Donald Light
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This authorized reprint contains material excerpted from a recent Celent report profiling claims system vendors and was not sponsored by Accenture in any way.

For more information on the full report, please contact Celent (www.celent.com or info@celent.com).
EXECUTIVE SUMMARY

This report profiles 23 core claims solutions. There are full profiles for 12 solutions, which are also ranked in the ABCD Vendor View. Another 11 have shorter profiles and are not ranked.

This report also names the winners of the XCelent Awards:

- XCelent Technology: Guidewire
- XCelent Functionality: Accenture
- XCelent Customer Base: Guidewire
- XCelent Service: Accenture

A core claims system is a transaction-enabled system of record that an adjuster (and/or an automated process) uses over the entire lifecycle of a claim from first notice of loss through final settlement and closing the active claim file. A modern system provides 14 types of basic claims functionality, and sometimes another 11 kinds of advanced and additional functionality.
Insurance companies are continuing to make significant investments in core claims technology—and vendors continue to offer enhanced solutions.

An insurer considering a new core claims system today has many strong and attractive choices. This report provides a starting point for identifying the solutions that merit closer looks.

Insurers’ corporate objectives fall into three broad categories.

- Getting bigger by growing the top line
- Getting leaner through higher productivity and expense control
- Getting smarter by correctly pricing risks, making better underwriting decisions, and adjusting claims more accurately

Since the publication of the first Celent claims vendor report in 2004, the replacement of legacy claims systems is proceeding at a substantial pace. In the past two years, the 23 vendors profiled in this report have sold about 115 core claims systems to insurers and over 130 to self-insured entities and TPAs.

In the past 10 years, nearly every core claims solution has migrated to a modern .NET or JEE framework—or was built from the ground up on one or the other. All solutions have had minor or major releases within the past two years. Nearly all solutions offer, in some way, the 14 kinds of basic functionality; and many of the 11 kinds of advanced and additional kinds of functionality.

This might seem to make choosing a new claim system easier. But in fact, this surface-level homogeneity just makes it more important for an insurer to know how to dig deeper and to understand how vendors’ offerings match its requirements. What makes it even more challenging is that the requirements are not those that replicate how claims are adjusted today, but those that will give the insurer the flexibility to change how it adjusts claims over the next five to ten to fifteen years.

This report is published subsequent to a related Celent report, Claims System Vendors: European General Insurance 2012. Some of the content in this report is drawn from that earlier report.
CORE CLAIMS SYSTEMS: DEFINITION AND FUNCTIONALITY

DEFINITION
A core claims system is a transaction-enabled system of record that an adjuster or claims handler (or an automated process) uses to:

- Gather and process information.
- Evaluate and analyze
- Make decisions and take actions.
- Execute transactions and preserve a record.

A core claims system does these things over the entire lifecycle of a claim: first notice of loss through final settlement and closing the active claim file.

For the purposes of analyzing submissions, Celent makes the distinction between basic, advanced, and additional functionality, as explained below.

BASIC FUNCTIONALITY
A modern core claims system provides 14 types of basic functionality for an adjuster:

1. First notice of loss (FNOL) and coverage verification
2. Scripting, or dynamic interviewing for FNOL and subsequent interactions with claimants and other parties
3. Automated assignment of new claims to adjusters
4. Assignment of a single claim to multiple adjusters
5. Workload balancing and reassignment (for claims managers)
6. Claims adjuster desktop (digital claim folder, diaries/tasks, notes, access to claims functions such as reserving, estimating, payments, etc.)
7. Image management
8. Document management
9. Correspondence and forms
10. Ability for adjuster to sort and search for claims
11. Automated scores for potential fraud
12. Reserving with multiple detail levels
13. Managing payment and disbursement
14. Ability to specify default initial reserves

ADVANCED FUNCTIONALITY
Having all the functionality listed above is advantageous. Giving senior claims executives the ability to control decisions and guide workflow is much better. Celent considers usable and powerful rules and workflow design and management capabilities to be important types of enhanced functionality for a modern claims system. As they migrate to more modern claims systems, insurers are finding that the real power to control expenses and prevent claims leakage comes from an ability to create rules (that automate decisions given specific circumstances) and workflow tools (that describe permitted sequences of actions).
There are three specific rules capabilities an insurer should look for:

1. Design and execute rules that are separate from the core program code
2. Ability to reuse and share rules
3. A searchable and version-controlled rules repository

And there are two important, emerging workflow capabilities:

1. A tool set to design, execute, and monitor workflows—without changing core code.
2. A graphic design environment, with automated background code generation.

Several vendors and solutions also offer enhanced two kinds of functionality in three other important areas: fraud, subrogation, and salvage.

1. Automated scores for a claim’s potential for fraud, subrogation, and salvage
2. A set of tools, for an adjuster or for a subrogation or salvage specialist, to manage the complex subrogation and salvage processes.

**ADDITIONAL FUNCTIONALITY**
There are four additional kinds of functionality that an insurer should look for. These include:

1. Portals for claimant, producers, and supply chain partners (repair shops, contracts, medical and rehabilitation staff, and others)
2. Reports, analytics, business performance management, and business intelligence
3. Medical and rehabilitation management
4. Litigation management

Vendors will bundle some at no additional cost in their base offering, will offer others for an additional license fee, and may offer still others from ISV partners. Many can also be licensed directly as point solutions.
THE CASE TO REPLACE: ALIGNING CLAIMS WITH CORPORATE OBJECTIVES

Insurers’ corporate objectives fall into three broad categories.

- Getting bigger by growing the top line
- Getting leaner through higher productivity and expense control
- Getting smarter by correctly pricing risks, making better underwriting decisions, and adjusting claims more accurately

Selecting and implementing a new core claim system can make a contribution to the achievement of all three corporate objectives.

Figure 1: Claims Systems and Corporate Objectives

<table>
<thead>
<tr>
<th>Bigger</th>
<th>Leaner</th>
<th>Smarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claimant Satisfaction</td>
<td>Adjuster Productivity</td>
<td>Rules-Driven Decisions</td>
</tr>
<tr>
<td>Claimant Retention</td>
<td>Faster Cycle Times</td>
<td>Workflow-Driven Processes</td>
</tr>
<tr>
<td>Reinforce Positive Market Position</td>
<td>Task Automation</td>
<td>More Accurate Reserves</td>
</tr>
<tr>
<td></td>
<td>Claimant and Broker Self-Service</td>
<td>Less Leakage</td>
</tr>
</tbody>
</table>

Source: Celent

**Getting Bigger**

Reinforce Positive Market Position: Through workflow and rules, and better manager information, a modern claims system will minimize the probability of an insurer running into serious (i.e., lead story on the evening news) compliance difficulties. More broadly, the same tools enable an insurer to deliver on its claim-related market positioning.

Policyholder retention: A policyholder who feels that a claim was handled quickly and fairly is a policyholder who is much more likely to renew.

Producer satisfaction: A producer who believes Insurance Company A does a great job at handling claims—while Insurance Company B is mediocre—will over time place and keep much more business with Insurance Company A.

**Getting Leaner**

Claims adjuster productivity: The key is an easy-to-navigate adjuster desktop with immediate access in digital form to all relevant data and information. Claims managers (and claims auditors) have access to reports and metrics to identify where performance needs improvement. Managers also have the ability to drill down to any aspect of any claim.
**Task automation:** When specific tasks (such as accessing external data or generating forms and correspondence) are automated, an adjuster’s time is focused on the remaining tasks and decisions. (True straight-through processing of an entire claim is still limited to relatively minor property losses; e.g., damaged windshields.)

**Self-service:** The principle is to give participants in the claim process the ability to provide information, check status, and receive information, etc. without direct contact with an adjuster. Participants could be claimants, producers, auto repair shops, or attorneys. The result is giving an adjuster more time for value-adding activities.

**GETTING SMARTER**

**More Accurate Reserves:** The accuracy of an insurer’s financial statements depends on the accuracy of its reserves. The adjuster is on the front line in this process. Modern claim systems can automate the setting of certain reserves, provide guidance to an adjuster by suggesting a default range, and allow claims managers and executives to more easily monitor specific reserves by adjuster, by claim, and by line.

**Rules-Driven Decisions and Workflow-Driven Processes:** Through workflow and rules, a new core claims system gives claims adjusters much improved tools to make the right decisions and take the right actions.

**Faster Repair:** One of the fundamental determinants of the quality of a claimant’s experience is how quickly the claimant (or their automobile, building, or business) returns to its pre-loss state. For many types of losses, faster settlement is less expensive settlement. Modern claim systems’ ease of use, task automation, and enhanced communication options all speed resolution.

**Less Leakage:** There is a lot of discussion, and some measurement, of claim leakage—defined as paying too much (or in theory too little) to settle a claim.
REPORT METHODOLOGY

ELIGIBILITY FOR INCLUSION IN THIS REPORT
In general in order to have a full profile and be included in the ABCD Vendor View grids, a core claims solution had to have:

- At least one deployed North American insurance carrier, writing more than one line of business
- At least one reference client that provide their perspective on the solution.

There are 12 solutions that meet these criteria and are included in this report with full profiles. Another 11 solutions have limited profiles. Those solutions either did not meet the criteria or declined to have a full profile.

EVALUATION PROCESS
Celent sent a detailed request for information to a broad set of core claims system vendors. After completing the RFIs, each eligible vendor provided a briefing and demo for Celent concentrating on usability and functionality for everyday users, as well as configurability for IT and system administration users.

Celent also asked the references provided by each vendor to complete a survey and/or to be interviewed to obtain their view of the system’s business and technology value.

The RFIs and the reference surveys and interviews provided quantitative and qualitative data, much of which is included in this report. Vendors had an opportunity to review their profiles for factual accuracy and to provide their own perspectives, but were not permitted to influence the evaluation. Some of the vendors profiled in this report are Celent clients, and some are not. No preference was given to Celent clients for either inclusion in the report or in the subsequent evaluations.
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

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>FACTORS INCLUDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADVANCED AND AGILE TECHNOLOGY</td>
<td>• The approach to versioning, and how this influences the development, deployment and roll back of change.</td>
</tr>
<tr>
<td></td>
<td>• Methods for reuse of definitions and rules</td>
</tr>
<tr>
<td></td>
<td>• Usability for business and technical users</td>
</tr>
<tr>
<td></td>
<td>• Methods to extend or modify the data model</td>
</tr>
<tr>
<td></td>
<td>• Typical level of changes to base code during implementation</td>
</tr>
<tr>
<td></td>
<td>• Methods for testing changes</td>
</tr>
<tr>
<td></td>
<td>• Reference comments</td>
</tr>
<tr>
<td>BREADTH OF FUNCTIONALITY</td>
<td>• Base, advanced, and additional functionality in the base offering</td>
</tr>
<tr>
<td></td>
<td>• Support for portals</td>
</tr>
<tr>
<td></td>
<td>• References’ view of features and functions</td>
</tr>
<tr>
<td></td>
<td>• Power and ease of use of rules, workflow, product configuration, and document management capabilities</td>
</tr>
<tr>
<td></td>
<td>• Number of deployments for various personal and commercial lines of business</td>
</tr>
<tr>
<td>CUSTOMER BASE</td>
<td>• Number of North American customers in various tiers, and using various versions</td>
</tr>
<tr>
<td></td>
<td>• Number of North American customers in implementation</td>
</tr>
<tr>
<td></td>
<td>• Number of customers outside of North American</td>
</tr>
<tr>
<td>DEPTH OF CUSTOMER SERVICE</td>
<td>• References’ views of implementation experiences and professional services capabilities</td>
</tr>
<tr>
<td></td>
<td>• Celent’s view of service capabilities</td>
</tr>
</tbody>
</table>

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: Guidewire
- XCelent Functionality: Accenture

**Figure 2: Technology and Breadth of Functionality**

**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: Accenture
Figure 3: Customer Base and Depth of Service

Source: Celent
ABOUT THE PROFILES

Each of the profiles presents information about the vendor and its claim solution, the professional services and support staff it offers, customers, the basic, enhanced, and additional functionality it offers, usability, reports and analytic capability, technology, implementation process, and costs. Comments from reference insurers using the solution are reported in the appropriate sections.

FEES FOR HYPOTHETICAL INSURERS

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

- Regional Insurance Company is a single licensed company that writes in 5 states, for 8 lines of business, producing annual DPW of $200 million
- National Insurance Holding Company has 4 P/C companies, writes in 32 states, across 24 personal, commercial, and specialty lines of business, and has DPW of $2.0 billion

INSURER TIERS

When discussing insurance customers of the various solutions, the profiles refer to tiers. Tier 1 insurers write $5 billion in premium or more; Tier 2 write $1 billion to $4.9 billion; Tier 3 write $500 million to $999 million; Tier 4 write $100 million to $499 million; and Tier 5 write under $100 million.
Accenture is a global management consulting, technology services, software and outsourcing company, offering its services to insurers and a broad set of other industries such as banking, capital markets, communications, electronics, and high tech.

The established Accenture Software group is responsible for the ongoing development and support of software. It is based in Murray Hill, New Jersey. In addition to claims, Accenture Software also offers policy, rating and billing solutions, a product definition and configuration suite, and commercial templates. Accenture Software is a global organization with approximately 3000 personnel and is part of Accenture’s global operation of 259,000 personnel. The Insurance Software group currently comprises approximately 800 global full-time insurance-business and IT professionals. Accenture’s professional services and client support staff have an average of 6-10 years of experience. The claims solution is also used in the Accenture BPO operation.

Accenture Claim Components was first released in 1997. As its name implies, Accenture Claim Components has several parts that make up a single claims solution: First Notice of Loss, Claim Desktop, Claim Financials and reporting and configuration consoles.

The most recent version of Accenture Claim Components is r10.3 which was delivered in March 2013. This release expands upon the major functional upgrade of 10.0 which extended the scope of client-specific changes through business user configurability to manage data field extensions, screen designs and rules-based application behaviors. This version also delivers features for subrogation and reporting. Accenture notes that this improves the ease of upgrading Accenture Claim Components—an increased part of client-specific changes are stored in configuration files rather than code or database changes.

Accenture also made an important product development shift with the Claim Components 10.X releases; it is a packaged solution of components. New customers will license a packaged solution that they will configure using configuration tools.

Accenture points to the following benefits of Claim Components:

- High reliability, high performance transaction system
- Codeless configuration for system maintenance functions
- Agility to react to market demand and regulatory changes through configuration consoles
- Benefits from a worldwide insurance industry practice
- Standard, low cost development environment
- Ability to deliver at scale
Table 2: Company Snapshot

SNAPSHOT

COMPANY INFORMATION

| COMPANY SIZE | Total employees | 259,000 |
| Year founded | 1989 |
| Exchanges / Symbols | NYSE: ACN |
| Headquarters Location | Global offices. Accenture Software is based in Murray Hill, NJ |

CLAIMS SYSTEM

SYSTEM DETAILS

| Name | Accenture Claim Components |
| Current release | Version r10.3 |

MAJOR CHANGE IN TECHNOLOGY BASE

| Version 10.0, 2011 |

CUSTOMER BASE

NORTH AMERICAN INSURERS

| Since change in technology base | 4 |
| Prior to change in technology base | 15 |

NEW NORTH AMERICAN INSURERS SINCE 2010

| 5 |

INSURERS OUTSIDE NORTH AMERICA

| 9 |

MARQUEE INSURERS

| Chubb Insurance, Fireman’s Fund, XL Insurance, United Fire Group, Farm Bureau Financial, Mutual Benefit Group |

Source: Vendor RFI

CELENT OPINION

Claim Components is a very strong offering, benefitting from Accenture Software’s continuing investments. Its features and functions, portal, and usability are all pluses. Accenture Software is also broadening with new midsize and smaller insurers.

CUSTOMER FEEDBACK

Three insurers provided reference information for this solution. These insurers range in size from Tier 1 to Tier 3 and use the solution for a mix of personal, commercial, and specialty lines. They are using releases ranging from 5.0 to 10.2.

In general the references gave Claim Components very good scores across multiple areas. One insurer commented, “We consult and learn from one another on an ongoing basis. The architecture clearly has positioned us to be more productive with application
development/maintenance work, and has proven to be extensible/adaptable to the many features we have since added by ourselves."

The quality of professional services and implementation received uniformly excellent scores. An area of relative weakness was the ability to maintain and upgrade the system—although this is an area that Accenture is addressing through their 10.X architecture which supports easier migrations in a base solution.

**Figure 4 Customer Feedback**

**Customer average rating (6 = excellent, 1= very poor)**

![Customer Feedback Diagram]

Source: Vendor RFI

**FUNCTIONALITY AND LINES OF BUSINESS**

Most of the standard functions and features are available as part of the core solution. First Notice of Loss with advanced capabilities such as coverage verification, vendor scheduling, and claim / adjuster assignment is available as a stand-alone component and bundled with Claims with no additional cost. Accenture Claim Components’ FNOL allows call centers to enter claims with the navigation controlled by the LOB / claim type, severity, and complexity of information entered. Injury information can be captured if a check box for "Was anyone injured" is selected, for example. Coverage is verified, the claim is assigned, and appropriate lines are opened with initial reserves to expedite the loss setup process.

Document management, reserving, party management, and subrogation management are available only bundled with the claims system at no additional cost. Accenture Claim Components supports generating documents from claims with quick access by a claim handler.

The solution also supports reserving with multiple levels for direct, expense, indemnity, and other reserve types. Additionally, the system has a party management facility that tracks names, addresses, contact information, relationships, and other important demographic information. Subrogation management, tracking, and financial recoveries can be tracked within Accenture Claim Components.
The Claim Components configuration tools allow business users to set up and maintain workflow management, business rules management, authority limits, task generation, etc. These tools are externalized from core code to support faster, simpler migrations to newer releases. Business intelligence and analytics are available only bundled with the claims system at no additional cost.

In the out-of-the-box solution, a B2B portal is not included; however, out-of-the-box B2C portals could be leveraged. Accenture Claim Components does support the ability to manage the information and workflow between the claim and repair shops, contractors, and other third-parties. As part of the out-of-the-box solution there is no integration with an auto and property estimation program, but the Accenture Claim Components Partner Integration Framework provides the tools, processes, and methodology for assembling new interfaces and modifying existing interfaces.

Accenture Claim Components has an adjuster desktop for claim handlers to manage their work. This includes diary, recent claims, alerts, newsfeed, and search tools. The desktop serves as the launch point for all of the key function areas within Claim Components.

Modification of both application side and server side business processes can be achieved through Accenture Claim Components’ codeless configuration consoles. Business analysts are enabled to modify the navigation of workflows, create business outcomes involving email generation, and trigger business services directly from extension points throughout the application. Without any knowledge of coding or proprietary scripting languages, business processes can be altered to the extent necessary to satisfy client requirements.

Task Assistant generates an automated list of actions that need to be performed on a claim, based on the characteristics of the claim and the events which have taken place on the claim. Task Assistant helps institutionalize best practices throughout the organization and allows work to be shared by enabling multiple claims handlers to work on a claim and recognizing that certain tasks should be routed to certain performers automatically.

Depending on information collected on the claim and rules defined, Accenture Claim Components determines a Subrogation Score that measures the probability of recovering from third-parties. Claim Components also manages the recovery process activities through the life of the negotiations.

The Liability Component allows the end user to make a liability assessment for the entire claim or to develop different assessments for each coverage.

The supplier management component enables the assignment of preferred vendors to the claim, based on several factors such as category of service provided, supplier ranking, proximity to loss location and such.

The Dashboards provide one central location to review and manage key metrics pertaining to claims. The Dashboards can be personalized by person; each user can choose which reports to display and specify associated filters through a configurable user interface.

The Claims Cockpit provides a performer with key metric data related to their performance. In addition, this component provides the user with access to key functionality for the claims handling process, including the ability to manage their assigned tasks and claims.

Claims Analytics provides configuration of event-based exchange of information with external predictive analytics software. It allows the user to set up real time or batch
dialogues with such external software by defining which business event(s) trigger the exchange, what dataset(s) will be exchanged, and which rule(s) should be invoked within the external analytics framework.

Table 3: Supported Functionality

<table>
<thead>
<tr>
<th>COMPONENT NAME</th>
<th>AVAILABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRST NOTICE OF LOSS &amp; COVERAGE VERIFICATION</td>
<td>Stand-alone and bundled with Claims (no additional cost)</td>
</tr>
<tr>
<td>CRM (CALL CENTER FUNCTIONALITY, E.G., SCRIPTING, CALL ROUTING, LOAD BALANCING)</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>AUTOMATED ASSIGNMENT</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>ASSIGNMENT OF SINGLE CLAIM TO MULTIPLE ADJUSTERS</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>WORKLOAD BALANCING / REASSIGNMENT</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>IMAGE MANAGEMENT</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>DOCUMENT MANAGEMENT</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>CORRESPONDENCE AND FORMS</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>CLAIMS ADJUSTER DESKTOP</td>
<td>Stand-alone and bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>AUTOMATED FRAUD SCORES</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>AUTOMATED RECOVERY SCORES (SUBRO, SALVAGE)</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>FRAUD MANAGEMENT</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>RESERVING</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>ABILITY TO SPECIFY DEFAULT INITIAL RESERVES</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
<tr>
<td>PORTALS FOR BROKERS / AGENTS / CLAIMANTS</td>
<td>Only bundled with Claims System (no additional cost)</td>
</tr>
</tbody>
</table>

Source: Vendor RFI

Accenture Claim Components has 15 insurers in production for personal auto, 10 insurers in production for workers compensation, and 8 insurers in production for homeowners/renters in 50 states and two Canadian provinces.

Table 4: LOBs in Production

<table>
<thead>
<tr>
<th>LINE OF BUSINESS</th>
<th>INSURERS IN PRODUCTION</th>
<th>STATES WHERE THIS LOB IS IN PRODUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSONAL AUTO</td>
<td>15</td>
<td>50 states / 2 provinces</td>
</tr>
<tr>
<td>HOMEOWNERS / RENTAL</td>
<td>8</td>
<td>50 states / 2 provinces</td>
</tr>
<tr>
<td>COMMERCIAL AUTO</td>
<td>6</td>
<td>50 states</td>
</tr>
</tbody>
</table>
### CUSTOMER BASE

Four insurers are in production with a version of Accenture Claim Components since the major change in the technology base in 2011. Eight Tier 1 insurers, five Tier 2 insurers, and two Tier 4 insurers are in production with an older release. Two insurers are implementing the solution—one Tier 3 and one Tier 4. Five insurers have licensed it since July 2010.

Outside of North America, eight insurers are live with a release since the major technology change in 2009 in Austria, Belgium, Czech Republic, Denmark, France, Germany, Hungary, Ireland, Italy, Netherlands, Portugal, Poland, Spain, Sweden, Switzerland, Turkey, the UK, and Japan. The total number of insurers domiciled in Europe is seven. Additionally, there is one global client implementation in 15 countries in Europe. The global client is also in production in Bermuda, Argentina, Brazil, and Mexico.

### USABILITY, REPORTING, AND ANALYTICS

Accenture has continued to build on the earlier investment in usability cited in the last report. The user interface makes use of navigation elements to the left and right of the main content. Summary information, progress through current task, and next step information appears on the left, while shortcuts to key elements of the claim are available on the right. In Celent’s opinion, the user interface finds a very good balance between having just enough information and having a usable interface.

Accenture was able to demonstrate a clear and usable configuration tool, presented in the same style as the core screens.

Portals for both claimants and agents/brokers are available with the claims system. Accenture demonstrated a wizard style portal for capturing first notice of loss details that was well tailored for novice staff or end insurers.

Accenture Claim Components provides an out-of-the-box data store and interfaces to standard analytics packages. Accenture demonstrated a series of web-based reports using Microsoft tooling.

The solution supports multiple languages and currencies. Languages currently supported are: English, French, Korean, Japanese, Italian, and Turkish. Double byte character sets are supported. The system can support any currency and can record multiple currencies against a single policy record. The solution can support multiple languages and currencies in a single instance.
**Technology**

Accenture Claim Components is written in 100% .NET (C#). The preferred platform is a Windows-based operating system. The preferred database is Microsoft SQL Server, and Windows Server is the only application server option.

An overview of Accenture Claim Components options is listed in Table 5.

<table>
<thead>
<tr>
<th>TECHNOLOGY</th>
<th>CODE BASE</th>
<th>OPERATING SYSTEMS</th>
<th>DATABASES</th>
<th>APPLICATION SERVERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TECHNOLOGY</td>
<td>.NET (C#)</td>
<td>Only Option</td>
<td>Microsoft SQL Server</td>
<td>Only Option</td>
</tr>
<tr>
<td>CODE BASE</td>
<td>.NET (C#)</td>
<td>Only Option</td>
<td>Windows</td>
<td>Only Option</td>
</tr>
<tr>
<td>OPERATING SYSTEMS</td>
<td>Only Option</td>
<td>Windows</td>
<td></td>
<td>Only Option</td>
</tr>
<tr>
<td>DATABASES</td>
<td>Preferred Option</td>
<td>Microsoft SQL Server</td>
<td></td>
<td>Only Option</td>
</tr>
<tr>
<td>APPLICATION SERVERS</td>
<td>Only Option</td>
<td>Windows Server</td>
<td></td>
<td>Only Option</td>
</tr>
</tbody>
</table>

Source: Vendor RFI

SOA/Web Services and WS-* and ACORD Standard XML are the preferred options for integration with insurer infrastructure. Accenture Claim Components utilizes SOA metaphors through exposed and consumed web service integration via APIs and the Windows Communication Foundation (WCF).

**Implementation and Costs**

For a hypothetical Regional Insurance Company which is a single licensed company that writes in five states, for eight lines of business, producing annual DPW of US$200 million; typical costs are under $500,000 for the initial license, $3 million to $6 million for other insurer out-of-pocket costs in year one, and a continuing maintenance/support fee of 20% of the initial license.

For a hypothetical National Insurance Holding Company with four P/C companies, writing in 32 states, across 24 personal, commercial, and specialty lines of business, and with DWP of $2.0 billion, typical costs are $3 million to $6 million for the initial license, $10 million to $20 million for other insurer out-of-pocket costs in year one; and a continuing maintenance/support fee of 20% of the initial license.
CONCLUDING THOUGHTS

FOR INSURERS
There is no single best claim solution for all insurers. There are a number of good choices for an insurer with almost any set of requirements. An insurer seeking a new core claims system should begin the process by looking inward. Every insurer has its own unique mix of lines of business, geography, staff capabilities, business objectives, and financial resources. This unique combination, along with the organization risk appetite, will influence the list of vendors for consideration.

Some vendors are a better fit for an insurance company with a large IT group that is deeply proficient with the most modern platforms and tools. Other vendors are a better fit for an insurance company that has a small IT group and wants a vendor to take a leading role in maintaining and supporting its applications.

Most core claims systems bring some level of out-of-the-box functionality for various lines of business and operating models. Many systems offer powerful configuration tools to build capabilities for both known and future requirements.

FOR VENDORS
As a group, vendors continue to make significant investments in their core claims systems. The solutions are getting more capable (deeper functionality); more smart (better reporting and analytics); and more connected (SOA and web services become the de facto state standard).

Although these trends are all very good news for insurers, they do make the competitive challenges facing vendors that much more daunting.

Celent recommends vendors differentiate themselves by:

- Focusing on improving usability for both new and experienced users and managers.
- Making implementation faster and less expensive.
- Having a value proposition and being able to support it with examples.

Was this report useful to you? If you’d like to take a brief survey, please click here.
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 INSURERS
Typical projects we support related to core applications 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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