

Guidewire LiveSM... Unleashing the Power of Context

Karen Furtado, SMA Partner

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In the News

There are now new ways to win – with powerful insights that can improve decision making for insurers – and they are being delivered through apps. With access to accurate, real-time benchmark and comparison data, insurance professionals are being armed with knowledge and understanding that lets them see the information they need, make more informed decisions, and take appropriate action. This new approach to capitalizing on big data takes advantage of information that is aggregated from multiple insurers and delivered through easy to access apps.

Guidewire Software, Inc., a leading provider of core systems for property and casualty insurers, announced a new network in October of 2012, named Guidewire Live that connects Guidewire customers to one another and provides curated external content and expert tools. Access to Guidewire Live takes place through instant-on, easy-to-use apps that deliver the relevant context that P&C professionals need to better understand the problems they are addressing. This context provides deeper insights and perspectives directly related to the decisions they are making. Guidewire Live presents personalized insight that is tailored to who the users are and what they are doing, with consideration for roles, external influences, situations, locations, and timeframes.

Insurers that use Guidewire applications now have new opportunities for capitalizing on comparative data as well as curated external content and expert tools.



The Guidewire Live network is deployed as a cloud-based solution that can be used by Guidewire customers within days of opting in, without the need for a significant implementation project. The information gives insurers the power to compare their operational performance against their peers' at a level of accuracy and granularity never before seen in the industry. Live apps leverage the technology platform and core data model that are shared by all insurers that use Guidewire applications, as well as curated external content such as weather, geographic, and demographic data.

The initial launch of Guidewire Live includes the following apps:

- **Compare** – Enables insurers to compare themselves against themselves or a peer benchmark, across dozens of key operational metrics, for any time period.



- **Contrast** – Gives insight to quickly identify hotspots and potential areas of interest by presenting metrics and industry benchmarks in explorable, zoomable maps.
- **Before & AfterSM** – Allows insurers to set a milestone date relevant to their market or internal environment and see how they and others performed before and after that milestone.
- **Claim Canvas** – Lets users travel virtually to a particular time and location to visualize and filter insurer data on a map. Weather context can be added by overlaying hail data to see where and when hail fell, how big it was, and what claims were filed.
- **University** – Provides education for users about how to interact with Live apps. Presents pre-app content and reports on specialized topics.

Three key components shape the Guidewire Live offering. First is the network – the “community of customers.” The second is made up of the external sources of information and tools from third party software and data providers that are curated by Guidewire. The third is the portfolio of user friendly, informative apps for the consumption of data. The goal is to translate big data into context that is meaningful and easy to apply.

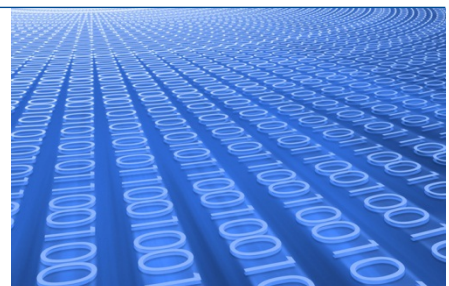
Information is presented so that the data story is clear, with extraneous information separated from what is really relevant to the task at hand. The apps have been designed to enable the user to obtain the appropriate view of information that best relates to a specific role, need, or purpose. Because the design begins and ends with P&C insurance, the focus is all about the challenges that insurers face. Furthermore, Guidewire Live has been designed to be extended to add new customers, third party software and data, and apps – quickly and easily, without large implementation projects.

Opportunity for Insurers

Guidewire Live brings the world of orderly big data to the connected community. With the clout of timely, insurance-specific information, insurance professionals are able to capitalize on the power of fresh, pertinent insights. Gone are the days of guessing, rules of thumb, and gut instinct.

For insurers that are utilizing Guidewire Software’s core system components, there is tremendous opportunity to gain insights from internal data as well as external data sourced from Guidewire Live. Because there are a significant number of Guidewire implementations, the level of participation in Guidewire Live is such that the data is reliable and relevant.

Insurers understand that big data will play a critical role in helping insurers address key areas. According to SMA research, over 70% see major impact in fraud, risk assessment, and CAT planning.



Benchmark capabilities enable users to make meaningful comparisons to peers in the market that are using the same solutions. The anonymous benchmarks are based on transaction-level information, which allows insurers to analyze the geographies, coverages, and timeframe most relevant to the problem at hand. For example, one customer explored whether or not outsourcing legal work had resulted in higher settlement costs, because many adjusters had avoided the adjustment expenses of external counsel.



Guidewire Live provided an external comparison on legal expenses and settlement trends for comparable claims.

Access to external data is critical, but it often requires time-consuming and difficult provider selection, data acquisition, normalization, and analysis. Guidewire Live has integrated selected external data and tools so that users can bypass the preliminary phases and go directly to interpretation. One illuminating example of use occurred during Hurricane Sandy. Guidewire worked with actuaries and claims management professionals at insurance companies heavily impacted by the storm to quickly develop a prototype app. This app provided better risk and reserve tracking information by mapping policies in the storm's path, the resulting claims, and wind speed input from an external data provider.

Guidewire Live is a unique, ground-breaking offering for the insurance industry. Guidewire handles the complexity of dealing with many separate external data sources by managing the challenge of analyzing, integrating, and presenting the full context from selected external data sources. Claims is now the entry point for the Guidewire Live solution, but there will be an additional significant impact when Guidewire adds policy data to their portfolio of app capabilities.

Watch Points

Clearly, this is not a data warehouse replacement. Insurers must continue to look closely at those required capabilities that are now being provided by a warehouse. But for those insurers that frequently turn to warehouses and disparate external data sources to give them this level of information, there is now an alternative way to receive different views without impacting the progress that is being made internally on data warehouse initiatives.

Guidewire is new to the game of managing the data of multiple companies and providing apps via a SaaS model. It is appropriate to consider and even question how insurers will know if the right data security discipline is being employed – if the data that is provided by the community of users is truly secure. Guidewire is utilizing best practices to ensure the security of the hosted services they are offering. First, no personal data is being exchanged for the benchmark information, and therefore none is ever stored by Guidewire. All personal information is exclusively retained by the insurer. Benchmark data is presented as aggregated data and provided only if there are at least three insurers by geography, LOB, etc. who contribute data in the area that is being assessed.

Guidewire has made strong commitments to specific KPIs and service levels aligned with customer needs. As an additional security layer, the initial apps may only be utilized while working within an insurer's private network. Future plans will need to consider greater mobility access. Apps continue to be fine-tuned to ensure performance that meets required service levels.

SMA research reveals that 58% of insurers believe big data will have a big impact, including 21% that see it as a game changer.



Recognized for flexible, scalable solutions, Guidewire has credible expertise in insurance core systems software. The open question is their ability to deliver the insights and expertise necessary to nurture the views that actuaries, underwriters, adjusters, and other insurance experts need. How effectively will



Guidewire manage continued capability growth and the assimilation of additional data as the requirements of the market mature and shift?

SMA ViewPoint

Guidewire, with the Live offering, has taken a big leap forward, helping to provide answers to the question that insurers have had for many years: How do we make sense of all this data? The massive amounts of available data cause many insurers to pause. SMA experience finds that many insurers simply do not know where to start. Guidewire has spent the time to analyze the available information as well as the requirements for moving from guessing to knowing.

Three years ago, Guidewire began to address this challenge through a benchmarking program that quickly grew to include 35 insurers that had implemented Guidewire application solutions. The resulting spreadsheets of information turned out to be incredibly rich, but overwhelming at the same time. Guidewire took this experience to heart and has been successful in looking at the data, asking about the data, digesting the meaning, synthesizing the power of the information, and providing a remarkable offering. Live simplifies the equation while answering the critical business questions most insurers have: How do we compare to other companies? How are we truly doing? Did we over-perform or under-perform in the latest CAT event? How do we know if an event, a resource, or a regulation has had a positive or negative impact on our business? How can we make better sense of all the data available to us? How can we do it quickly? Guidewire's approach of appifying the answers – creating digestible data views with the power to overlay external data on the results – is a home run. The capabilities and views available today are door openers for what might be expected in the future. The current aggregation of claims information is fantastic – graduating to full weather views and then extending insight for underwriting where there will surely be a significant impact on risk selection. It is not difficult to envision a natural extension that would further link the hosted apps with on-premise core systems, creating a hybrid architecture that embeds these insights within operational workflows.

Guidewire is not satisfied with just having a leadership position in core systems. They are committed to helping insurers even as the “world changes around us.” Change is now constant and the pace of that change is accelerating. The issues of tomorrow will be different and even more challenging than those we tackle today. Guidewire has shown a commitment to continue to evolve their service offerings, a commitment to helping insurers achieve success.



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