



*Barry Rabkin  
Senior Research Analyst,  
Insurance Service  
Financial Insights*



[www.financial-insights.com](http://www.financial-insights.com)

## *Beyond The Traditional Short List:*



*Class of 2008*

## *Up & Coming Insurance Technology Firms*

*Webcast - August 7, 2008*

[www.financial-insights.com](http://www.financial-insights.com)

# Webcast Logistics

- Utilize the FULL screen
- Type questions in the Live Meeting chat box anytime
- Call the appropriate number for audio
  - Audio Conferencing (Toll): +1 (719) 325-4773
  - Audio Conferencing (Toll-free): +1 (877) 719-9795
  - Participant Code: 1733243
- Recording and slides will be available within 24 hours
- For any other issues email: [dstark@idc.com](mailto:dstark@idc.com)

# Who is Financial Insights?

- Provider of independent market research, custom research and strategic consulting and industry rankings
  - FinTech 100, Insurer's Choice
- Focus on the strategic business application of financial services technologies
  - Unstructured data, “green” financial services, underbanked and more
- Provide unique insights on how to improve business through the use of technology and 3rd party data
  - Event optimization
- Breadth & depth with global reach of IDC and our industry knowledge
  - Six vertical Insights groups

# Introducing our Speaker



- Barry Rabkin, senior research analyst, Insurance practice
  - Focuses on implications of applying technology to insurance industry structure, strategy and marketing, and business operations
  - Previous work experience with John Hancock, The Hartford, Aetna Life & Casualty, and the Phoenix Companies
  - Management consultant at Arthur D. Little, IBM Global Services, and BearingPoint
  - Launched insurance research retainer service at The Meta Group

# Discussion Guide



Barry Rabkin,  
Insurance Practice

**Scope**

**Highlights**

**Class of 2008**

**Prognosis**

**Next Steps**

**Q & A**

# Scope



**Why?**

**What?**

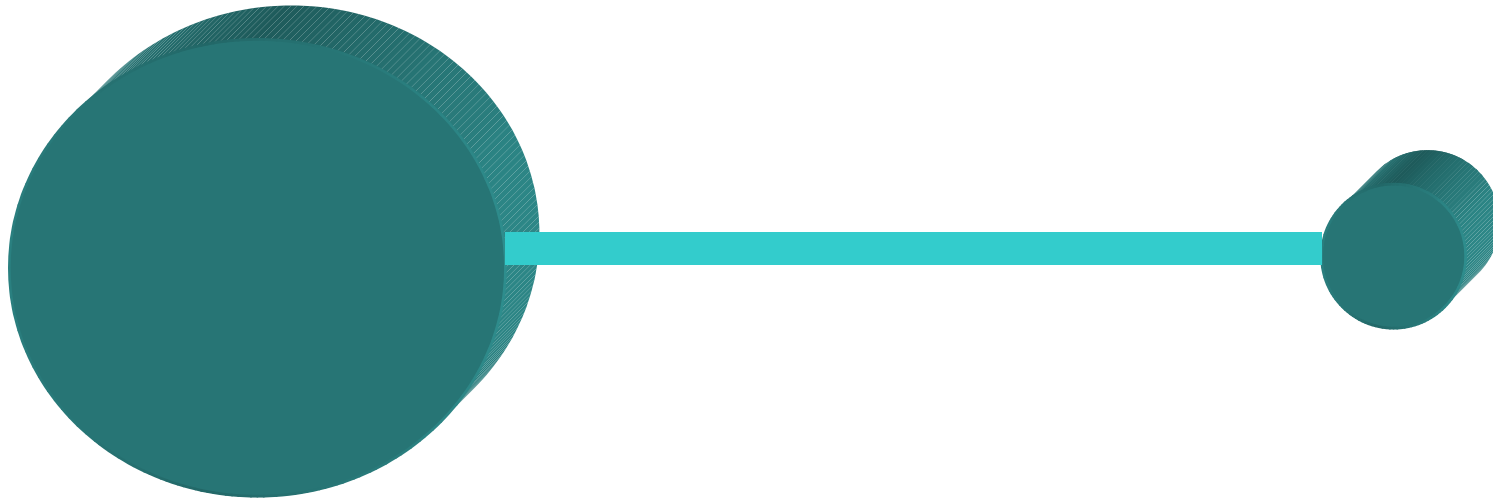
**?**

**When?**

**How?**

# Scope - Why

## Lopsided Barbell Insurance Technology Industry Structure InsTech firms **Plus** Enterprise-Class Technology Firms



**Large Number of Small  
Technology Firms**

**Less than \$50 million revenue  
from insurance industry**

**Small Number of Large  
Technology Firms**

**More than \$500 million revenue  
from insurance industry**

# Scope: Three Other Questions

**Why?**

**What?**

**?**

**When?**

**How?**

# Highlights

- Profile of six firms ... all supporting P/C insurers
- Three of the six firms are offering products and services in the **sourcing** space
- Three of the six firms are offering products or services in the **(predictive) analytics** space
- All six firms are:
  - Supporting Tier 2 P/C insurers [Tier 2: \$500 million - \$1 billion NWP]
  - Using SaaS to deploy their products
  - Targeting Underwriters
- The three **analytics** firms plan to leverage their expertise to move to other industries
- Only one firm is offering a “disruptive product”

# The Six Firms

## Sourcing



January 2001



September 2001



September 2006

## Analytics



August 2002



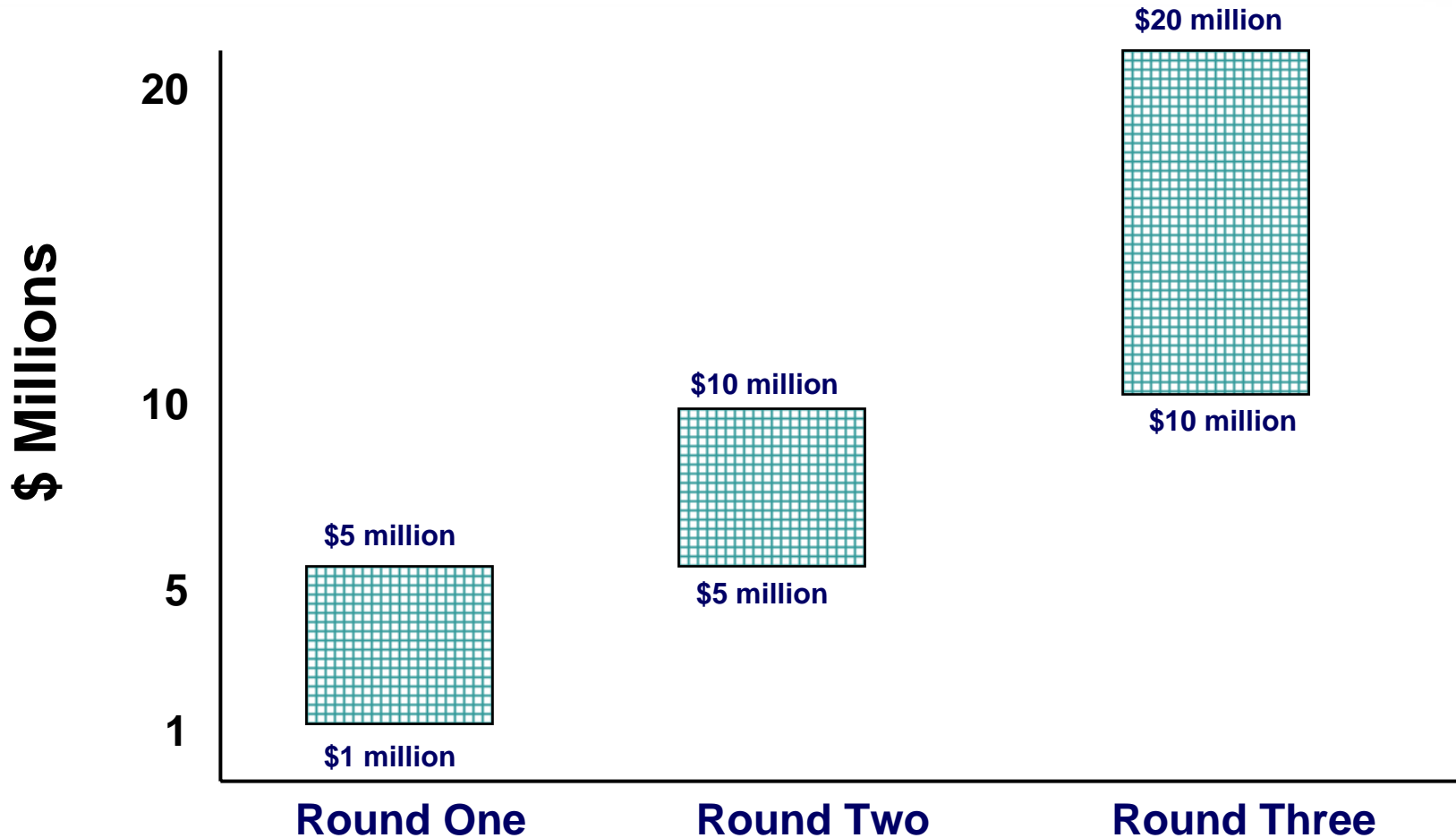
January 2005



March 2007

\* Flybridge Capital Partners (was IDG ventures) led a funding round for FirstBest Systems in November 2007.

# Range of VC Funding Levels



Source: Up & Coming Firms and Financial Insights, 2008

# U & C InsTech Sourcing Firms

## Strategic Objectives

## Value Proposition



Deliver software solutions, IT and business consulting services, **BPO**, and **hosted policy administration solutions** to the P/C industry.

**Speed-to-market, full BPO capabilities ...** to start-up carriers or carriers seeking new markets in business lines not currently handled by their policy administration systems.



Become a **leading provider of core systems** to P/C carriers worldwide.

**Provide modern core systems on a web-based platform** for all lines of P/C business to run mission-critical operations.



Develop a **strong brand synonymous** with both Underwriting Management Systems (**UMS**) and **quality customer service**.

Provide **UMS** enabling commercial P/C insurers to write more profitable business by **collaborating in real-time** with their agents and brokers on a **SaaS platform**.

Source: Up & Coming Firms, 2008

# U & C InsTech Analytics Firms

## Strategic Objectives

## Value Proposition



Become a **leader** providing predictive analytics for the P/C insurance industry ... **highly automated predictive solutions** to create and deploy models

Help companies make day-to-day decisions in a **more accurate, consistent** and profitable manner.



Become the technology company that is able to **mine, understand and derive value from all insurer [structured or unstructured] data.**

Help insurance executives **make better decisions** as well as **spot problems sooner.**



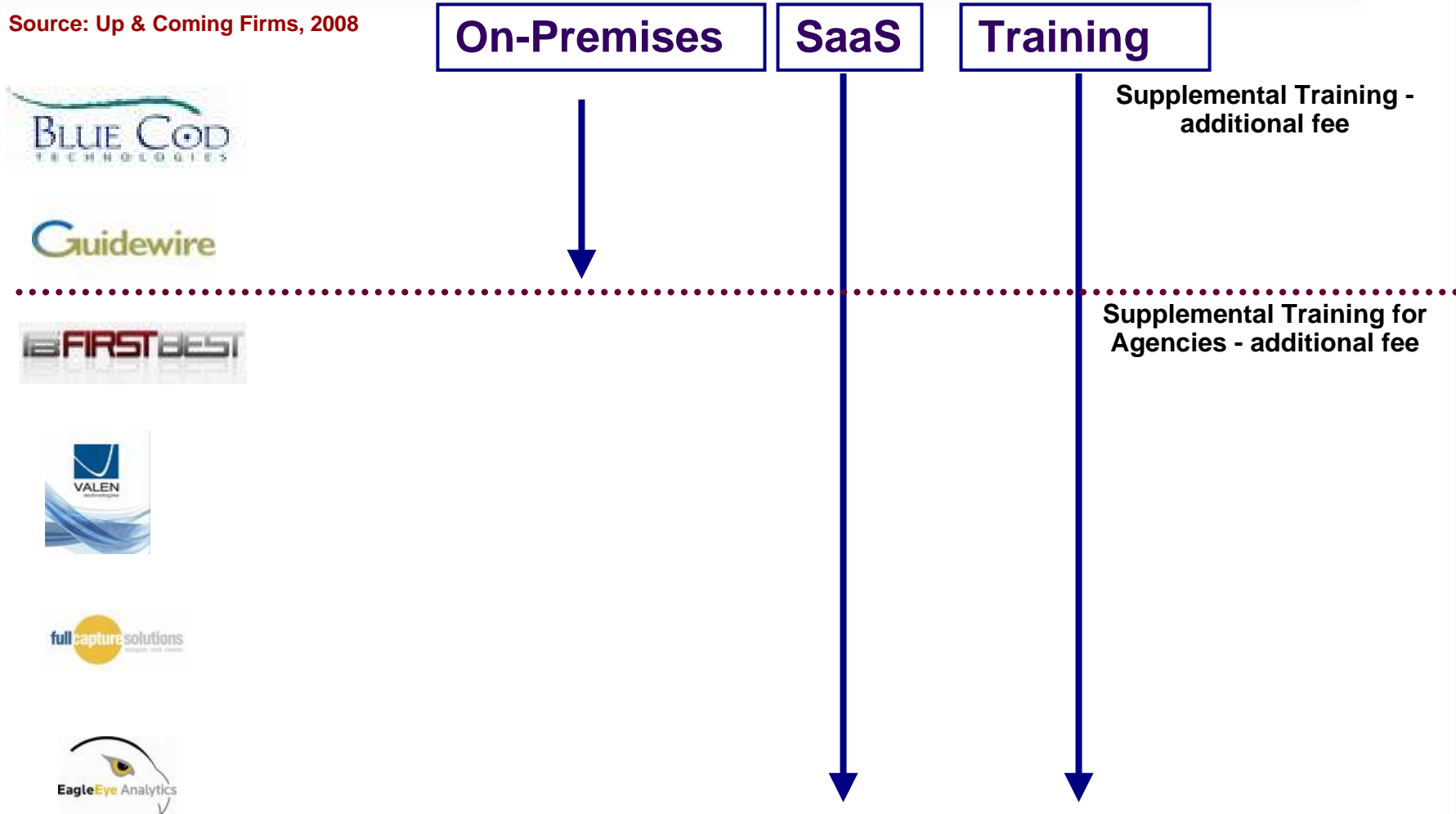
Become a **leader in predictive analytics, data and information services** to the financial services sector.

Enable insurers to achieve underwriting excellence, improved growth, and greater profitability by **optimizing risk selection and pricing.**

Source: Up & Coming Firms, 2008

# Deployment & Training Options

Source: Up & Coming Firms, 2008



# InsTech Firm Profile Format

**Insurance Space:** Personal and/or Commercial Lines P/C Insurance

## Geographic Focus

- Geographic Region (Current and Planned)

## Insurance L.o.B.

- All personal P/C L.o.B.
- All commercial P/C L.o.B

## Business Solution Space

Sourcing or Analytics: Specific description of solution.

## Insurer Size

- Range of Net Written Premium (NWP)

## Insurance Functions

- Specific functional areas

**Other Targeted Industries:**

Note: L.o.B. is lines of business

Source: InsTech Firm; Financial Insights, 2008

# Target Insurance Markets (GREEN)

**EXCERPTS**



Geography (Current)	A/P			
	CEE			
	WE			
	NA	(Planned -		
	US	Canada)		
Size of Insurer (NWP)	Tier 1			
	Tier 2			
	Tier 3			
Lines of Business	Personal P/C			
	Commercial			
Functions / Departments	B/W			
	Claims			
	Actuarial			
	Product Management			
	Strategy			

# To Market, To Market: Up & Coming Analytics InsTech Firms

## Target Insurance Markets (GREEN)



### EXCERPTS

Geography (Current)	A/P			
	CEE			
	WE	(Planned)	(Planned - UK)	
	NA		(Planned - Canada)	
	US			
Size of Insurer (NWP)	Tier 1			
	Tier 2			
	Tier 3			
Lines of Business	Personal P/C			
	Commercial			
Functions / Departments	B/W			
	Claims			
	Actuarial			
	Product Management Strategy			

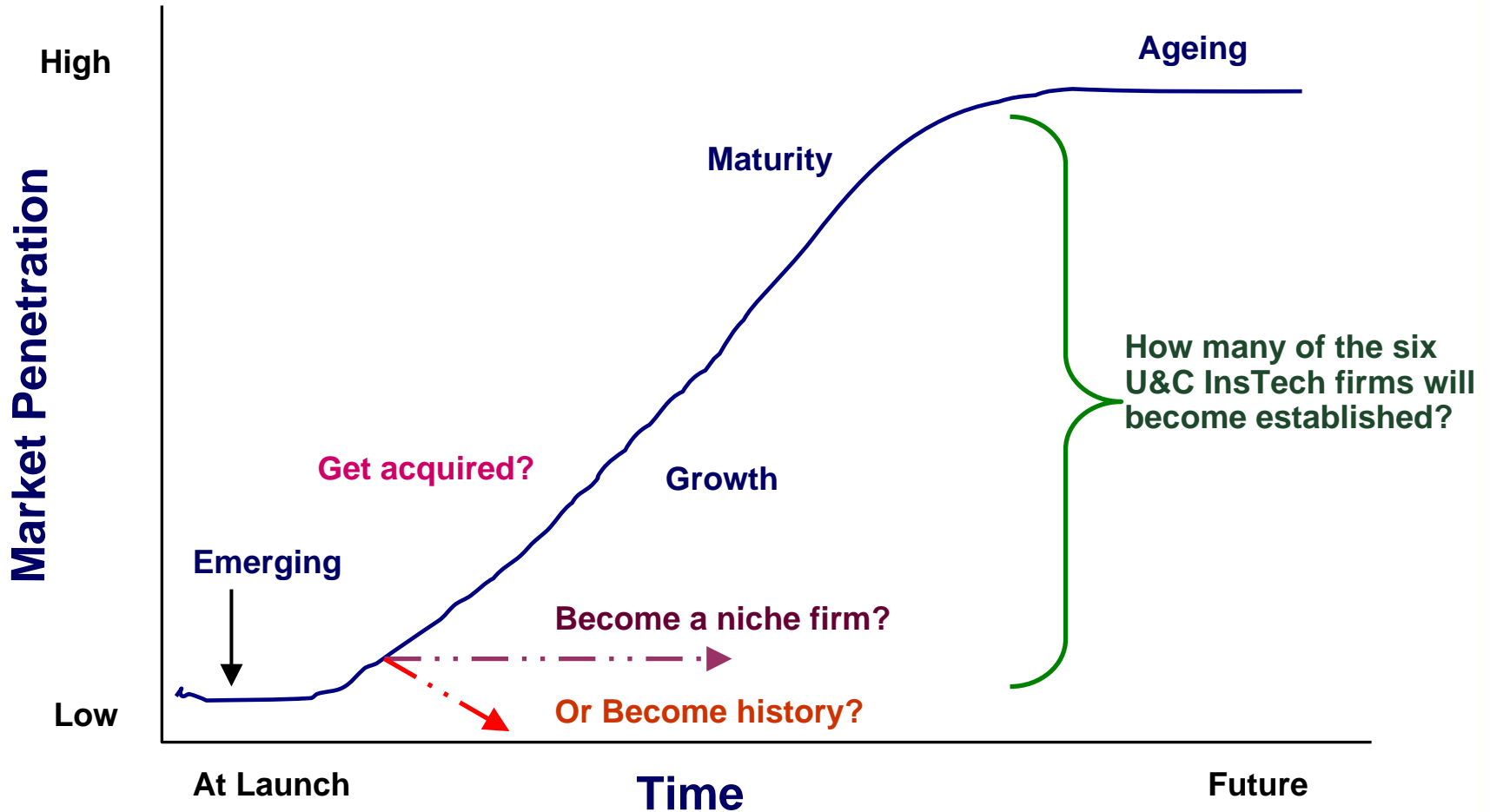
# Class of 2008: To Market, To Market Marketing Approaches



<b>Trade Shows</b>						
<b>Thought Leadership</b>						
<b>Personal Touch</b>						
<b>Campaigns</b>						

Source: Up & Coming Firms, 2008

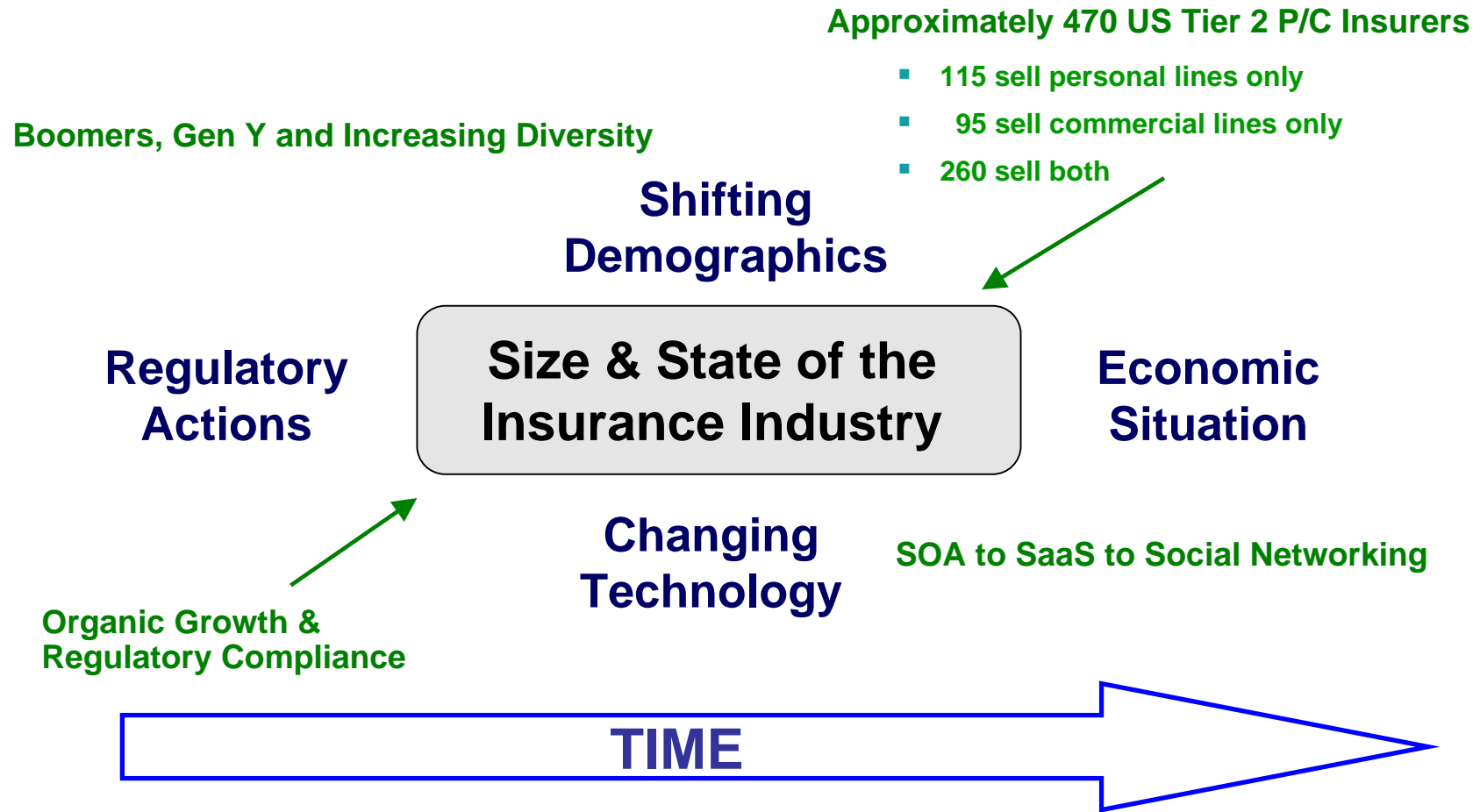
# Technology Firm Maturity Curve



Source: Financial Insights, 2008

# Prognosis: Competitive Dynamics

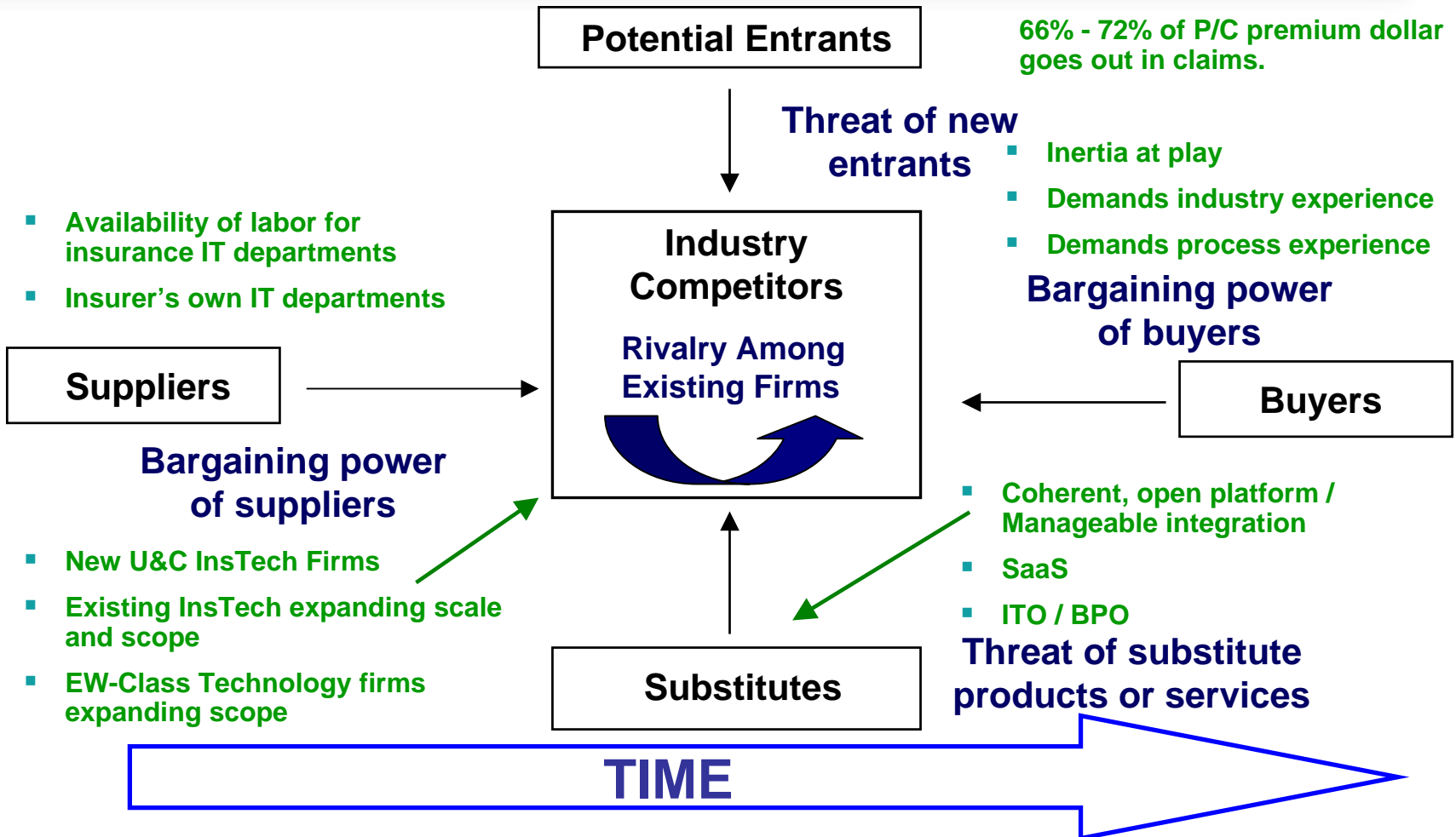
## Insurance Market Influence Factor Model



Source: Financial Insights, 2008

# Prognosis: Competitive Dynamics

## InsTech Market Competition Model

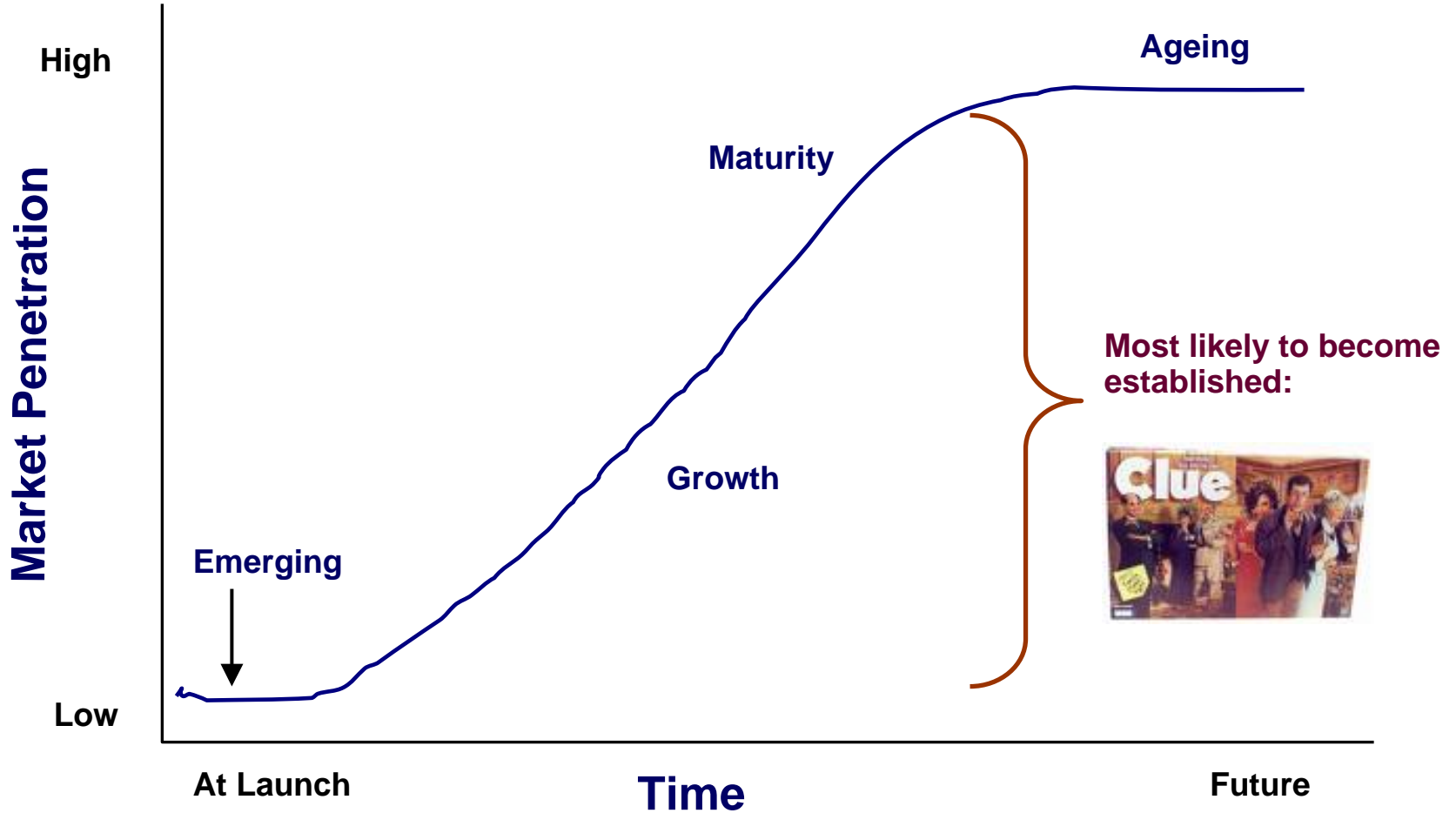


Source: "Competitive Strategy: Techniques for Analyzing Industries and Competitors," Michael E. Porter, The Free Press 1980)

# POLL SLIDE

- Considering these 6 firms, which one firm do you think has the best chance of becoming established?
  - Blue Cod Technologies
  - Guidewire Software
  - FirstBest Systems
  - Valen Technologies
  - Full Capture Solutions
  - EagleEye Analytics

# Technology Firm Maturity Model



Source: Financial Insights, 2008



## P/C Insurance Companies



## Up & Coming InsTech Firms



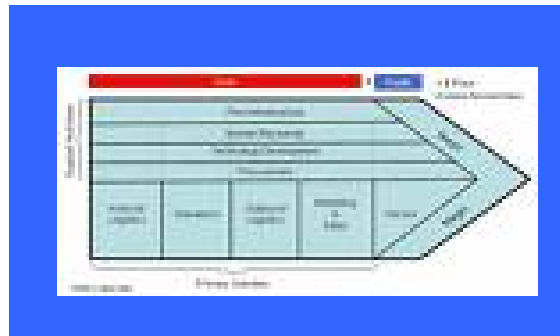
# Next Steps Class of 2009 Up & Coming InsTech Firms



PLUS ...



Insurers



Technology Firms



VC Firms

# SOURCE FOR OUR DISCUSSION

## Beyond the Traditional Short List: Up and Coming Property and Casualty Insurance Technology Firms Class of 2008 (Financial Insights #FIN213323, August 2008)

- **Strategic Play**
- **Product Development, Deployment and Support**
- **To Market, To Market**
- **Financial Resources**
- **Tracking Success**
- **Market / Competitive Dynamics**
- **Prognosis for U&C Firms**
- **Guidance – Insurers, Technology Firms**



Table of Contents

# Questions?



**Barry Rabkin**  
**Senior Research Analyst, Insurance**  
**Financial Insights, an IDC company**

**[brabkin@financial-insights.com](mailto:brabkin@financial-insights.com)**  
**+1 508 988 6729**

## **Related Research**

Beyond the Traditional Short List: Up and Coming Property and Casualty Insurance Technology Firms  
Class of 2008

Digital Marketplace: The Faint Pulse of Insurance Industry Activity

Visualizing Better Decisions Faster: Can You Really See the Answers?

North American Insurance Industry 1Q08 Update: It's Not Getting Any Easier

# See You at an Upcoming Event

## ■ ISOTECH 2008

- November 9 to 11, 2008, Las Vegas Rio All-Suite Hotel
  - Join Barry Rabkin, senior research analyst, Insurance practice

## ■ Asia Pacific InsureTech Summit 2008

- August 22, 2008 Singapore
  - Join Li-May Chew, research manager, Asia/Pacific and her colleagues at this annual event

## ■ Fall Conference Season – Are You Ready ?

- **Sibos** 2008: Vienna Austria - September 15-19, 2008
- **AFP** Annual Conference: Los Angeles, CA October 19-22, 2008
- Financial Technology Insight: **Best Practices in Global Banking**, Jacksonville, October 26-28 (hosted by PPM Media)
- **FST Summit** 2008: November 5-7, 2008, Miami (hosted by GDS International)
- **BAI** Retail Delivery: Orlando, FL, November 18-20