

ITG EXPERT STUDIES: LEGACY MIGRATION SERIES

This document is an illustration of a shared-cost expert study conducted for a group of mid-tier property/casualty insurance carriers. In addition to other benefits explained in detail below, the companies participating in this study were presented with two key deliverables:

Comprehensive report on Policy Administration vendors and vendor solutions

Detailed report on solutions/best practices for managing and modernizing legacy systems

The study was supported by:

- A review of industry practices resulting from a survey of 15 carriers of similar size and business scope.
- A "hands-on" analysis of 17 Policy Administration system vendors based on a 1500 feature/function/due diligence Request for Information questionnaire.

STUDY OBJECTIVE

Address strategies for dealing with Legacy Application Migration as it specifically applies to Policy Administration systems. The study participants agreed on the following areas of common interest:

- Comparative review of Policy Administration systems vendors
- Evaluation of alternatives for near- and longer-term migration
- Evaluation of web-related alternatives and practices
- Target environment

To meet the individual requirements and to provide immediate business value to all participants, the study has been divided into two phases:

Phase I: Synergies and Practices

- Industry Survey: Policy Administration Systems Usage & Direction in the mid-tier
- Participant Synergies: Synthesized Results
- Policy Admin Vendor Solution Analysis and Selection Toolkit: Best Solutions and Practices Evaluation Criteria

Phase II: Main Study – Matching Solutions with Best Practices

- Policy Administration Vendor Solutions Study
- Solutions and Best Practices for Managing and Modernizing Legacy Systems Study

DELIVERABLES

Participant Synergies

The results are presented in an aggregated and anonymous format:

- Key business, operational and IT synergies discovered
- Key areas of needs/interest for participants
- Recommendation for key points of detailed study

Industry Survey Results

- Summary of responses
- Main industry practices
- Detailed analysis
- Elaboration of findings by ITG industry experts

Best Solutions and Practices Evaluation Criteria Toolkit for Policy Admin Vendors

- Recommended list of vendors
- Detailed evaluation criteria:
 - Product feature/function questionnaire
 - Company evaluation questionnaire (financial stability, product vision, market position)
 - Key staff evaluation questionnaire
 - Ability to deliver questionnaire
 - Pricing questionnaire

Policy Administration Vendor Study

An in-depth review of the selected Policy Administration vendor solutions including:

- Key product features and function
- Functional sub-component systems e.g. Party/Location, Loss Summary, Competitor Policy, etc.
- Typical usage models and scenarios
- Business and technology architectures
- Product vision
- Industry coverage & customer support: implementation services, technical support, integration with other vendors/systems (rating/quoting engines, etc.), partnerships & industry alliances, etc.
- Ability to deliver
- Level of industry adoption
- Applicability to the environments of study participants

Solutions and Best Practices for Managing and Modernizing Legacy Code Study

- Recommended list of vendors
- Vendor evaluation criteria
- Detailed list of best practice recommendation topics

Developing Component-Based Strategies

- Review of best industry practices in applying component-based architectures
- An evaluation of 5 relevant vendor offerings in component-based architectures
- State of industry preparedness for Service Oriented Architectures with assessment and recommendations

Web-fronting Legacy Applications

- Qualitative and quantitative analysis and assessment of web-fronting approaches (extending capability, reducing duplication, enhancing functionality, facilitating policy conversions, facilitating migrations, etc.)
- Qualitative and quantitative evaluation of web-fronting methods (from screen-scraping through component wrapping to full Java re-write)
- Evaluation of 5 relevant vendor offerings in the web-fronting field with qualitative assessment and recommendations

Maintenance outsourcing in the property/casualty insurance industry

- Qualitative and quantitative analysis of outsourcing options for legacy policy administration system maintenance and modernization
- An evaluation of 5 relevant vendor offerings and best practices assessment and recommendations
- All vendor offerings were subject to the same comprehensive review as Policy Administration vendors