

Benchmarking for Insurance Company IT Operations

Our Ward benchmarking data and industry insights uncover opportunities to improve the efficiency of your IT operations.

IT systems in the insurance industry continue to be heavily legacy based. Many companies are facing massive technology initiatives while being challenged to both manage the associated costs and maintain efficient operations. More than ever, we hear company leaders asking:

- Are our IT expenses too high?
- What is the cost benefit for changing our IT systems?
- Are we staffed appropriately to be cost effective and efficient?
- Should we outsource any of our IT functions?
- What is the return on investment for our new systems implementations?

Benchmarking sharpens your perspective on performance

Benchmarking helps companies capture the full picture of how expenses and staffing levels compare relative to industry peers and is a key component in identifying and justifying opportunities to maximize resources and fund growth strategies. We are the leading provider of benchmarking studies for the insurance industry. We analyze **expenses, staff levels, compensation, operational metrics, and business practices** for all areas of company operations. From our proprietary data, we deliver industry insights that help you make fact-based decisions about improving your operational performance.

Industry-specific comparisons to measure your IT operations

Our Ward benchmarking solutions are specific to the insurance industry. Our IT benchmarking program delivers data that empowers you to:



Assess

IT resource levels, consulting, hardware and software expenses, and operating practices compared to the IT function at other insurance companies



Analyze

the level of capital expenditures and discretionary versus non-discretionary spending



Optimize

the cost and effectiveness of the IT operation



Evaluate

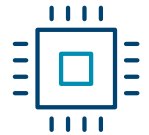
system platforms and IT practices against other insurance companies to determine the consistency of IT investments and the results of those investments

We're here to empower results

Contact us for more information:

PROPERTY-CASUALTY
Charles Gall
513.746.2406
charles.gall@wardinc.com

LIFE, HEALTH, ANNUITY & RETIREMENT
Bonnie Reagan Walker
+1 615.885.0928
bonnie.reagan.walker@wardinc.com



70% of policy administration systems are considered legacy systems.

On average, it takes **4.5 years** to complete a policy administration system replacement project.

We dive deep into your IT operations to deliver meaningful and actionable data

Our IT benchmarking program for life, health, annuity, retirement insurers includes two levels of analysis for a holistic perspective of IT performance across the organization.

Level 1: Analysis of 21 Functional Areas

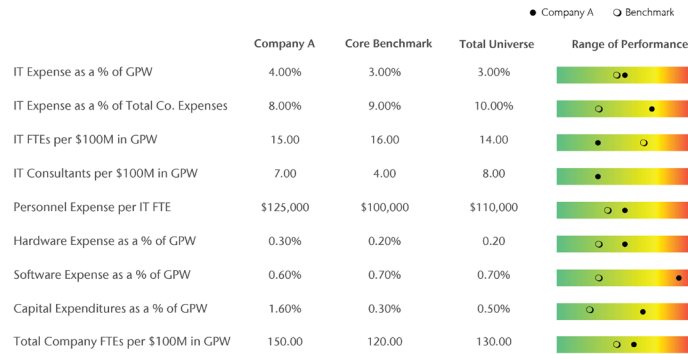
Applications	Infrastructure	User Support	Corporate IT	
<ul style="list-style-type: none"> Applications Architecture & Design Application Development <ul style="list-style-type: none"> Cloud / SaaS Other Application Maintenance <ul style="list-style-type: none"> Cloud / SaaS Other Quality Assurance / Testing 	<ul style="list-style-type: none"> Data Analytics & Reporting Project Facilitation <ul style="list-style-type: none"> Business Analyst Scrum Master Project Manager 	<ul style="list-style-type: none"> Infrastructure Architecture & Design Cloud Solutions IaaS / PaaS Network Administration Mainframe Support Server Support Telecommunications Database Administration Disaster Recovery Project Facilitation 	<ul style="list-style-type: none"> Desktop Support Help Desk 	<ul style="list-style-type: none"> Information Security Procurement / Outsource Management Financial Management Executive

Level 2: Analysis of Business Units Supported by IT

<ul style="list-style-type: none"> Digital (Portals, Mobile, Internet) Personal Lines Commercial Lines 	<ul style="list-style-type: none"> Life Insurance Annuities Group Insurance Retirement 	<ul style="list-style-type: none"> Claims Billing Other
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Sample deliverables

Quickly assess the overall performance of your IT operation with a snapshot view of key IT metrics



Measure your IT operations compared to select benchmark groups

Select Performance Metrics	Total Company	Core Benchmark Group	High Performer Benchmark
IT Expense as a % of Premium	4.00%	3.00%	2.00%
IT FTEs per \$100M of Premium	10.00	13.00	15.00
IT Expense per Total FTE	\$35,000	\$29,000	\$27,000
Ratio of Staff to Mgmt - Span of Control	4.00	4.00	6.00
IT FTEs per 100 Total FTEs	18.00	20.00	10.00
Consulting Expense as a % of Premium	0.60%	0.55%	0.50%
Equip. and Other Expense as a % of Premium	0.40%	0.30%	0.20%
Voice Comm. Expense as a % of Premium	0.15%	0.20%	0.10%

Get clear perspective of your improvement opportunities

Performance Gap Analysis

Functional Area	Cost Driver	Cost Gap				Staffing Gap			
		Your Company	Core Benchmark	Expense Gap (\$000)	Indicator to Average	Your Company	Core Benchmark	Actual Staffing Gap	Indicator to Average
A Applications Architecture and Design	Gross Premiums	0.45%	0.49%	-\$4,181	●	0.30	0.31	-0.77	●
B Application Development	Gross Premiums	0.09%	0.04%	\$4,459	●	0.36	0.18	18.56	●
C Application Maintenance	Gross Premiums	0.25%	0.24%	\$918	●	0.14	0.13	0.87	●
D Quality Assurance/Testing	Gross Premiums	0.01%	0.03%	-\$2,017	●	0.01	0.01	-0.29	●
E Data Analytics and Reporting	Gross Premiums	0.03%	0.01%	\$1,961	●	0.26	0.13	13.28	●
F Project Facilitation	Gross Premiums	0.02%	0.01%	\$1,233	●	0.29	0.14	14.58	●
Total Applications				\$1,771				46.61	
G Infrastructure Architecture and Design	Gross Premiums	0.07%	0.04%	\$3,595	●	0.13	0.06	6.63	●
H Cloud Solutions IaaS / PaaS	Gross Premiums	0.15%	0.06%	\$7,710	●	0.13	0.06	6.63	●
I Network Administration	Gross Premiums	0.20%	0.12%	\$7,753	●	0.10	0.05	5.30	●
J Mainframe Support	Gross Premiums	0.03%	0.04%	-\$504	●	0.04	0.06	-2.47	●
K Server Support	Gross Premiums	0.09%	0.06%	\$1,506	●	0.07	0.06	0.65	●
L Telecommunications	Total FTEs	\$4,000	\$3,138	\$1,723	●	0.06	0.03	3.01	●
M Database Administration	Gross Premiums	0.02%	0.01%	\$1,008	●	0.01	0.01	0.86	●
N Disaster Recovery	Gross Premiums	0.02%	0.02%	\$0	●	0.02	0.03	-1.01	●
O Project Facilitation	Gross Premiums	0.02%	0.01%	\$805	●	0.29	0.14	14.58	●
Total Infrastructure				\$21,782				19.65	
P Desktop Support	Total FTEs	\$2,000	\$1,751	\$498	●	0.10	0.06	4.06	●
Q Help Desk	Total FTEs	\$633	\$317	\$333	●	0.60	0.30	30.12	●
Total User Support				\$1,131				34.18	
R Information Security	Total FTEs	\$1,445	\$722	\$1,445	●	0.03	0.01	1.51	●
S Procurement/Outsource Management	Gross Premiums	0.10%	0.15%	-\$192	●	0.03	0.04	-1.01	●
T Financial Management	Gross Premiums	0.17%	0.19%	\$77	●	0.10	0.06	1.01	●
U Executive	Gross Premiums	0.20%	0.16%	\$154	●	0.01	0.01	0.66	●
Total Corporate IT				\$1,483				2.17	
Grand Total				\$26,168				102.01	

Analyze the efficiency of your IT function and track year-over-year performance

