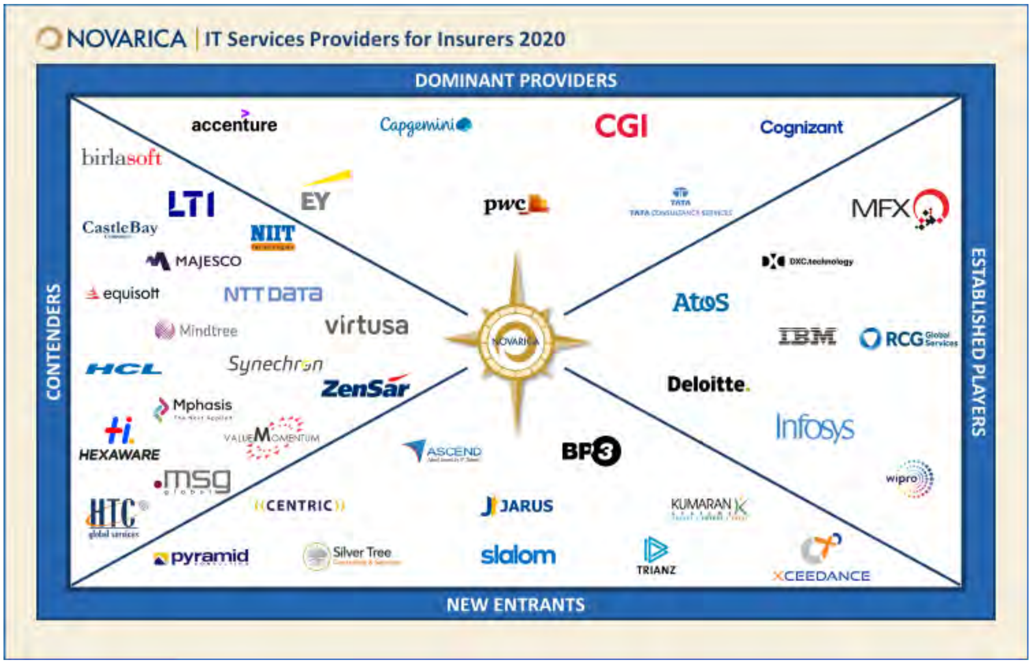
IT SERVICES PROVIDERS FOR INSURERS

FEBRUARY 2020

Authorized Excerpt



SUMMARY

This authorized excerpt contains content from a Novarica Market Navigator report that provides an overview of 42 major IT services providers for North American insurers, with a focus on their experience levels in key functional areas. The information in this report was collected directly from the providers using a proprietary Novarica RFI. The report contains a brief profile of each vendor, including a chart detailing the provider's experience levels in specific, targeted functions.

This excerpt includes the profile of ValueMomentum. The full report includes profiles of all providers listed in the graphic above.

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INTRODUCTION

About This Report

This report is focused on IT services providers for insurers, including both ongoing application development and maintenance (ADM) services and project-based services.

It is designed to allow insurer CIOs and their teams to quickly familiarize themselves with each provider's organization, market position, client base, and areas of service. Where possible, each profile also provides a link to the LinkedIn profiles of each provider's key senior managers to give a more in-depth view of the personal experiences associated with their teams.

The solution provider profiles included within Novarica Market Navigator™ reports do not provide subjective analysis of each vendor's solution. They are based on direct responses to a universal RFI distributed by Novarica, technical discussions with each vendor to verify the RFI responses, and subsequent follow-ups with the vendors to validate and confirm responses. These reports do not make subjective judgments, since the fit between a potential provider and an insurer will be determined by the specific situation and needs of that insurer. Novarica provides these types of advisory consultations to more than 100 insurer clients through its retained advisory services.

MARKET OVERVIEW

The Case for IT Services Partners

Insurance IT organizations and those that run them face several challenges in the foreseeable future, including the need for IT resource capacity and talent, finding resources skilled in innovative technologies such as RPA and AI, core and peripheral systems modernization, operational effectiveness and efficiency, and the ability for IT to lead and deliver technological and market-competitive advantage. Additionally, as experienced IT resources in the Baby Boomer generation continue to retire in increasing numbers, resources are needed to quickly fill the void that is left—even for legacy technologies. The macro trends driving modernization, innovation, and change in the industry are also driving the need for insurance IT organizations to invest in skill sets that are often in short supply. At best, this is a heavy tax on even the most well-run IT organizations. At worst, it's a burden that many IT organizations are (and will continue) struggling with. One way to begin addressing some of these challenges is for IT organizations to enlist the help of a service partner; IT services partners can be useful—if not vital—in this effort.

At their core, the capabilities that IT services partners provide, collectively referred to as IT services management (ITSM), are about implementing best practices policies through organized, structured processes and supporting procedures. These best practices policies should be performed by an organization (or part of an organization) to plan, design, deliver, operate, and control IT services offered to customers and other key stakeholders. These capabilities can play key roles in some of the challenges faced by insurance IT organizations suggested above:

- **IT resource capacity and talent.** Used properly, IT services partners can effectively create IT capacity for insurers by performing tasks, processes, and services that incumbent IT resources normally perform or to fill the void for retiring IT professionals. This allows insurers to repurpose valuable and scarce IT talent to the kinds of projects and initiatives that add more direct value to the overall operational and strategic goals of the insurer. It also allows insurers to tilt their best internal IT talent toward the kinds of work that best optimize their talents and institutional knowledge.

- **Systems modernization.** IT services partners bring robust IT processes and practices with them, many of which are essential for supporting and optimizing any insurer's systems modernization efforts. Chief among these are the change management practices essential for the smooth transition from old systems to new. This capability should not be underestimated, as many insurers struggle with the complexities and nuances of complex change management, particularly when multiple systems are in play simultaneously.

- **Operational effectiveness and efficiency.** Besides change management capabilities, IT services partners bring myriad best practices. In addition to a mature ITSM framework, many IT services partners employ the Information Technology Infrastructure Library (ITIL) framework, a globally recognized collection of best practices for IT services management. Additionally, most IT services partners use an Agile approach for implementing and executing these frameworks, providing operational efficiencies that benefit insurers.