

Ward Group Benchmarking for Insurance Company IT Operations

Ward Group's 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. Ward Group is 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

Ward Group specializes in 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

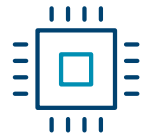
system platforms and IT practices against other insurance companies to determine the consistency of IT investments and the results of those investments

We're here to empower results

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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 includes three levels of analysis for a holistic perspective of IT performance across the organization.

Level 1

Analysis of 19 functional areas within User Support, Networking Services, Applications, and Operations.

Level 2

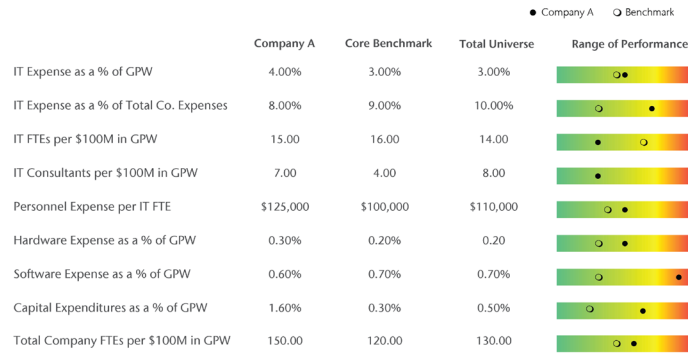
Analysis of business units across the organization that are supported by the IT function.

Level 3

Analysis of major systems platforms and practices used throughout the company.

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

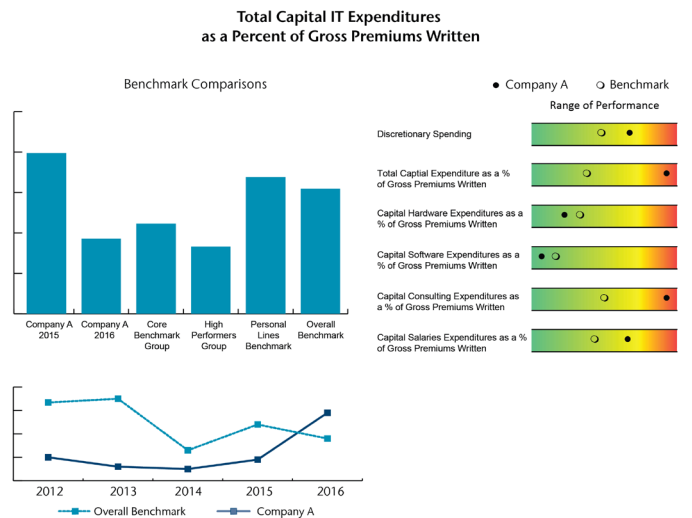
Select Performance Metrics	Total Company	Core Benchmark Group	High Performer Benchmark
IT Expense as a % of Premium	4.00%	3.00%	2.00%
IT FTEs per \$100M of Premium	10.00	13.00	15.00
IT Expense per Total FTE	\$35,000	\$29,000	\$27,000
Ratio of Staff to Mgmt - Span of Control	4.00	4.00	6.00
IT FTEs per 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

	Cost Gap				Staffing Gap			
	Company A	Core Benchmark Group	Expense Gap (000s)	Indicator	Company A	Core Benchmark Group	Staffing Gap	Indicator
Desktop Support	\$2,100	\$1,900	\$900	▲	0.40	0.70	-8.00	●
Help Desk	\$800	\$500	\$400	●	0.68	0.50	2.25	●
Total User Support			\$1,200				-5.75	
Network Administration	0.20%	0.19%	\$500	▲	0.20	0.30	-2.50	●
Mainframe Support	0.30%	0.33%	-\$500	●	1.20	0.80	8.00	●
Server Support	0.25%	0.27%	-\$2,500	●	0.70	0.80	-1.70	●
Telecommunications	\$1,200	\$1,700	-\$1,000	●	0.18	0.16	1.20	▲
Total Network Services			-\$3,500				5.00	
Application Architecture and Design	0.55%	0.35%	\$5,000	▲	2.20	2.00	4.00	▲
Application Development	0.50%	0.65%	-\$1,900	●	2.85	2.20	1.50	●
Application Maintenance	0.65%	0.68%	\$700	●	2.70	3.30	-13.00	●
Quality Assurance/Testing	0.30%	0.26%	\$1,200	▲	1.30	1.20	8.00	▲
Management Reporting	0.29%	0.23%	\$2,400	▲	1.30	0.70	9.00	▲
Document Management/Imaging	0.18%	0.13%	\$1,700	▲	0.40	0.40	2.00	●
Project Management	0.03%	0.05%	-\$2,300	●	0.25	1.00	-5.00	●
Total Applications			\$6,800				6.50	

all data is illustrative

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



Ward Group is part of Aon Hewitt, a business unit of Aon plc (NYSE: AON).
For more information, please visit wardinc.com.