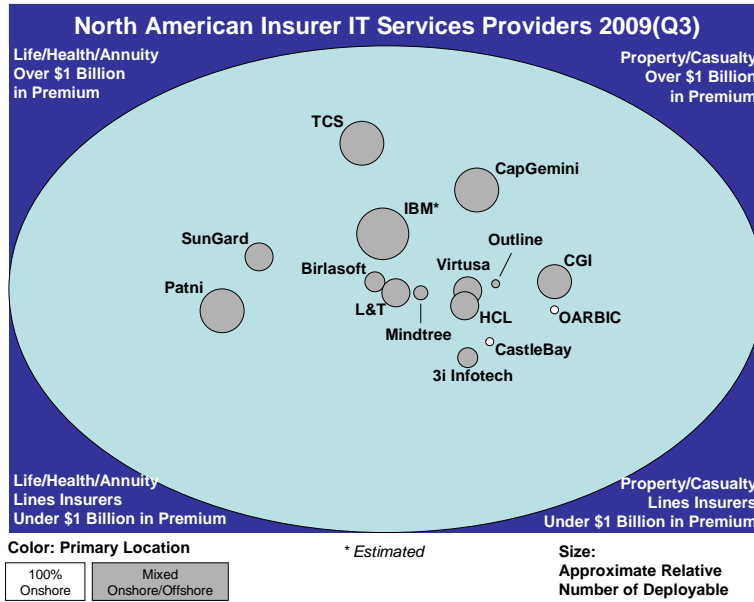




Excerpt from
NOVARICA MARKET NAVIGATOR™
North American Insurer IT Services Providers 2009 (Q3)
 September 2009

NOVARICA MARKET NAVIGATOR



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SUMMARY

This excerpt is from a report that provides an overview of some of the major IT services providers to North American insurers with a focus on their experience levels in key functional areas. The information in the report was collected directly from the solution providers using a proprietary Novarica RFI. The report contains a brief profile of each vendor solution shown in the graphic above, opposite, as well as a table detailing comparative experience levels, and lists of key leadership personnel with links to their LinkedIn profiles where available.

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INTRODUCTION

Purpose

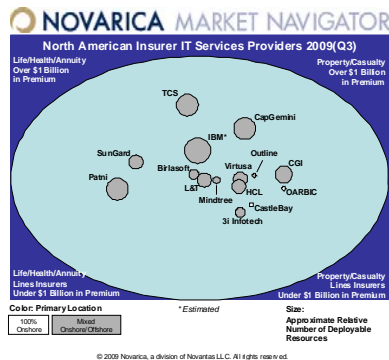
This report is designed to provide an overview of the current solution provider marketplace for IT services for insurers, and to assist insurers in drawing up their shortlists of potential providers based on vendor market position and offering details.

About this Report

Novarica Market Navigator™ reports do not provide subjective analysis or render judgment on each vendor's solution. They are based on factual responses to an RFI distributed by Novarica, and subsequent conversations with the vendors to validate and confirm responses. The RFI covers details of organization, depth of resources, and experience levels on specific types of projects (listed in the services matrix on page 3)

Novarica Vendor Service Reviews™ evaluate offerings from individual vendors, based on validated responses to targeted RFIs and in-depth client reference interviews. Novarica may publish Novarica Vendor Service Reviews on some of the vendors included in this report in the coming months, based on client demand. *Novarica Average Customer Experience (ACE) Rankings™* are based on surveys of customers with direct experience of the service provider. One of the providers has been ranked by their customers, and the data is presented in the profile.

About the Novarica Market Navigator Graphic



The Novarica Market Navigator Graphic is designed to show relative market position of multiple solution providers in a single space.

The graphic for this report plots service providers by whether resources are 100% onshore or mixed onshore/offshore (color), approximate relative number of deployable resources (circle size) and composition of client base (position).

The position of each circle relative to the four corners of the field represents the **average** client for that solution. Solutions are plotted by the number of customers in each sector, resulting in an average market position that represents their **typical** customer. Thus TCS, for instance, has a client base composed predominantly of larger insurers, but also has some small insurer customers. More detailed information about each solution's customer base is available in the profiles themselves.

SERVICES MATRIX

The matrix below shows the services offered and client depth for each profiled provider.

Each group of four cells reflects the following customer segments:

- Over or under \$1 Billion in premium (top cells)
- Life/Annuity (gray cells) or Property/Casualty (blue cells)

A filled-in square indicates experience with more than five US/Canadian insurers in that size/sector category for the service in the left column. An open square indicates experience with 1-5 clients. A cross indicates that the service is offered, but there are no existing clients, and an empty cell indicates that the provider does not offer that service.

	Castle bay	Offshore Provider	Global Systems Co.	Offshore Provider	Onshore Boutique
General App Development and Maintenance	■	□	■	□	■
Agent e-Business	□	□	■	◆	■
Policyholder e-Business	□	□	■	◆	□
New Business Systems	□	□	■	◆	■
Policy Administration Systems	□	□	■	□	■
Claims Systems	□	□	■	◆	■
Billing Systems	◆	□	■	◆	□
Financial Systems	◆	□	■	□	■
IT Security	□	□	■	◆	◆
Workflow/BPM	◆	□	■	□	■
Testing	□	□	■	□	■
Business Intelligence	□	□	■	◆	■
Business Continuity Systems/Planning	□	□	■	◆	◆

CASTLEBAY

Founded in 1998, CastleBay Consulting provides IT and consulting services to the property/casualty insurance industry. The firm is headquartered in Austin, TX.

CastleBay offers technology integration/implementation services to P/C insurers in most of the business areas surveyed by Novarica. The company has 1-5 small insurer customers for agent e-business, policyholder e-business, billing, financial systems, workflow/BPM, and business intelligence, and has more than 5 small insurer customers for new business, policy administration, claims, and testing. CastleBay also has large insurer clients in agent e-business, policyholder e-business, new business, policy administration, claims, testing, and business intelligence. The company lists as additional offerings software assessment, acquisition strategy and selection, and program and project assessments. It does not have general application development/maintenance, IT security, or business continuity capabilities.

CastleBay reports a US/Canadian insurance staff of 10 focused on selection/planning and 30 on implementation/integration. All of these staff have direct experience on insurance projects.

Castlebay's project leadership team includes:

- Bob Mayo (software acquisition/selection) <http://www.linkedin.com/pub/robert-mayo/12/447/307>
- Ralph Vagnoni (project delivery for PAS/Billing) http://www.linkedin.com/pub/ralph_vagnoni/0/5b/b27
- Mark Clark (project delivery for claims) <http://www.linkedin.com/pub/mark-clark/b/99/a13>
- Bill Shaffer (QA) <http://www.linkedin.com/in/waysys>

CastleBay has experience implementing software from various vendors, including AQS, Insurity, Fineos, 3i-Infotech, Allenbrook, and Duck Creek. It has formal partnerships with STG and Guidewire.

Publicly-announced US/Canadian insurer customers include: Main Street America, Texas Windstorm, California Dental Association, Interboro Mutual, Penn National, Harleysville Insurance, and West Bend Mutual.

As its top differentiators, CastleBay cites its expertise in P/C insurance, the experience level of its staff, and its reusable IP, which covers legacy replacement, software selection, QA, and project assessment.



CastleBay's clients have given them high rankings in a recent Novarica ACE (Average Customer Experience) Ranking, with an overall customer satisfaction rating of 95 out of 100. More details are available at: http://www.novarica.com/report_castlebay_ace.shtml

CONCLUSIONS

Insurers have a broad range of IT services providers to choose from. Novarica advises insurers to carefully evaluate staff experience and skills, as well as resource depth and specific expertise in key insurance areas when evaluating new partners. Insurers should also carefully evaluate project management methodologies and service-level agreements of new partners, and should speak extensively with reference accounts.

ABOUT NOVARICA

Novarica provides information, insights, and perspective on markets, operations, and technology to financial services and insurance executives. The company delivers its service through published research, retained advisory services, and project-based consulting. Novarica's research includes market and trend analyses, best practices research, case studies, and independent analyses of insurance software vendors. Novarica draws its knowledge from the personal experience of its principals, the ongoing information gathering initiatives of dedicated research staff, and regular communication with insurer executives through informal networks and through the Novarica Insurance Technology Research Council.

About the Author



Matthew Josefowicz is the director of the insurance practice at Novarica. He is a well-known and oft-quoted expert on insurance technology, operations, and e-business issues. He has presented his research and thought-leadership at numerous industry conferences and has worked directly with many US and international insurer CIOs to advise them on IT strategy and solution selection. He is also the lead moderator of the Novarica Insurance Technology Research Council (NITRC). Prior to launching the insurance practice at Novarica, he founded the global insurance group at analyst firm Celent and led it for more than six years. His other experience includes hedge fund D. E. Shaw & Co., LP. He holds a B.A. *magna cum laude* from Brown University. He can be reached directly at mj@novarica.com.