurers.

KEY COMPONENTS

A well-developed PAS should integrate downstream and back-office systems to provide effective support for the management of contracts and financial results. It should, at the same time, offer interface points for all involved stakeholders (e.g., home office employees, sales partners, premium paying customers) to participate in the management of the policy lifecycle. The system is the foundation for all other processing and is central to the practical and controlled management of a book of business for an insurer. The platform may support single or multiple lines of business. It may also support single or multiple distribution channels.

The PAS itself may offer a suite of capabilities or may interface with a variety of solutions providing other capabilities that unrelated vendors deliver. For example, if the PAS does not include robust modules to handle contact and document management, it should easily integrate with other applications that provide the requisite functionality. Tools providing easy access and navigation to the traditional functions of sales organizations and home office associates are standard elements for PAS solutions.

What the industry considers to be a complete PAS has expanded over the years to include much of what they used to license or build as ancillary functions. Few vendors in this report license a stand-alone policy administration component, though whether the additional components are integral pieces of the suite or stand-alone offerings that they sell and integrate separately varies by vendor. Novarica publishes separate Market Navigator reports to focus on the details of these individual components, while this report covers the entire suite that falls under the PAS umbrella.

Key PAS features and components surveyed by Novarica include the following:

Core Policy Administration

This function handles all core aspects of policy management: account clearance, new business, policy change, renewals, non-renewal, cancellations, cancel/rewrite, reinstate, and premium audit. Core policy admin often handles customer or account management as well as automated rule application and workflow management.

Rating Functions

Rating engines are rule- and table-based components that assess submission risk variables and coverage selections to determine policy premiums. Most policy administration offerings contain some level of rating engine, though the level of complexity varies. Alternatively, PAS can typically integrate with stand-alone rating engines, and some vendors will have pre-existing integrations available with partners.

Underwriter Workbench Functions

Solutions typically provide some form of underwriter workbench that may allow for the management of work objects and integrated workflow that provides transparency into work items and any need(s) for additional information.

Document Functions

Many PAS solutions include the ability to generate documents using custom templates that administrators manage and that merge with policy or customer data at run-time. Organizations

handle document generation in an ad hoc capacity for specific customer communications or a batch fashion for mass printing of statements. Solutions without such features will integrate into third-party document generation/customer communication management (CCM) tools or provide interfaces to do so.

Agent Portal Functions

An agent portal provides agent self-service capabilities and should integrate with PAS and often with third-party data services and enterprise document management solutions. A robust agent portal allows agents to get quotes, submit new business, track status, manage changes, communicate/collaborate with underwriters, and view reports about commissions and transaction histories. Some vendors offer agent-facing capabilities through independent modules they developed for agent users; others expose core system screens to their agents and limit access with role-based security.

Consumer Portal Functions

Some vendors include consumer/policyholder portals as part of a core system suite, though they are not as common as agent portal functions. Consumer portals are typically the same platform as those for agent portals, making use of role-based views to present limited navigation and restrict the use of many of the transactional functions. The most common features of a consumer portal are electronic bill payment/presentation (EBPP) digital ID cards, and the ability to download policy terms.

Reinsurance Functions

Reinsurance functions allow insurers to manage internal retention limits on particular types or sizes of risks and then allocate specified risks appropriately between the primary insurer and others for which appropriate reinsurance treaties are in place.

Business Intelligence Functions

Insurers are increasing investments into BI and data analytics toolsets; a subset of this functionality is making its way into PAS solutions, either embedded or included as a modular or stand-alone component. Vendors without this functionality built-in still need to support an integration approach for moving data to a warehouse or other third-party analytics tool; many insurers choose to use their BI environments instead of internal vendor offerings.

Billing Functions

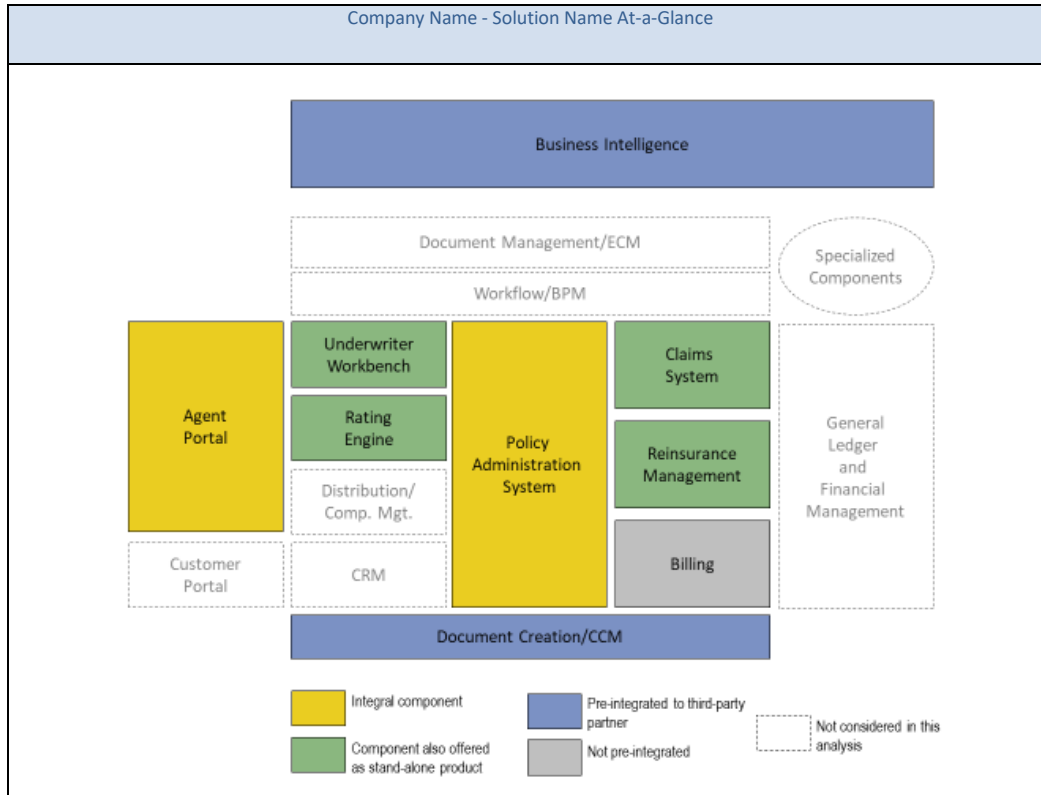
Billing platforms allow insurers to calculate, prepare, and present billing information to policy- or contract-holders, ensuring that the correct payment options and timeframes are available to them. They also offer a touchpoint between insurers and policyholders, potentially representing a significant communication channel for retention and other customer management activities.

Claims Functions

Claims platforms allow organizations to manage various payment types during the insurance contract lifecycle. These platforms ensure that insurers meet contract provisions and provide critical information that insurers can use to manage fraud detection and the loss profiles of a book of business. It can also be essential for managing compliance-related issues (e.g., unclaimed property regulations).

At-a-Glance

This version of our Novarica Core Systems Map provides a color-coded view for each solution. The coloration indicates whether the vendors include the functions as components integral to the system, integral components that they also offer stand-alone products, components pre-integrated to a third-party partner, or components that are not pre-integrated to the solution.



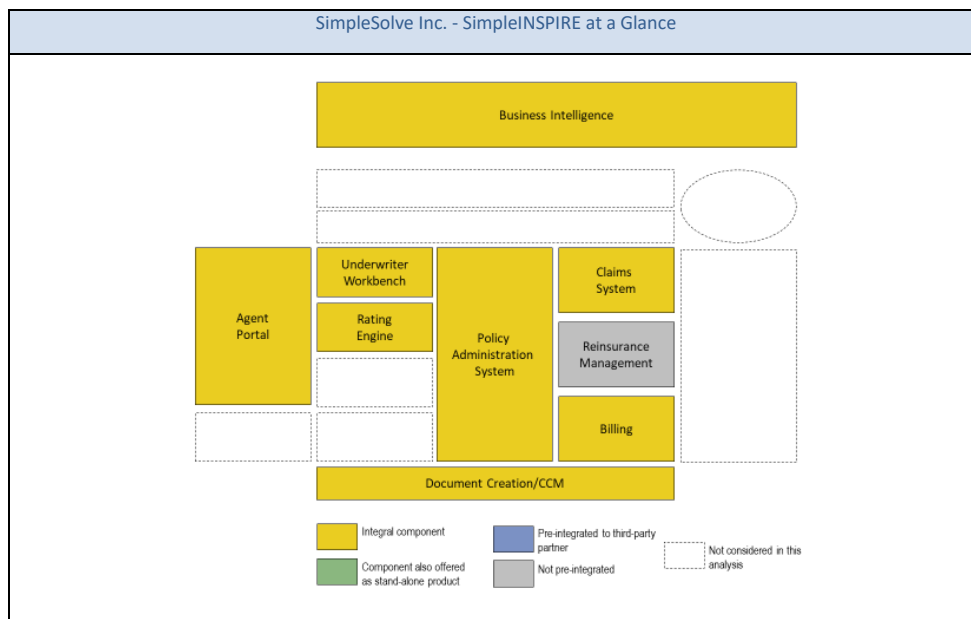
The specific features this report analyzes fall under the PAS umbrella, including core policy features, rating, underwriter workbench, document creation, agent portal, reinsurance, business intelligence, billing, and claims components. Other components that may be part of solution suites (e.g., document management, CRM) have been dotted in outline on the core systems map and are not considered in this analysis. Please note that several vendors in this report also offer components in these areas as part of their suites.

Please read the full profiles for more details about any of the solutions, which include additional information and explanation on functionality.

SIMPLESOLVE INC. - SIMPLEINSPIRE

Executive Summary

- SimpleSolve is a C corporation, incorporated in 2000. The company's headquarters are in Pennington, NJ. SimpleSolve employs 60 people and reports annual revenue of under \$5M.
- It currently has ten live US insurer clients using the suite, all of which are smaller to mid-sized companies (under \$1B) using the solution to support personal and commercial lines.
- Publicly announced clients include GEICO Marine Insurance Co., Baltimore Equitable Insurance, Colorado School Districts Self Insurance Pool, and California Mutual Insurance Co.
- SimpleINSPIRE is a web-based, scalable solution written in Angular, .NET Core microservices, and SQL. It is a windows client for admin functions. The company asserts that the solution includes intelligent and interactive BOTs, elastic search, and cognitive services.
- Configuration for screens, workflow, rules, integration to third-party service calls, and document authoring is via developer tools, XML manipulation, or a scripting language. Configuration for insurance products is via code.
- Implementation is available through the company's resources. The company deploys the solution on-prem and hosted on MS Azure. A SaaS delivery model is available that includes hosting, license, maintenance and support, perpetual access to the latest version, and the implementation of upgrades.
- The company reports that the average time to initial go-live is 180 days or less and that the average implementation cost is \$100K-\$500K.



Lines of Business Supported

Personal auto:	Live clients offering this product in one US state
Homeowners:	Live clients offering this product in 2-9 US states
Personal umbrella:	Live clients offering this product in 2-9 US states
Dwelling fire:	Live clients offering this product in 2-9 US states
Boatowners:	Live clients offering this product in all 50 US states
Personal package:	Solution is designed to support, but no clients live or implementing
Commercial property:	Live clients offering this product in 2-9 US states
General liability:	Live clients offering this product in 2-9 US states
BOP:	Live clients offering this product in one US state
Commercial crime:	Live clients offering this product in 2-9 US states
Commercial auto:	Live clients offering this product in one US state
E&O/D&O:	Solution is designed to support, but no clients live or implementing
Inland marine:	Live clients offering this product in 2-9 US states
Professional liability (including medical malpractice):	Solution is designed to support, but no clients live or implementing
Commercial package:	Live clients offering this product in 2-9 US states
Specialty:	Live clients offering this product in one US state
Workers' comp:	Not currently supported
Surety:	Not currently supported
Other personal lines*:	Solution is designed to support, but no clients live or implementing
Other commercial lines†:	Live clients offering this product in all 50 US states

† Other commercial lines include excess and surplus commercial property.

Client Base

Globally, the company has ten clients live on SimpleINSPIRE, all of which are insurer clients (e.g., not MGAs, self-insureds) in the US. Clients are smaller to mid-sized companies (under \$1B) using the solution to support personal and commercial lines.

Publicly announced clients include GEICO Marine Insurance Co., Baltimore Equitable Insurance, Colorado School Districts Self Insurance Pool, and California Mutual Insurance Co.

Key Functions and Differentiators

SimpleSolve cites the key functions of SimpleINSPIRE as:

- Rate, quote, issue, policy forms, post-issue transactions, agent and policyholder self-service portals, and integrated workflow
- Billing, complete accounts receivable and payable system
- Claims management, including payables processing
- Cognitive Services and an application integrated BOT to deliver machine learning and AI capabilities
- Business intelligence reporting

The company cites as its key differentiators features that promote user efficiency and lower average handling time; multi-line, multi-issue company integrated module under one application and database; cloud-based design that is suitable for large and small insurers, with features like elastic search, caching, and load-balanced, multi-server deployment; a BOT-integrated application that exchanges information between the application and BOT to deliver machine learning and AI features; as well as a verifiable track record for short implementation periods.

Solution Architecture and History

SimpleINSPIRE launched in 2004 and was re-architected in 2018. The latest release was in August 2019. The company reports that all of its customers are on the latest version and have been through at least one upgrade.

The solution requires Microsoft SQL Server and supports Elastic Search and MS PowerBI databases; it supports UNIX/Linux and Windows platforms. The solution is written in Angular, .NET Core, .NET/C#, and PL/SQL.

Configurability and User Interface

SimpleINSPIRE is a Windows client for admin functions and browser-based for user interface functions. The solution offers mobile capabilities via an HTML5 user interface optimized for mobile use. Clients do not have access to the application source code, but SimpleSolve provides hooks to call external custom code.

Configuration for screens, workflow, rules, integration to third-party service calls, and document authoring is via developer tools, XML manipulation, or a scripting language. Configuration for insurance products is via code.

Deployment Options

SimpleSolve deploys the solution on-prem and hosted on MS Azure. A SaaS delivery model is available that includes hosting, license, maintenance and support, perpetual access to the latest version, and the implementation of upgrades. The hosted solution is a multi-tenant app server (a single-tenant option is available) and a single-tenant database.

Average Implementation Length and Cost

SimpleINSPIRE is implemented through the company's resources. The company reports that the solution can be ready for initial go-live in 180 days or less and fully rolled out in an additional 180 days or less where historical data migration is required. The company reports that the average implementation cost is \$100K-\$500K.

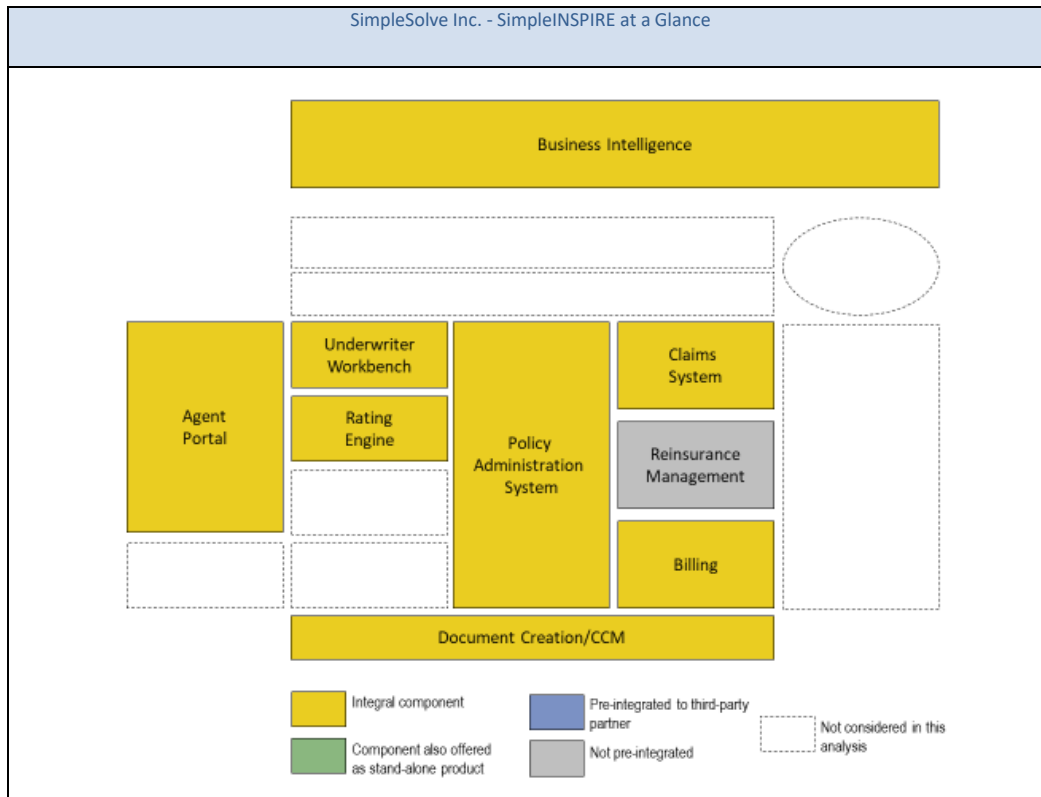
Support

The company has over 60 employees, with about 40 engaged in product design and development. About 15 are engaged in implementations and customer support. The rest are officers and admin staff. The company has its development center in Chennai, India. Customer support is provided from the company's local office in Pennington, NJ.

Partnerships

Publicly announced partnerships include Invoice Cloud (for online payment services).

Functionality



Policy Administration Functions

The company asserts that SimpleINSPIRE includes the full range of policy transactions for new business and post-issuance. The solution includes premium accounting and out-of-sequence endorsement out of the box with no configuration necessary. Policy issue, forms management, and manuscripted policies are available with configuration via tools for IT analysts or BAs. Roster management and bordereaux import/export are available with configuration via developer tools, XML manipulation, or a scripting language.

Policy, product, policyholder, individual, distributor, and insured are independent objects in the solution's integrated data model, which the company asserts allows real-time data availability across modules.

Rating Functions

Rating functions are an integral part of the suite and are not marketed as a stand-alone solution.

Quick quote; out-of-sequence endorsements; support for after-inception policy rating for endorsements, cancellations and reinstatements, and renewal processing; multi-line, multi-state, multi-location rating on a single policy; and the ability rate multiple coverage/quote alternatives are standard functions.

Compliance and change control functions like versioning and update management, change control functions, and auditability of rate versioning are standard. An application and forms

library with standard and customizable applications and forms is available with configuration via tools for IT analysts or BAs.

Integration capabilities such as download to agency management systems and pre-integration to third-party data providers are available with configuration via tools for IT analysts or BAs. The solution does not currently include multi-carrier comparison or the ability to set insurer-specific defaults.

The ability to save/store an in-process or complete policy change transaction to allow issuance at a later date is standard. Product design and development tools are available with configuration via developer tools, XML manipulation, or a scripting language.

Rule definition and management functions like rate table design and update management tools, import/export rating tables to/from spreadsheets, and data management capabilities are available with configuration via tools for IT analysts or BAs. The ability to maintain rating algorithm definition and management separately from rate tables and rating and rule definition and management (e.g., automatic driver assignment) are available with configuration via developer tools, XML manipulation, or a scripting language.

The solution does not currently include displacement testing (i.e., the ability to run existing books of business through proposed rate/product changes to determine the impact) or testing, modeling, and product analysis.

Underwriter Workbench Functions

Underwriter workbench functions are integral to the suite and are not marketed as a stand-alone solution.

The ability to upload/import submission data from a structured data feed is available with configuration via developer tools, XML manipulation, or a scripting language. The solution does not currently include the ability to upload/import submission information from documents (i.e., OCR-like functionality).

Support for policy change transactions/underwriting, renewal transactions/underwriting, non-renewal transaction, cancellation transaction, and underwriting multiple submissions as one work portfolio are standard functions. The solution does not currently include support for new business transactions/underwriting.

The solution does not currently include the ability to allow individual quotes for different lines to be combined into a single proposal. The company asserts, however, that the solution allows creating and rating multi-line package policies, which are quoted as a single policy.

Capturing underwriting analysis and an underwriters' loss analysis, submission rating, and pricing analysis and scheduled rating information are standard functions. Underwriter checklists that can validate information completeness and process completeness are available with configuration via developer tools, XML manipulation, or a scripting language.

Single current and historical views of insured accounts across the enterprise, lines of business and, policy systems are standard. Document storage is a standard function. Document creation

(proposals, applications, correspondence) is available with configuration via tools for IT analysts or BAs.

A rules engine that automatically applies underwriting, workflow, and general business rules; workflow/task capabilities (e.g., inbox, predefined workflows by transaction/line of business, automatic task assignment, diaries); a rules engine that interfaces to conditionally order specific data; inline reports/dashboards on tasks; work status; and inline reports/dashboards to support underwriting analysis are available with configuration via tools for IT analysts or BAs.

The ability to display aggregate risk accumulations for the existing book at a granular location level (i.e., geo-mashup of existing book and proposed risk), proposal co-authoring with other underwriters, and screen sharing with other underwriters are standard functions. The solution does not currently include IM collaboration with other underwriters.

Agent-facing capabilities are standard. Preconfigured interfaces with agent portals and business intelligence environments are available with configuration via tools for IT analysts or BAs. The company notes that SimpleSOLVE can interface with external systems and services via developer tools, XML manipulation, or a scripting language.

Support for email notification/communication with agents and underwriters within the system (retaining a record of all emails) is a standard function. Support for variable binding/approval authority by role is available with configuration via tools for IT analysts or BAs.

Document Functions

Document functions are integral to the suite and are not marketed stand-alone. The solution supports mass-produced documents (e.g., statements) and ad hoc documents (e.g., correspondence, manuscripted policies).

The solution does not include ISO/ACORD forms. The primary authoring environment is a custom environment and MS Word. Content, business rules, and schema mapping/data sources are designed to be maintained by technical resources. The solution is designed to support print and e-delivery output channels. Managing preferences for print vs. electronic delivery is standard. Clients primarily use the solution's built-in toolset for document authoring and content management workflow.

A content repository and content management tools and archival capabilities for all generated documents are standard. The solution is designed to support industry-standard schemas (e.g., ACORD XML) out-of-the-box.

Agent Portal Functions

Agent portal functions are integral to the suite and are not marketed as a stand-alone solution.

P/C portal functions, including new business entry/submission, account clearance, quick quote, policy change entry/submission, online payment, renewal quote entry/submission, policy inquiry, policy transaction history inquiry, billing inquiry, claims inquiry, ACORD application creation, account or client view (in addition to policy view), underwriter view and/or tools, and agent/underwriter collaboration, are standard.

Integration and pre-fill with data services, proposal creation, agency management system upload, are available with configuration via tools for IT analysts or BAs. Uploading/importing data (e.g., locations, cars, drivers) from Excel and side-by-side quote comparison are available with configuration via developer tools, XML manipulation, or a scripting language. The solution does not currently include a rating engine.

File attachment support; scheduling, diary, and calendar functions; workflow and task management capabilities; and a consumer portal are standard. E-signature and document creation are available with configuration via tools for IT analysts or BAs. Business intelligence and reporting are available with configuration via developer tools, XML manipulation, or a scripting language.

Reinsurance Functions

The solution does not currently include reinsurance functionality.

Business Intelligence Functions

Business intelligence functions are integral to the suite and are not marketed as a stand-alone solution.

Primary functions include a presentation/reporting component and standard, predefined reports, and predefined insurance dashboards. The solution also includes an ad hoc reporting tool and data mining and analytics tools.

Real-time streaming data movement is available.

Billing Functions

Billing is integral to the suite and is not marketed as a stand-alone solution. Payment and billing plan configurability is available via tools for IT analysts or BAs.

The table below shows the availability of other billing functions.

Direct bill:	Available out of the box with no configuration necessary
Agency bill:	Available out of the box with no configuration necessary
Account or list bill:	Available with configuration using simple tools targeted for IT analysts or BAs
Third-party (i.e., mortgagee) bill:	Available out of the box with no configuration necessary
Split or multi-payer bill:	Currently not available, but could be available with a system enhancement
Flexible and configurable payment plans:	Available out of the box with no configuration necessary
Support for flexible payment types (e.g., payment card, check, EFT, payroll deduction):	Available with configuration via tools for IT analysts or BAs
Automated rules for payment application and disbursements:	Available out of the box with no configuration necessary
Real-time account and payment calculation, scheduling, recalculation, and rescheduling:	Available out of the box with no configuration necessary
Commission calculation and payment:	Available out of the box with no configuration necessary
Collections activities and interfaces:	Available out of the box with no configuration necessary
Equity billing support:	Available out of the box with no configuration necessary
Automated workflow and task management:	Available out of the box with no configuration necessary
Electronic bill presentment:	Available out of the box with no configuration necessary
Agent portal:	Available out of the box with no configuration necessary
Consumer portal:	Available out of the box with no configuration necessary
Online payment:	Available out of the box with no configuration necessary
Out-of-the-box integration with banks/credit card companies for token-based processing:	No
Payroll deduction:	Not available
Billing dashboarding/reporting:	Available out of the box with no configuration necessary
Workers' compensation monthly self-reporting:	Not available
Pay-as-you-report for workers' comp:	Not available
Invoice and correspondence:	Available out of the box with no configuration necessary
Check generation/production:	Available out of the box with no configuration necessary
Billing for non-premium receivables (such as claims deductibles paid):	Available with configuration using simple tools targeted for IT analysts or BAs
Payment of non-refund payables (such as policy dividends or mutual dividends):	Available with configuration using simple tools targeted for IT analysts or BAs
Multi-currency support in a single instance of the application:	No

Claims Functions

Claims functions are an integral part of the suite and are not sold as a stand-alone claims component.

Adjudication

Injury detail maintenance (coding), automated coverage verification, and aggregate tracking (erosion of policy limits) are standard. Deductible tracking is available with configuration via tools for IT analysts or BAs. The solution does not currently include medical case management or disability management.

Catastrophe

Catastrophe definition, automatic identification of catastrophe claim, the ability to attach multiple LOBs and causes of loss to a single catastrophe, and mapping tools are standard.

Disbursements

Check processing is standard. The ability to calculate and schedule recurring payments and the ability to calculate partial or one-off payments are available with configuration via developer tools, XML manipulation, or a scripting language. The solution does not currently include the ability to accommodate multiple pay parties (e.g., garnishments), combining multiple pending payments for a single client into one disbursement, OFAC checking, or the ability to handle multiple offsets and deductions against benefits (e.g., wage garnishments, child support).

Documents

Image and media management and multi-channel delivery and output of documents (e.g., PDF, email, web, print) are standard functions. A correspondence or forms library, state-specific claims reporting templates, document rendering, and a content repository and content management tools are available via integration to a third-party system or service.

FNOL

Claimant contact management data capture and claim checking duplication are standard. The ability to record and store new loss notices from a web portal, email, fax, or manual entry is available with configuration via tools for IT analysts or BAs. Scripting for claims intake with reflexive questioning; custom question sets to prompt additional, mandatory answers depending on given answers (branch scripting); and claim characteristics scoring (to calculate alerts, trigger workflow, assign claims handler, or otherwise segment the claim) are available with configuration via developer tools, XML manipulation, or a scripting language. The solution does not currently include FROI/SROI EDI reporting, mobile and smart device input, or integration with external vendors and services (e.g., car rental companies, car/equipment repair shops).

Fraud

The provision of multiple search and reporting criteria for fraud detection (via the ability to track common clients across claims) is a standard function. The solution does not currently include configurable business rules and tasks specific to fraud and special investigations.

Litigation

The solution does not currently include litigation process tracking or the ability to create separate tasks, workflow, diaries, or business rules for litigated cases.

Multi-Channel

An agent portal with self-service and a policyholder portal with self-service come standard. E-signature is available with configuration via developer tools, XML manipulation, or a scripting language. The solution does not currently include call center integration for FNOL via telephony or call center integration for claim status check via telephony.

Reinsurance

Assignment to reinsurance treaties and assignment to facultative arrangements are available with configuration via developer tools, XML manipulation, or a scripting language. The solution does not currently include the ability to identify claims subject to reinsurance through multiple dimensions (e.g., type of claim, limit, location).

Reporting

Standard reporting of claims performance monitoring (including claims handling and high-risk indicators, e.g., fatality, large losses, fraud), standard reporting of configurable metrics for claims reporting, ad hoc reports, dashboards, reporting that includes jurisdiction-specific reports and forms, and electronic reporting or automated state filings are available with configuration via tools for IT analysts or BAs.

Reserves, Recoveries, Subrogation

Automatic reserve calculations using business rules and risk characteristics and direct, case, average, factor, and expense reserve types are available with configuration via tools for IT analysts or BAs. The solution does not currently include the ability to create separate tasks, workflow, diaries, and business rules for subrogated cases; automatic subrogation identification; subrogation billing and the production of correct GL entries, granular tracking reserves and payments; or jurisdictional wage and rate calculations integrated for workers' compensation.

Vendor Management

Vendor management functions and the ability to process required forms (including 1099s) are standard.

Workflow

Inclusion of external documents (letters and pictures) in file notes and the ability to generate notes, diaries, and reminders are standard functions. The ability to process claim workflow trigger (CWT) files at insurer-defined intervals is available with configuration via tools for IT analysts or BAs. Automated workflow/task generation and the ability to assign multiple adjusters to a single claim are available with configuration via developer tools, XML manipulation, or a scripting language. OCR-triggered workflow and compliance with the document repository interface (DRI) standards are available via out-of-the-box integration to a third-party system or service. The solution does not currently include the ability to override automated processes and trigger workflow manually, automatic work assignment based on configurable rules, or full integration with electronic court filings (ECF2).

Screenshots

Application Dashboard

Quick Quote

Advanced Client Search

SimpleINSPIRE Advanced Client Search

Filters

Last Name: Smith
 First Name: []
 Org Name: []
 Phone No: []
 Email ID: []
 State: []
 Zip: []
 City: []
 Role: []

Client List

Client ID	Name	City	St	Zip	MOBILE
114345678	MARK SMITH	ATWATER	CA	95301	5309573570
228204567	CANDICE SMITH-JOHNSON	ROSEVILLE	CA	95678	5309573570
208554321	SARAH SMITH	DAKERSFIELD	CA	93311	5309573570
1565778	MICHAEL SMITH	KOSVILLE	CA	95678	5309573570
1568743	WILLIAM SMITH	FOLSCOM	CA	95630	5309573570
1565720	WILLIAM SMITH	FOLSCOM	CA	95630	5309573570
1557321	STEPHEN SMITH	FURDIAKS	CA	95628	5309573570
1557431	HUGH SMITH	YUBACITY	CA	95993	5309573570
1556878	STEPHEN SMITH	FURDIAKS	CA	95628	5309573570
1556807	JOSEPH SMITH	ELUGROVE	CA	95624	5309573570
1530034	PATRICK SMITH	CARMICHAEL	CA	95008	5309573570
1548861	DEREK SMITH	CITRUS-GL.	CA	95621	5309573570
1549800	TREVOR SMITH	PARADISE	CA	95969	5309573570
1549569	KEVIN SMITH	SACKRAMENTO	CA	95804	5309573570
1545613	PATRICIA SMITH	MADAGAL.	CA	95854	5309573570
1542879	DELLYN SMITH	RISCOLIN	CA	95745	5309573570
15418683	SARAH SMITH	ATWATER	CA	95301	9780409722
15411715	CHANTAY SMITHNEY	CLONE	CA	92611	
15411714	CHANTAY SMITHNEY	OLENDALE	CA	91203	7795345259
1540583	YESHA SMITHHART	DIAMHURST	CA	94644	
1540580	YESHA SMITHHART	ROBINSON	CA	92679	5177203542
1540207	PAUL WAYNE SMITH	STOCKTON	CA	95207	5309573570
1530191	MARGHERITA SMITHAYER	JACKSON	CA	95642	
1529190	MARGHERITA SMITHAYER	SHEPHERD	CA	95246	2128910282
1539066	ANNA MARIE SMITH	SACKRAMENTO	CA	95820	5309573570

Open Policy Folder

Quote#	Type	Quoted Dt	Status
DF525269	DWELLING-RE	12/01/2020	In Review

Open Accounts Folder

Policy#	Type	Exp Date	Status
HMC00000-0	HOMECOWNER-0	01/15/2021	Active

Open Claims Folder

Claim#	Policy#	Loss Date	Status
CHC0219001	HOMECOWNER-0	08/12/2019	Closed

Expert Witness

Role	Source	Created Date	Contact Id
Expert Witness	Claims	01/01/2018	CCP0219015

User-Based Workflow

SimpleINSPIRE - User-based Work Flow

Diary | Inbox

User: ANTONY XAVIER

Diary Control: All Diaries

Category: All | **Status:** Pending | **From:** 01/29/2019 | **To:** 01/26/2020

Sched Date	Status	Status Date	Priority	Context	ID	Client Name	ID Status	Task Description	Diary ID
01/29/2020	Pending	01/29/2020	1	Policy	H0729138	DENIM JAMESH	Prospect	Policy requires review	11567
01/29/2020	Pending	01/29/2020	1	Policy	H0729139	JOYA ABEL	Prospect	Policy requires review	11565
01/29/2020	Pending	01/29/2020	1	Policy	TMF5212463	JOY	Prospect	Policy requires review	11564
01/29/2020	Pending	01/29/2020	1	Policy	H0729137		Prospect	Policy requires review	11563
01/29/2020	Pending	01/29/2020	1	Policy	H0729137		Prospect	Policy requires review	11562
01/29/2020	Pending	01/29/2020	1	Policy	H0729136		Prospect	Policy requires review	11561
01/29/2020	Pending	01/29/2020	1	Policy	H0729133	DEB	Prospect	Policy requires review	11560
01/29/2020	Pending	01/29/2020	1	Policy	H0729130	MICHAEL RODRIGUEZ	Prospect	[1] 8, 14TH ST NW, KENNESAW, Washm...	11559
01/29/2020	Pending	01/29/2020	1	Policy	H0729130	MICHAEL RODRIGUEZ	Prospect	Policy requires review	11558
11/07/2019	Pending	11/07/2019	1	Policy	H0666432	MARC SPENTIS	Prospect	Policy requires review	11465
11/07/2019	Pending	11/07/2019	1	Policy	H0532382	SANG GOTTLIEBER	Prospect	Policy requires review	11462
10/28/2019	Pending	10/28/2019	1	Policy	H0532381	CARLOS MARNELLI	Prospect	Called Insured, closed Uta Review	11454
10/28/2019	Pending	10/28/2019	1	Policy	H0532381	CARLOS MARNELLI	Prospect	Called Insured, closed Uta Review	11453
10/25/2019	Pending	10/25/2019	1	Policy	H0532380	GREGORY FERNANDEZ	Prospect	Policy requires review	11451
10/25/2019	Pending	10/25/2019	1	Policy	H0532380	GREGORY FERNANDEZ	Prospect	Policy requires review	11450
10/25/2019	Pending	10/25/2019	1	Policy	H0532334	TRUSLER CRISTOBAL	Prospect	May bind when closing confirmed	11449
10/17/2019	Pending	10/17/2019	1	Policy	H0532335	GERRY EUGENE	Prospect	Policy requires review	11445
10/15/2019	Pending	10/15/2019	1	Policy	H0532350	RIKKI LOUTH	Prospect	[1] 28, EASTMAN AVE, ROSVILLE, GA	11444
10/15/2019	Pending	10/15/2019	1	Policy	H0532350	RIKKI LOUTH	Prospect	Policy requires review	11448

CONCLUSIONS

P/C Insurers have a rich vendor market to select from when considering providers of policy administration solutions. Modern property/casualty solutions are maturing, giving insurers better options than ever before. Novarica recommends a rapid selection process, including a market scan, an RFI phase, and directed demonstrations over 12-16 weeks. A cross-functional team of business and IT participants will ensure that all stakeholders are invested in the decision.

While core transformation projects are challenging, they are typically successful. Outright failures are thankfully much rarer than they used to be. Timeframes vary significantly, but Novarica research shows that the typical time to deliver the first release is about two years, while full implementation can take up to five years. The benefits are clear: improved time to market, increased business and IT agility, improved flexibility, reduced technical risk, and more. These benefits then improve employee, agent, and customer satisfaction. However, these projects require significant financial investment and organizational attention—and unfortunately, they typically run over budget and schedule.

There are several steps insurers can take before a transformation project begins to ensure that their project runs as smoothly as possible. These steps fall into three areas: business readiness, IT/technical readiness, and program readiness. These preparatory activities are listed below.

Business Readiness	IT/Technical Readiness	Program Readiness
<ul style="list-style-type: none"> ✓ Product Rationalization ✓ Business Process Vision ✓ Business Scope ✓ Program Implementation Plan/Order ✓ Business Guiding Principles ✓ Configuration/Customization Decision Framework 	<ul style="list-style-type: none"> ✓ Architectural Blueprint ✓ Technical Guiding Principles ✓ Technical Design Process ✓ Architecture and Design Governance ✓ Technical Scope ✓ Interface Inventory 	<ul style="list-style-type: none"> ✓ Overall Project Plan ✓ Project Governance, Organization, and Communications ✓ Methodology and Process Around Requirements, Development, and Testing ✓ Templates Around Requirements, Development, and Testing ✓ Tools to Manage Work in Requirements, Design, Development, and Testing ✓ Vendor Management Approach

Lack of planning upfront can result in disagreement, analysis paralysis, and general project "swirl," all of which ultimately lead to delays and cost overruns. It is impossible to foresee every difficulty that organizations may encounter during a core system implementation, but having a clear idea of the project's business vision and scope, technical approach, and project/development processes and tools can significantly reduce the risk. Insurers that prepare for these activities will position themselves for transformation project success.

NEXT STEPS AND RELATED RESEARCH

- Contact Novarica at client-support@novarica.com to discuss this topic.
- Read related reports:
 - [Snapshot: Policy Admin Suite Pricing Models and Levels](#)
 - [Insurer IT Budgets and Projects 2020](#)
 - [Novarica New Normal 100: Digital, Data, and Core Capabilities for Property/Casualty Insurers](#)
 - [Policy Administration Systems Project Metrics](#)
 - [Core Systems Project Readiness](#)
 - [13 Things Not to Do When Replacing Policy Administration Systems](#)

ABOUT NOVARICA

Novarica helps more than 100 insurers make better decisions about technology projects and strategy through research, retained advisory services, consulting, and special programs.

We serve clients in life/annuity/retirement, property/casualty, workers' compensation, and reinsurance. Our clients range from Fortune 100 insurers to small regionals and specialty companies. Although most of our clients prefer we keep their names confidential, a partial client roster includes Amica, AXA XL, GenRe, Grange, Hanover, Penn Mutual, Principal, ProSight, SECURA, SunLife, and more than 100 others.

Our senior team has direct experience as senior IT executives at firms, including AIG, Arbella, AXA, Guardian, Liberty Mutual, MetLife, Marsh, Progressive, Prudential, Travelers, and others.

We publish frequent, independent, in-depth research on trends, best practices, and vendors. Our research projects are directed by our senior team and leverage our relationships with the more than 300 insurer CIO members of our Research Council. We conduct more than 2,000 conversations with insurer executives every year.

Our retained advisory services provide enterprise access to our research, unlimited phone and email consultations with our team, facilitated 1-on-1 conversations with other CIOs in our network, an annual trends and best practices workshop, and an optional annual IT strategy review.

Our consulting services include assessments, strategic blueprints and roadmaps, benchmarking, business process visioning, and vendor evaluation across digital, data/analytics, core systems, operating model, and innovation.

Our special programs include our Silicon Valley Innovation Tour, InsureTech Summits, Executive Leadership Development with Brown University, an online learning course in *Foundations of Insurance Technology Strategy*, and more.

More information at <https://novarica.com>

AUTHORS



Martin Higgins is a Vice President of Research and Consulting at Novarica. He has over two decades of experience working in insurance technology, having served as Practice Director for Edgewater Consulting, where he was responsible for the company's property/casualty business nationwide. He has expertise in technology strategy, core system selection and implementation, Agile transformation and DevOps, business intelligence, systems integration, legacy modernization, software development, and data warehousing in both property/casualty and life/health/annuity insurance. His most recent experience includes founding a boutique property/casualty-focused consultancy that worked with transformative BI, data warehousing, and analytics software and serving as VP of Solutions Engineering for a core systems vendor. Martin holds an MSc in Computer Science from Imperial College in London and a BSc in Physics from University of Lancaster in the UK. He can be reached directly at mhiggins@novarica.com.



Martina Conlon is an Executive Vice President of Research and Consulting and practice leader for property/casualty at Novarica. She has expertise in IT strategy, best practices, organizational approaches, and technology architecture and is the primary researcher and author of market-leading reports on agent portals, core systems, business intelligence, and technology strategy. Martina has led dozens of vendor selection efforts, insurer peer benchmarking, IT organizational assessments, and enterprise architecture and roadmap development for leading US insurers. Prior to Novarica, Martina served as Director of Enterprise Technology for Arbella Insurance, where she was responsible for all business applications, analytics, websites, and portals. She has also served as Principal Consultant with major technology and consulting firms, where she partnered with client executives to launch technology solutions to meet strategic business goals. She holds an MBA from Boston University and a BS in Electrical Engineering from Tufts University. She can be reached directly at mconlon@novarica.com.



Ebony Hargro Ebony Hargro is an associate at Novarica. Prior to joining the firm, Ebony worked in education as a researcher for the Duke Talent Identification Program. She has a BA in International Studies from Duke University. Ebony can be reached directly at ehargro@novarica.com.



Jimmy O'Reilly is a senior associate at Novarica. Prior to joining the firm, Jimmy worked in financial planning and wealth management. He has a BA in Economics and a Creative Writing Certificate from Wesleyan University. He can be reached directly at joreilly@novarica.com.



Sam Wright Fairbanks is a content development associate at Novarica. Before joining the team, Sam was a staff writer and reporter with commerce and FinTech publication PYMNTS. He has also held editorial positions with Map Happy and The Reykjavík Grapevine. Sam received an MFA in Fiction Writing from Columbia University and a BA in Creative Writing from Oberlin College. He can be reached directly at swrightfairbanks@novarica.com.

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LAST UPDATED: May 11, 2020