CELENT

CLAIMS SYSTEMS VENDORS

EMEA PROPERTY & CASUALTY INSURANCE

Craig Beattie
February 2015

OLIVER WYMAN

CONTENTS

CELENT'S ABCD VENDOR VIEW AND THE XCELENT AWARDS

Celent has developed a framework for evaluating vendors. 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 and agile technology, Breadth of functionality, Customer base (i.e., relative number of customers), and Depth of client services. The Celent Vendor View shows relative positions of each solution evaluated, and does not reflect an abstract evaluation. 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 in Table 1. Celent's view of the relative importance of each factor, and of the solution's and vendor's capabilities also contributes to the final rating.

Table 1: Rating Factors

CATEGORY	FACTORS INCLUDED
ADVANCED AND AGILE TECHNOLOGY	- The underlying architecture. - The configurability of the solution. - Methods to extend or modify the data model. - Methods for testing changes. - The approach to versioning, and how this influences the development, deployment and rollback of change. - Methods for reuse of definitions and rules. - Reference comments.
BREADTH OF FUNCTIONALITY	- Base, advanced, and additional functionality of the base offering. - References' view of features and functions. - Power and ease of use of rules, workflow, product configuration, and document management capabilities. - Number of deployments for various personal and commercial lines of business.
CUSTOMER BASE	- Number of European, Middle Eastern or African customers in various tiers, and using various versions. - Number of EMEA customers in implementation. - Number of customers outside of EMEA.
DEPTH OF CUSTOMER SERVICE	References' views of implementation

Source: Celent

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 1 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. The XCelent awards are as follows:

• XCelent Technology: Quindell
• XCelent Functionality: Guidewire

Figure 1: Advanced Technology and Breadth of Functionality
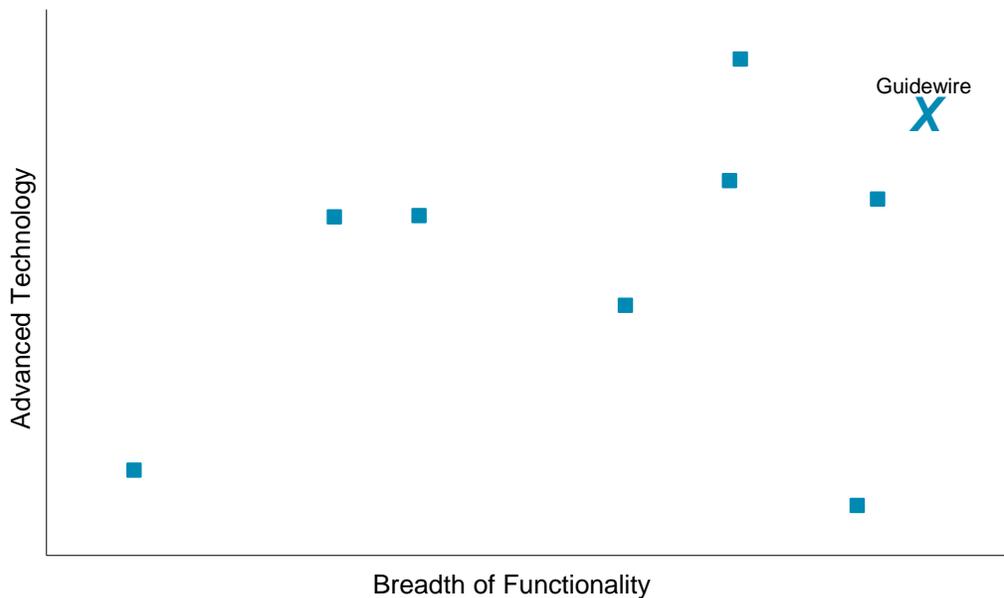
Source: Celent

XCELENT CUSTOMER BASE AND XCELENT SERVICE

Figure 2 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. The XCelent awards are as follows.

- XCelent Customer Base: Guidewire
- XCelent Service: SAP and Fadata

Figure 2: Client Base and Depth of Customer Service

Source: Celent

GUIDEWIRE: CLAIMCENTER
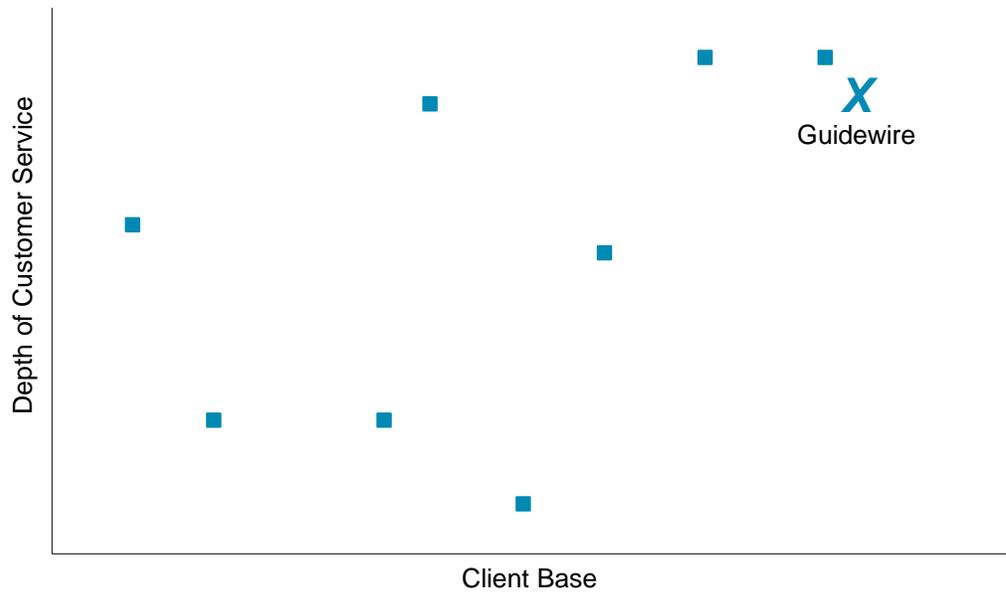
XCELENT Functionality 2015

XCELENT Customer Base 2015

COMPANY

Guidewire Software, Inc. is a publically traded company, (GWRE, NYSE) based in Foster City, California, United States. Guidewire offers general insurers its InsuranceSuite, which has three solutions (each offered independently or together as an integrated suite): ClaimCenter (the subject of this profile), PolicyCenter, and BillingCenter. In recent years the company has expanded its product portfolio to include a hosted analytics platform (Guidewire Live) and data management and business intelligence solutions (DataHub and InfoCenter respectively). Sales of these products into Europe has commenced with the United Kingdom.

Table 1: Company and Product Snapshot

COMPANY	Annual revenues	U$350.2 million FY2014
	Total employees	1,200
	Total employees physically located in the region	291 Average years of insurance experience: 10-15 years
	Year founded	2001
	Exchanges/Symbols	GWRE (NYSE)
	Headquarters Location	Global: Foster City, CA Regional: London, UK
CLAIMS SYSTEM	Name	ClaimCenter
	Current release and date of release	ClaimCenter 8, September 2013
	Last major release (change to technology)	Version 5, 2008 Leverages HTML5, Javascript, CSS, and JSON services
	Release intervals	Minor enhancements: as needed Major enhancements: 18-22 months

Upgrades	Insurers can upgrade directly across multiple major versions (e.g. from v6 to v8)
	Vendor support for prior versions: Current and more than two prior releases, but not all versions
Target market	P&C/general insurers of all sizes, globally, for personal and commercial lines, including workers' compensation

Source: Guidewire RFI

CELENT OPINION

Guidewire ClaimCenter has been a popular choice of claims solution in Europe and South Africa in recent years, particularly in tier 1 clients and those with complex transformation programs. In this report we see those projects coming to fruition and increasing pace in new countries for Guidewire.

Guidewire has continued to invest in the operators interface with improvements in the efficiency and use of visual cues to aid the claims handler. Guidewire has always offered an efficient and accessible interface, and recent improvements have built on this. Guidewire's investment in Guidewire Live to bring additional data and functionality to claims handler brings a new dimension to the solution, and Celent welcomes the continued investment in this offering.
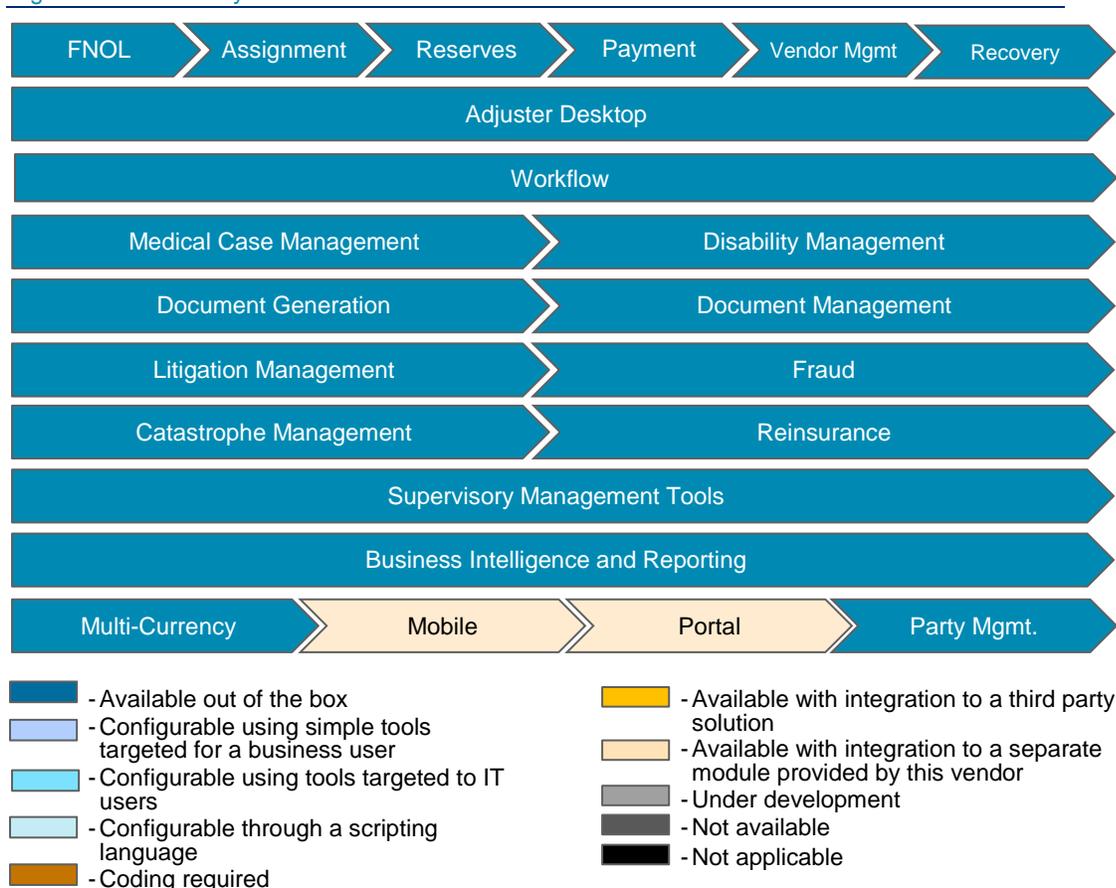
Many administration tasks have now moved from the thick client configuration and development tool to the web-based interface. This allows a single interface for administrators while offering the richer capabilities of the thick client for configuration and development tasks. Guidewire has also continued to invest in the thick client tools, allowing cross-functional teams to configure and augment the solution.

Guidewire is a vendor consistently referenced by insurers across Europe particularly, with a reach and deployment record that is very impressive and speaks for itself in this diverse market.

FUNCTIONALITY

The majority of features are available out of the box. Exceptions include portal features, which are available via a separate license.

Figure 3: Functionality

| FNOL | Assignment | Reserves | Payment | Vendor Mgmt | Recovery |

Adjuster Desktop

Workflow

| Medical Case Management | Disability Management |

| Document Generation | Document Management |

| Litigation Management | Fraud |

| Catastrophe Management | Reinsurance |

Supervisory Management Tools

Business Intelligence and Reporting

| Multi-Currency | Mobile | Portal | Party Mgmt. |

- Available out of the box
- Configurable using simple tools targeted for a business user
- Configurable using tools targeted to IT users
- Configurable through a scripting language
- Coding required
- Available with integration to a third party solution
- Available with integration to a separate module provided by this vendor
- Under development
- Not available
- Not applicable

Source: Guidewire RFI

Guidewire continues to invest in ClaimCenter. A new major version of ClaimCenter is typically released every 18 to 22 months. In addition, Guidewire is investing in the role that ClaimCenter plays in a broader business transformation. This includes not only complementary products such as Guidewire Live, DataHub, and InfoCenter, but also partnerships with key vendors that differentiate ClaimCenter and extend its capabilities. Guidewire's spending on R&D over the past two years has been approximately 22% of revenues.

CUSTOMER BASE

Guidewire has 33 customers in EMEA. A total of 27 of these are ClaimCenter customers, 19 of whom are in production. Guidewire's ClaimCenter clientsspan in Tiers 1 through 5, with the heaviest concentration in the Tier 1-3 range.

Table 2: ClaimCenter Customer Base

| EMEA CUSTOMER BASE | In production with release less than 3 years old | 11 insurers |
| | In production with prior release/version | 8 insurers |

Upgrades since 2012	1	
New clients since 2012	13 (European)	
European countries with clients	Belgium France Finland Germany Italy Poland Russia United Kingdom	
In production clients outside EMEA	92	
Deployment method (percentage of client base)	On-Premise: 100% Hosted: 0% In the cloud: 0% SaaS: 0%	
Marquee clients	ADAC, Allianz, Aviva UK, Direct Line Group, LV=, Rosgosstrakh, Tinkoff, Warta	

Source: Guidewire RFI

CUSTOMER FEEDBACK

Five customers provided feedback for ClaimCenter. Two customers used the solution for all or mostly personal lines, two for a mix of commercial and personal, and one for all or mostly commercial lines. Of the five, four customers are running earlier releases of ClaimCenter, with one insurer being on the latest release. Several of the features mentioned below have already been enhanced in later versions.

In terms of functionality Guidewire received an average score of 3.8. Those features that score less than 3.8 were document generation and management, multichannel capabilities, managing suppliers, reporting, and business rules design and maintenance. Guidewire notes that insurers typically choose to integrate with third party software for document generation, and that Guidewire has established formal partnerships with various vendors. Fraud management, recoveries and subrogation, and workflow design and maintenance each received an average score of 4. Reserving received 4.2 and making and reserving payments along with medical case management received 4.25. Those scoring 4.5 or above include litigation management, supervisor tools, catastrophe modeling, workflow, and adjuster's desktop. The latter two received average scores of 4.8.

Integration received an average score of 4, with integration of document management receiving 4.25, and integrating external data sources ClaimCenter receiving an average score of 4.75. ClaimCenter received 4.5 for in the technology section, and higher scores for the flexibility of the data model, configurability, and overall satisfaction with the technology scoring higher. Implementation scores averaged at 4.33, with implementation completed on budget scoring a 5. Support scored an average of 4.5, with work completed on time and on budget along with turnover and meeting SLAs scoring a 5.

In terms of areas customers would change, customers on older product versions cited areas that Guidewire has already been enhancing in recent and upcoming releases specifically, "More business controlled administration (business rules)" and "Easier configuration for business / super users."

In terms of the best things about Guidewire, customers noted "Guidewire's knowledge and enthusiasm for their product" as well as their "knowledge of the insurance industry and processes." Regarding ClaimCenter, customers commented on "Configurability — the product is very flexible" and "Opportunities opened up (fraud detection, external integrations, future portal platform etc.)." Two customers mentioned "comprehensive out of the box functionality," or as another put it, "out-of-the-box functionality is very wide" and good initial workflow. One customer summarised it simply as flexibility, scalability, and reliability.

Figure 4: Customer Feedback

Customer average rating (1= very poor; 6= excellent)
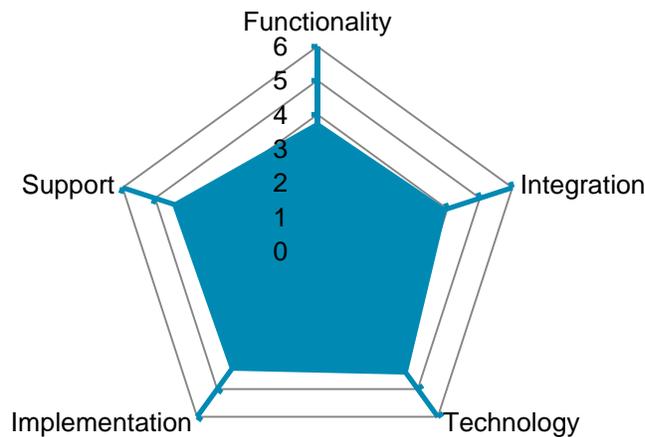
Source: 2014 Celent core claims customer feedback survey

LINES OF BUSINESS SUPPORTED

Table 3: Lines of Business Supported

LINE OF BUSINESS	AVAILABILITY	NUMBER AND LOCATION OF CLIENTS IN EMEA
PERSONAL MOTOR	In production today	21 in 8 countries
HOMEOWNERS/RENTERS	In production today	14 in 6 countries
COMMERCIAL MOTOR	In production today	11 in 6 countries
COMMERCIAL PROPERTY	In production today	12 in 6 countries
COMMERCIAL LIABILITY	In production today	8 in 4 countries
WORKERS COMPENSATION	Supported but not in production	1 in 1 country
MEDICAL MALPRACTICE	Supported but not in production	
OTHER PROFESSIONAL LIABILITY	In Production today	1 in 1 country
BUSINESS OWNER POLICY (BOP)	In production today	2 in 2 countries
SURETY & FIDELITY	Supported but not in production	1 in 1 country

LINE OF BUSINESS	AVAILABILITY	NUMBER AND LOCATION OF CLIENTS IN EMEA
EXCESS POLICIES	Supported but not in production	
SPECIALTY	In production today	3 in 2 countries

Source: Guidewire RFI

TECHNOLOGY

ClaimCenter is a browser-based platform which uses HTML5. ClaimCenter uses JSON for the communication between the browser client and the server. The JSON sends HTML, CSS, and Javascript down to end users. It has administration pages for maintaining user profile information, reserve/payment authority levels, security, and interfaces for developers and configurers. The technical architecture is a standard 3-tier enterprise application structure, which stores data in a relational database. It uses a Java application server to run the business processes and has a pure web-based user interface. Guidewire's application is also a metadata-driven system in which a design time declarative description of the business object model is used to either generate code or is directly interpreted at runtime. This architecture allows Guidewire to deliver a toolset, called Guidewire Studio, which sits on top of this metadata and allows customers to work with these application objects through a graphical IDE.

Table 4: Technology Options

TECHNOLOGY	SPECIFICS
CODE BASE	Core technology: Java Business users: Java Developers: XML & Gosu Files + Java (optionally)
OPERATING SYSTEMS	Java J2EE, RHEL 5 or higher, SUSE/SLES 10 or higher, OEL 5 or higher, Windows 2008 or higher, AIX 6 or higher
APPLICATION SERVERS	IBM WebSphere, OracleWebLogic, Tomcat, JBoss EAP
DATABASES	Preferred: Oracle & Microsoft SQL Server Additional options: H2 as the database & Jetty as the application server only for development macines running Guidewire Studio
INTEGRATION METHODS	Preferred: SOA/Web Services Additional options: Accord XML, XML, MQ Series, JMS, Flat Files 100% of transactions accessible to external web services; 100% of integration points can use web services/SOA.
SCALABILITY	Largest deployment: One deployment has over 7 million claims. Another deployment has over 10,000 users. ClaimCenter has been lab tested to over 40,000 concurrent users and 20 million claims.

Source: Guidewire RFI

ClaimCenter uses a proprietary data model to record system of record information about the claim and financial transactions. It can be extended by carriers using Guidewire

Studio. The insurer uses tools provided by Guidewire to make changes to extend the data model, which in turn generates the SQL database schema. The data model can also be released to an insurer. It can be published to an insurer's database because Guidewire applications employ relational database technology which can be mapped to an intermediate format in Web services or XML files.

All customers share the same product codebase and do not make changes to product code itself; customer changes are made in a configuration layer. This separation enables customers to upgrade to a new product version while preserving their unique configuration.

Lines of business, screens and workflows, and business rule configurations are configured using the Guidewire Studio environment, which is also used for interface configuration, data configuration, and role-based security integration. A system restart is required for some changes to be effective, including certain changes to an underlying system, a new web service or integration, or a change to the portal.

Guidewire also provides a library of Accelerators (Reference Implementations) to speed the implementation of common integrations such as accounting, document creation and storage systems, and data services providers such as the Motor Insurance Database in the United Kingdom. An accelerator is also available for Detica's NetReveal Fraud Solution.

PARTNERSHIPS

As of October 2014, Guidewire has formal alliances with 25 system integrators, including Capgemini, Cognizant, Deloitte, EY, IBM, and PricewaterhouseCoopers, and regional consultancies including: BearingPoint, Business Agility, EPAM, GFT, IGATE, Jet Infosystems, Sollers Consulting, and Technoserv Consulting. Guidewire's partner community includes more than 4,300 partner consultants trained on or experienced with Guidewire products. All partner consultants have access to formal certification paths for Guidewire's core products. Several partners have established Guidewire Centers of Excellence. Guidewire PartnerConnect currently comprises two categories of alliance partner: Consulting and Solution. Additionally, the program provides three tier-levels within each category (Premier, Advantage, and Select) designed to recognize individual partners based on their achievements and contributions, including insurance industry expertise, number of Guidewire-certified employees, number of integration accelerators contributed, and number of customer successes.

IMPLEMENTATION, PRICING, AND SUPPORT

The average time to get the first line of insurance live is 7-12 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 region/country. Second and subsequent region/country implementations typically take four to six months. A typical project team consists of 5-30 internal resources from the insurer, and 2-5 consultants from Guidewire or a third party system integrator.

Implementation resources may be based in the country of implementation or in another country where Guidewire has additional staff. Both onshore and offshore resources are available. Guidewire applies specific rates by location.

Guidewire only offers a term license. The license fees are based on premium volume. Carriers also need to license third party hardware and software such as application servers, databases, and document management systems. The usual model of implementation fees from Guidewire and its system integrator partners is a T&E model based on detailed implementation estimates. ClaimCenter can be deployed on premise or in the cloud. Hosting services are available through Guidewire partners.

The total cost to implement ClaimCenter can vary according to the capabilities and available resources of the client, and the overall scope of system use. For a regional single licensed company that writes eight lines of commercial or personal business, producing an annual DWP of €200 million, the annual license or subscription fee is €1 million to €3 million. Total insurer out of pocket implementation costs paid to Guidewire are €1 million to €3 million. Maintenance and support fees are 20% of the annual license fee.

For a National Insurance Holding Company that has four P&C/general insurance companies, writes in multiple countries, across 24 personal, commercial, and specialty lines of business, and has DWP of €2 billion, the annual license fee would be between €1 million and €10 million with the term license fee being the annual fee multiplied by five years. Total insurer out of pocket implementation costs paid to Guidewire are €1 million to €3 million. Maintenance and support fees are 20% of the annual license fee.

LEVERAGING CELENT'S EXPERTISE

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 insurance 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.

RELATED CELENT RESEARCH

EMEA Policy Administration Systems: General Insurance ABCD Vendor View
January 2014

Global Specialty Core Systems 2014: Vendor Spectrum
September 2014

Hunting for Extreme Digital
December 2014

Life in the Cloud: Vendor Plans and Priorities
January 2015

IT Services Vendors Solutions Spectrum: EMEA Version, 2014
November 2014

Digital Transformation in Insurance: Differences Across Continents
September 2014

For more information please contact info@celent.com or:

Craig Beattie   cbeattie@celent.com

AMERICAS

USA

200 Clarendon Street, 12th Floor
Boston, MA 02116

Tel.: +1.617.262.3120
Fax: +1.617.262.3121

USA

1166 Avenue of the Americas
New York, NY 10036

Tel.: +1.212.541.8100
Fax: +1.212.541.8957

USA

Four Embarcadero Center, Suite 1100
San Francisco, CA 94111

Tel.: +1.415.743.7900
Fax: +1.415.743.7950

Brazil

Av. Doutor Chucri Zaidan, 920 –
4º andar
Market Place Tower I
São Paulo SP 04578-903

Tel.: +55.11.5501.1100
Fax: +55.11.5501.1110

Canada

1981 McGill College Avenue
Montréal, Québec H3A 3T5

Tel.: +1.514.499.0461

EUROPE

France

28, avenue Victor Hugo
Paris Cedex 16
75783

Tel.: +33.1.73.04.46.20
Fax: +33.1.45.02.30.01

United Kingdom

55 Baker Street
London W1U 8EW

Tel.: +44.20.7333.8333
Fax: +44.20.7333.8334

Italy

Galleria San Babila 4B
Milan 20122

Tel.: +39.02.305.771
Fax: +39.02.303.040.44

Spain

Paseo de la Castellana 216
Pl. 13
Madrid 28046

Tel.: +34.91.531.79.00
Fax: +34.91.531.79.09

Switzerland

Tessinerplatz 5
Zurich 8027

Tel.: +41.44.5533.333

ASIA

Japan

The Imperial Hotel Tower, 13th Floor
1-1-1 Uchisaiwai-cho
Chiyoda-ku, Tokyo 100-0011

Tel: +81.3.3500.3023
Fax: +81.3.3500.3059

China

Beijing Kerry Centre
South Tower, 15th Floor
1 Guanghua Road
Chaoyang, Beijing 100022

Tel: +86.10.8520.0350
Fax: +86.10.8520.0349

China

Central Plaza, Level 26
18 Harbour Road, Wanchai
Hong Kong

Tel.: +852.2982.1971
Fax: +852.2511.7540

Singapore

8 Marina View #09-07
Asia Square Tower 1
Singapore 018960

Tel.: +65.9168.3998
Fax: +65.6327.5406

South Korea

Youngpoong Building, 22nd Floor
33 Seorin-dong, Jongno-gu
Seoul 110-752

Tel.: +82.10.3019.1417
Fax: +82.2.399.5534