CGI in Insurance

Preparing for tomorrow, today

CGI

In a fiercely competitive and rapidly changing global marketplace, insurers are focused on transforming their operations and taking advantage of new opportunities ushered in by the Internet of Everything (IoE) and the third platform of IT.

CGI's global presence and legacy in the property and casualty (P&C) and life insurance sectors have made us the partner of choice for hundreds of insurers, brokers and agents around the world. We're working with them to implement the right information technology and business process solutions across the insurance value chain to help them win and grow.

At the edge of change

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Barriers have been primarily based on its ability to predict when payments to policyholders will need to be paid and for how much, but various trends are allowing organizations outside of the industry to develop this predictive expertise. What's driving the emergence of organizations that can compete with the core competencies of insurers?
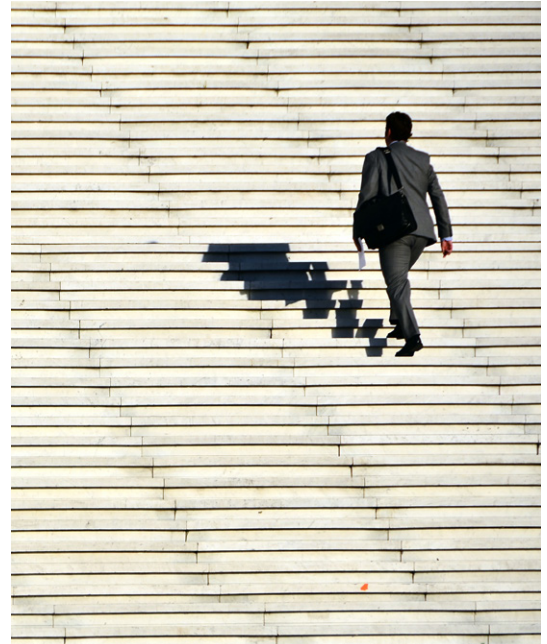
Leading insurers are seriously evaluating the resulting opportunities and challenges before them to ensure long-term, sustainable financial performance.
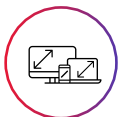
Unbridled data access enabled by the internet

Need to make sense of this big data through analytics

Ability of people and things to transmit contextual information about themselves

Increasing demand for mobile and digital self-service

Each year, we formally talk with a subset of our more than 250 insurance clients around the world about the market forces that are shaping their business and IT priorities. Here's what they told us:

1 External forces: Increasing regulatory complexity, coupled with changes in economic, demographic and environmental conditions, are creating significant pressures for insurers. The world is no longer reliably predictable, which makes long-term planning a challenge.

P&C insurers can see their results turn red for years as a result of a single natural catastrophe. Volatile equity markets, currency swings and low interest rates can erode the bottom lines of life insurers that depend heavily on their investment portfolios. Aging populations, improvements in health care technology and the disengagement of millennials pose challenges for annuity and pension providers faced with the threat of paying out more than they're taking in. Complex and increasing regulations are driving some insurers out of the underwriting business to focus exclusively on administrative services.

In the face of these challenges, we believe that insurers have limited options: 1) Step up to the challenge, or 2) Step away and simplify. Either of these strategies, however, requires a purpose-built business and technology architecture.

2 Partners with consumer-like expectations: We've known for some time that consumers are disappointed when their insurance carrier's website doesn't provide an Amazon or Google-like experience. We all have expectations and benchmarks about what a good online experience entails. Distribution partners, like brokers and agents, are now demanding a consumer-like experience in their dealings with insurers. They're looking for straight-through processing, self- service functionality, new products and services, and quick turnaround in quoting and pricing. To win, insurers must go digital and have mature competencies in product strategy and management, as well as systems in place, to configure and distribute profitable products in an omni-channel world.

3 The Internet of Everything: Insurers have a significant opportunity to be at the center of IoE. New "things" of value that can transmit data about risks (e.g., telematics) are being connected to the internet every day, and people are sharing their lifestyle and activity data via fitness bands and by virtue of simply carrying a smartphone. Insurers that collect this data to make decisions and deliver value-added services will have a clear advantage.

If the data from these connected things of value do not flow ultimately to the insurer, it will go to someone else. And, as mentioned, there are many non- insurance organizations out there these days with the ability to predict future outcomes based on large data sets. This may be the first time that insurers, rather than their distribution partners, face the prospect of being disintermediated. A recent Accenture Global Research study quantified the threat, finding that two-thirds (67%) of insurance customers would consider purchasing insurance products from organizations other than insurers, including 23% who would consider buying from online service providers such as Google and Amazon.

4 The drive for innovation: Tough market dynamics, product commoditization and competition from non-traditional, tech-savvy players are leading many insurers to focus on profitable customer acquisition and retention, increasingly through innovation. New products, services, partners and distribution channels will be required to compete with the likes of Apple, Uber and even utility companies. Keeping up is an increasingly difficult task, especially if legacy technology is holding innovation back and eating at budgets. Here at CGI, we are helping global insurance leaders modernize and innovate while ensuring profitable growth.

CGI is at the forefront of these trends within the insurance industry, and we're working across the globe to help insurers take advantage of market changes and new technology to drive innovation, performance and long-term growth. We're helping insurers prepare today for a profitable, successful tomorrow.

Driving product strategy and management

Clients are telling us that product strategy and management are the top competencies in their arsenal for attacking the challenges presented by this dynamic new marketplace. Product strategy and management are key mechanisms for collecting new ideas, evaluating feasibility, implementation and measuring success. In a marketplace demanding innovation, many insurers are adopting lean principles and methods, especially in terms of building, measuring and learning. But to live by these principles, the right core tools are needed.

> CGI's Ratabase® rating and pricing engine has been implemented for 100+ P&C and life insurers.

How we are helping: Market-leading rating software

CGI's Ratabase® is the industry's leading standalone insurance rating and product configuration software. Its proven functionality, scalability and flexible technology empower carriers to test and deploy products and scenarios—from simple to highly complex—efficiently and effectively. Ratabase® is on a roll, with demand for the solution increasing dramatically not only because of a new user interface and functionality, now available in version 8, but also because marketplace dynamics are driving the need for the right tools to support product strategy and management.

Ratabase® offers the following advantages:

- Comprehensive set of powerful productivity tools that empower insurance professionals to design, build and release new products in the fastest possible time

- Available in a wide range of platforms

- Best-in-class implementation and consulting services User groups and annual conference

- Pre-configured accelerators

Optimizing data analytics and cybersecurity

Our experience in delivering insurance risk information solutions gives us valuable insight into the opportunities resulting from the explosion in the amount of interconnected data available for use across the insurance value chain. In today's interconnected environment, insurers need to operate securely. Cyberthreats are a growing issue and they need peace of mind that their systems, data and customers are protected. The right partner can provide the foresight and capabilities to anticipate cyberattacks and take decisive action when they occur.

How we are helping: Data analytics

We're helping insurers procure and consume large data sets in myriad ways, including through predictive analytics, system-to-system connections in real-time, mobile technology and innovative tools such as visualization, which allow users to first see what they're interested in and then download the data for offline analysis.

Our industry experience at this granular level, combined with CGI's Business Intelligence and Analytics expertise, provides what you need to gain critical competitive advantage. We enable you to deal with information, spot patterns, analyze trends and adapt your approach accordingly. We also have points of view on new business models and approaches available to insurers through our industry technology platform experience. Speak to us about what we've learned and see what opportunities these platforms might hold for you.

How we are helping: Cyber insurance

We help insurers to not only protect their own data, but also pursue profitable new lines of business that help their customers address cyber risk. We understand cybersecurity and insurance from all angles and have local experts with vast global experience. Our cyber experts are partnering with insurers to provide their customers with the right services at the right time as part of the underwriting process. We help assess the cybersecurity maturity of potential policyholders and also help them minimize risks throughout the life of their policy through managed security services, including the following:

- Risk and threat assessments

- Cloud security reviews

- Cyber breach response services

- Identity and access management Managed security services

CGI delivers more than 15 million risk information products annually to insurers, brokers and agents.

Creating purpose-built environments

One thing we've learned over the past 40 years of building, implementing, integrating, hosting and managing core insurance systems for clients around the world is that no two insurance companies are the same.

At CGI, we're in the business of helping insurers put in place the right configuration of core and non-core systems to enable them to win and grow. Whether it's a new package implementation, re-platforming of a legacy mainframe application to enable straight-through processing on the road to digital transformation, establishment of a new standalone rating engine such as Ratabase®, delivery of testing services through a global delivery model, or the management of infrastructures and core business applications, CGI is a partner of choice for more than 200 insurers around the world.

Each has its own strategies, competencies, tolerances and marketplace conditions to address. It goes without saying that these unique characteristics drive unique technology configurations.

How we are helping: Core systems transformation

CGI's 4,000 global insurance professionals understand and perform virtually every aspect of an insurance operation. Today, we partner with 200+ P&C, Life and Annuity, and re-insurance carriers and brokers around the world, offering the following:

- End-to-end IT and business process services, along with industry-leading software solutions

- Top industry certifications and standards, plus flexible onshore, nearshore and offshore global delivery and business model options

- Management and technology consulting services to assist in envisioning, designing and implementing the right core systems environment

- Mainframe re-platforming to significantly reduce costs

- System integration services for leading commercial off-the-shelf (COTS) solutions

Our rich insurance heritage

We've been helping insurers, brokers, re-insurers, aggregators and affinity partners for over 40 years across all areas of the market.

Our status as the fifth largest independent business and IT firm means that we're in a great position to present unique solutions to the industry. Our expertise, tools and partnerships support the delivery of end-to-end services to our clients, including consultancy, systems integration and outsourcing services.

We follow a disciplined delivery approach that has helped us achieve an industry-leading record of on-time, on-budget projects.

Our approach

It's not just what we deliver but how we deliver that makes us a partner of choice. Our business approach puts clients and their success first.

- **Client proximity model** — organizes operations around metro markets, allowing us to be deeply rooted within our clients' communities and accountable for project success

- **Industry expertise** — fuels our deep understanding of client realities to implement solutions that improve and transform their business environments

- **Unique global delivery model** — combines onsite responsiveness through our local offices with remote delivery capabilities through CGI's onshore, nearshore and offshore centers of excellence

- **Quality processes** — ISO 9001 certified operations ensure a high level of client, member and shareholder satisfaction, and Capability Maturity Model Integration (CMMI) Levels 3 and 5 compliant global delivery centers provide agile, high quality delivery on-time and on-budget

Highlights of our experience and expertise:

40+ years

in the insurance industry

15 million

transactions and $50 billion in annual premiums processed globally

Partner to more than 200 clients

globally, including 7 of the top 10 global insurers

Among the top 10

service providers (Insurance & Technology)

Significant

examples of policy, claims and billing implementations around the world

Partner industry designations

(ISO, ACORD, CPUC, CIP, FCIP, CLA, HIPAA)

About CGI

Insights you can act on

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world.

We are insights-driven and outcomes-based to help accelerate returns on your investments. Across hundreds of locations worldwide, we provide comprehensive, scalable and sustainable IT and business consulting services that are informed globally and delivered locally.

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