

Innovating the group insurance policy administration core to drive business growth

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Executive summary

Market trends indicate the business case for a core policy administration system (PAS) transformation to be stronger than ever. Legacy PAS systems continue to limit an insurer's potential for growth and its ability to meet its digital transformation objectives. Legacy systems were built with an emphasis on core system capabilities, but these systems are now turning into bottlenecks, and more carriers are undertaking core transformation programs to address the following challenges:

Business challenges

- **Create customer-centric integrated product architectures** for rapid quoting, rating, and proposal generation and development of plan offerings to increase quote volumes in support of topline growth objectives.
- **Optimize employer, employee, and broker experiences** to drive seamless digital interactions in moments that matter.
- **Support improvement of product development and distribution capabilities** to meet market needs across segments.
- **Resolve inefficiencies in business operations (e.g., underwriting, billing)** to reduce operational expenses and premium leakage.
- **Close reporting and decision support gaps** to enable effective business insights and decisions across group administration.

Technology challenges

- **Reduce the run costs** to free up resources to spend time on strategic change initiatives, such as PAS modernizations.
- **Address legacy technology brain drain** to minimize key person risk.
- **Improve interoperability within the technology stack** to enable rapid

ecosystem integration across key partners, such as benefit administrators.

- **Manage technology debt** within the architecture to reduce risk of obsolescence.
- **Identify and address security vulnerabilities** to prevent risk of business-threatening data breaches and improve compliance posture.

Innovating at the insurance core through a PAS transformation has become table stakes, and the industry has recognized the need for a modern digital core. A 2020 survey of insurance CIOs reveals that 37% would choose to allocate a hypothetical 10% increase in discretionary technology budget to core transformation and cloud projects, which would be 14% higher than the second-highest category, innovation and growth.¹ As adoption continues to rise, it will be increasingly difficult to remain competitive without a modernized core that enables the digital capabilities needed to thrive in the market.

A PAS transformation provides the underlying business and technology core needed to build out enabling digital capabilities that drive multiple elements in the broader group insurance value chain:

- Group insurers need to provide a delightful **customer experience**. Employers are grappling with the

administrative burden associated with core processes, such as onboarding, and addressing those concerns will drive higher retention and greater market penetration across case sizes. The PAS serves as the system of record for employer and employee data and is vital in delivering a differentiated customer experience by simplifying and digitizing processes that leverage data from sales and underwriting activities while also minimizing onerous back-and-forth with the carriers.

- **Product innovation** has never been more important in the group insurance market. Product offerings must be tailored to respond to a robust combination of external (regulatory, customer expectations, etc.) and internal drivers (distribution channel diversification, profitability, etc.).² The PAS provides the digital core needed to develop the integrated product capabilities necessary to keep up with ever-changing market demands.
- As the group insurance ecosystem continues to broaden, the role of **partner engagement** continues to play a pivotal role in growth.³ Providing a platform with plug-and-play capabilities to employers, brokers, agents, and other ecosystem partners simplifies data and workflow integration in an increasingly complex web

1. Deloitte, 2020 Global Tech Leadership Study, 2020.

2. Michelle Canaan and Kelly Cusick, "Modernizing insurance product development," Deloitte Insights, October 9, 2019.

3. Deloitte, 2020 *insurance outlook*, 2020.

of interconnected business relationships. The diversity in group insurance ecosystems (HRIS/HCM providers, benefit administrations, enrollers) and the nature of many of these partners being technology companies further warrants a robust digital architecture.

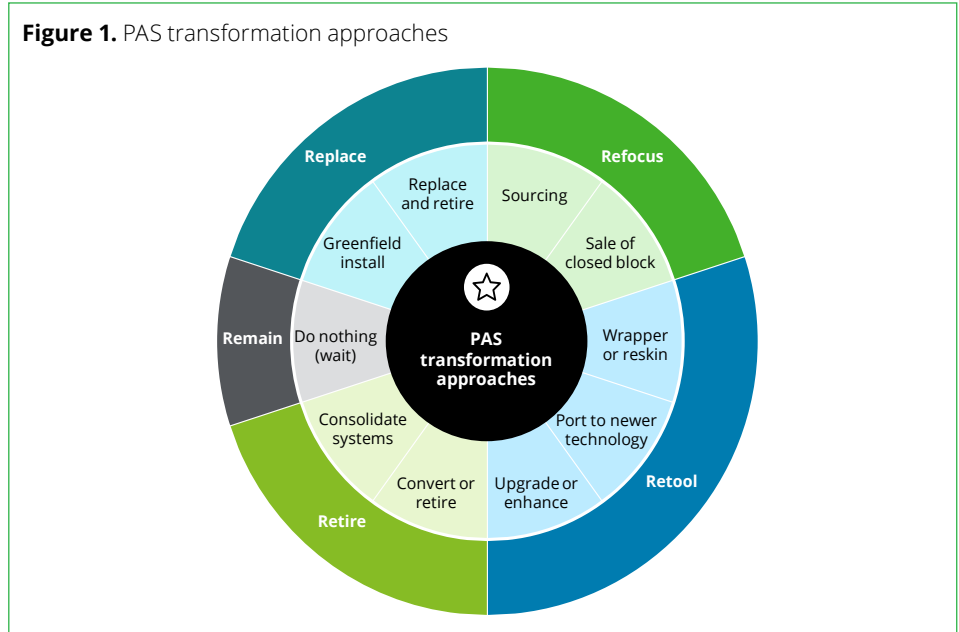
- As the digital core of the organization, the PAS must have the **infrastructure** and **integration** capabilities needed to enable innovation and organizational agility that will drive continued growth. Insurance CIOs surveyed mentioned that, on average, they expect the percentage of their technology budgets allocated to innovation and growth to increase from 15% in 2020 to 25% in 2023.¹ During the COVID-19 pandemic, companies running cloud-based platforms and modern architectures, such as microservices, APIs, and low-code approaches, have scaled and adapted more easily, illustrating the importance of a robust and resilient digital core.

- Analytics and artificial intelligence** contribute to large amounts of value in data-intensive workflows like underwriting and rating. In a recent industry survey, 67% of respondents indicated they were able to achieve cost savings in the underwriting process using predictive analytics, and 60% of respondents managed to increase sales and profitability.⁴ Such use cases require a robust data foundation and integration fabric that are often bottlenecked by legacy PAS system limitations.

There are several different approaches to deliver a PAS transformation, which include a combination of technology and sourcing strategies (figure 1).

Developing the right PAS strategy for a group insurer requires a multilevel analysis of the business model, strategic priorities, technology needs, available resources, and timeline objectives while also selecting the

Figure 1. PAS transformation approaches



right solutions. A nuanced PAS strategy that aligns with the business’s strategic levers will potentially deliver key capabilities that drive impactful outcomes.

Getting started

Independent of the decision to commit to a full-scale transformation, there are four “no-regret” steps that all group insurers should take. These initiatives not only provide immediate value by alleviating some of the pressing challenges carriers face today, but also create the foundation for additional benefits that can be achieved through a PAS transformation—either today or in the future.

- Optimize **product structure by developing modular product architecture and simplify business operations** processes.
- Establish business-aligned reference technology and digital architecture to **define a core systems vision** and guide future investment.
- Modernize data and integration environments** to simplify future

investments and provide a framework to make data-driven product and customer decisions.

- Develop tiered service delivery models** across segments or cohorts.

There are various best practices that may potentially ensure the impact from a PAS transformation is realized while mitigating some of the more common risks. The most appropriate approach to take will depend on where a group insurer is on its transformation journey.

- I need to define what my long-term strategic vision is and which PAS capabilities are needed to support it.* > Plan digital transformation design workshops to align on the strategic goals—enabled transformation.
- I know where I want to end my journey but need to craft a compelling argument to get the resources to start.* > Formulate **a PAS transformation business case** to determine the value proposition of undertaking a PAS transformation.

4. Josh Wozman, “North America life insurers embrace predictive analytics to elevate their business,” Global Newswire, June 17, 2019.

- *I want to find the right PAS vendor and systems integrator that share my long-term vision.* > Go through the **PAS vendor selection process** to identify the vendors that are most aligned to the objective of the transformation.
- *I need to identify which ongoing programs are part of my final vision and should be continued.* > Perform a **PAS program health check** to evaluate all ongoing initiatives (including PAS, if currently underway) and see if they align with the strategic vision.

- *I am ready to start and want to ensure I achieve my vision in a cost-effective manner.* > Start a **PAS implementation with an experienced strategic partner.**

Conclusion

While a core PAS transformation undertaking is a complex journey, the capabilities and benefits delivered by modernized PAS solutions far surpass the pressing needs of the current market. Additionally, they also create a stable digital core for future growth that is robust

enough to weather market disruptions. In an industry that has historically been plagued by legacy technology bottlenecks and underinvestment, group carriers now appear to be initiating steps toward revitalizing their aging core systems. Our recent Group Insurance Benchmarking Survey indicates that 80% of participating carriers have already or are planning to undertake at least one PAS transformation in the short term.⁵ The time to act is now in order to remain competitive in the group insurance market.



5. Deloitte, Group Insurance Benchmarking Survey (GIBS), 2019.

The case for group insurance policy administration transformation

Group insurers are recognizing the need to transform and revolutionize their operating models through a variety of modes that include customer experience transformation, greenfield technology setups, and extension of capabilities through M&A and the InsurTech ecosystem. In response, insurers are continuing to refine their value proposition to be relevant with brokers and employers. Employers and employees continue to demand seamless experience across all their interactions with the insurer. The complex legacy technology architecture environment demands ever-increasing IT maintenance budgets to keep systems relevant. Legacy technology architecture further imposes limits on the business and inhibits growth. The modern group insurance market requires modular product structures and simplified operations, such as client onboarding, that can only be enabled by a modernized digital core. Recent pandemic impacts have further demanded acceleration around digital transformation initiatives given business continuity issues experienced in various functions, such as sales and distribution, enrollment, claims and absence, and underwriting. Prioritization of customer retention is critical, given increased sensitivity to inadequate experiences during this period. Moreover, products likely need to be adapted to more individual needs during the pandemic.

In the face of these market pressures, it is becoming increasingly clear that modernizing the core PAS is likely critical to meet business objectives. Executives in the industry are recognizing the value of a strong digital core, with 37% of insurance

CIOs surveyed by the 2020 Global Tech Leadership Study choosing to allocate a hypothetical 10% increase in discretionary technology budget to core modernization and cloud projects, leading the second-highest category, innovation and growth, by 14%.⁶ Furthermore, our 2019 Group Insurance Benchmarking Study revealed that 80% of respondents were planning on undertaking at least one PAS transformation by 2022.⁷ As industry adoption continues to increase, a modern PAS core will soon become a requirement, rather than a luxury, in staying competitive in the marketplace.

We believe group insurers can achieve accelerated growth by focusing on the PAS's role across the following strategic levers.

Customer experience

Customer experience and the importance of providing a human touch is one of the leading differentiators in the market today.⁸ Keeping the modern customer satisfied requires capabilities to allow them to engage with their insurer at any time and through any channel. In a study of more than 2,000 consumers, three of the top-cited customer expectations were (1) fast response times to the customer's needs and issues, (2) a real person to speak with, regardless of time or location, and (3) information where and when they need it.⁹ Providing a differentiated omnichannel customer experience is no longer just a luxury, but a foundational requirement to achieve growth. Customers who have the best experiences tend to spend approximately 140% more and remain with their provider five years more than the customers who have the worst experiences.¹⁰ To meet customer

needs and achieve the resulting business benefits, a group insurer likely needs a digital infrastructure that can enable real-time and consistent interactions with its members through mobile apps, member portals, and other engagement channels. As core system of record that aggregates member data from all supporting business functions, the PAS is the core for enabling an ecosystem of customer engagement capabilities across the group value chain.

Product innovation

One fundamental shift in the group insurance marketplace is the need for ever-increasing velocity in product development. As tailored product offerings become increasingly necessary to meet external drivers like changes in regulations and customer demands, as well as satisfy internal drivers, faster time to market may allow group insurers to ensure viability and market response to new product offerings. These needs have been further accelerated by the COVID-19 pandemic. The Insurance Innovation Reporter (IRRE) noted that "post-pandemic, the group insurance market will reward insurers that can keep up with market demand."¹¹ Modernized product development capabilities require a robust product engine core to a PAS. The modernized PAS not only enables the group insurer to develop tailored products, but also provides automation capabilities and business rule frameworks to accelerate delivery to market. Group insurers reliant on legacy PAS systems will be unable to keep up with the rate of innovation needed to consistently and quickly adapt their product offerings to the demands of the market.

6. Deloitte, 2020 Global Tech Leadership Study.

7. Deloitte, GIBS.

8. Deloitte, 2019 Tech Trends.

9. CMO Council and SAP Hybris, "The Customer in Context," 2017.

10. Harvard Business Review, "The Value of Customer Experience, Quantified," 2014.

11. Stephen Boucher, "Opportunities for Group Insurance Innovation during the Pandemic." IRRE, August 20, 2020.

Partner engagement

The business impact of partners, such as brokers, third-party administrators, and enrollment providers, in the group insurance ecosystem is important in influencing the overall employer and employee experience. The partner ecosystem continues to be fragmented by various technology companies across benefit administration, enrollment, HRIS, and other functions that are vital to the business operations of a group insurer. Furthermore, the scope of the partner ecosystem continues to expand, with insurers increasing their usage of external data depositories, application hosts, and external partners.¹² Developing business relationships with partners in this ecosystem requires increasingly complex bidirectional connections to support data-driven processes like quoting, rating, underwriting, enrollment, claims processing, and absence management. The capability to provide a plug-and-play ecosystem that minimizes the overhead of data exchange is a key point of differentiation in the market and can likely result in growth stemming from additional cases won and additional premium revenue.¹³ A legacy PAS, serving the role of main system of record, is one of the major bottlenecks in building out an ecosystem engagement platform that delivers true plug-and-play capability with business and technology partners in the group insurance ecosystem.

Organizational agility

Innovation and agility remain a priority for growth for group insurers. A study of 41 insurance CIOs revealed that, on average, respondents expect their technology spending on innovation and growth to expand to roughly 25% in 2023 from 15% in 2020.¹⁴ A modernized PAS provides the robust core needed to thrive in this dynamic environment. A group insurer's revitalized PAS strategy can leverage on-demand infrastructure provided by cloud offerings, which keeps run costs relatively low while also providing the flexibility to scale up on short notice to accommodate new products and business capabilities. Furthermore, modernized PAS platforms typically support robust integration frameworks between the PAS and dependent functional systems, reducing the turnaround time for key business processes like underwriting, evidence of insurability, and new enrollments. Combining the scalability of cloud with a dynamic integration framework creates a level of organizational agility that enables a group insurer to respond effectively and quickly to changing market conditions.

Data and analytics

The group insurance business model is very data-intensive, and there is a significant amount of growth opportunity that can be achieved through more effective use

of the vast amounts of data generated by group insurers. In a recent survey, 67% of respondents indicated that predictive analytics had led to cost savings in the underwriting process, while 60% credit the insights for improving both sales and profitability.¹⁵ Higher levels of data standardization, quality, and integration, anchored by a modernized PAS, can drive significant improvements in the business operations of a group insurer. The life cycle, from customer onboarding setup to servicing turnaround times for data-intensive workflows, including rating, can be greatly reduced. In addition, error rates for enrollment and billing processes can be lowered. As new external sources of data continue to emerge, it is paramount that a group insurer builds the PAS data core needed to continue realizing the value of analytics. As the key system of record containing member and policy data, PAS is an important component in addressing dynamic data and analytics needs.

12. Deloitte, *2020 insurance outlook*.

13. Deloitte, "Digital market connectivity in the group ecosystem," 2020.

14. Deloitte, 2020 Global Tech Leadership Study.

15. Wozman, "North America life insurers embrace predictive analytics to elevate their business."

Business and technology architecture implications

PAS transformation has fundamental implications across all layers of the enterprise business and technology architecture due to its central role as the digital core of a group insurer. It typically serves as the system of record for critical data domains (e.g., policy, product) while being integral to enable other value chain operational systems (e.g., claims, customer portals). We define PAS as the system that has and supports the following capabilities (figure 2).

- **Product management**

Maintains a comprehensive product

catalog, ensures a single source of truth, and facilitates design and construction of products to support underwriting capabilities.

- **Case installation**

Configures cases associated with employer plans, along with associated product- and employer-specific operational and servicing metadata.

- **Case maintenance**

Maintains employer plans, including, but not limited to, eligibility determination, premium administration, etc.

- **Policy management**

Manages any changes to plans, products, and/or policies requested by an employer.

- **Bill calculation**

Calculates and generates bills associated with employer plans (i.e., list bill), based on the enrollments and associated premiums in the plan to support bill presentment.

- **Operations**

Supports ongoing customer service operations to manage employee-level demographic data, capture of life events, and/or servicing customers with plan inquiries (non-claims-related).

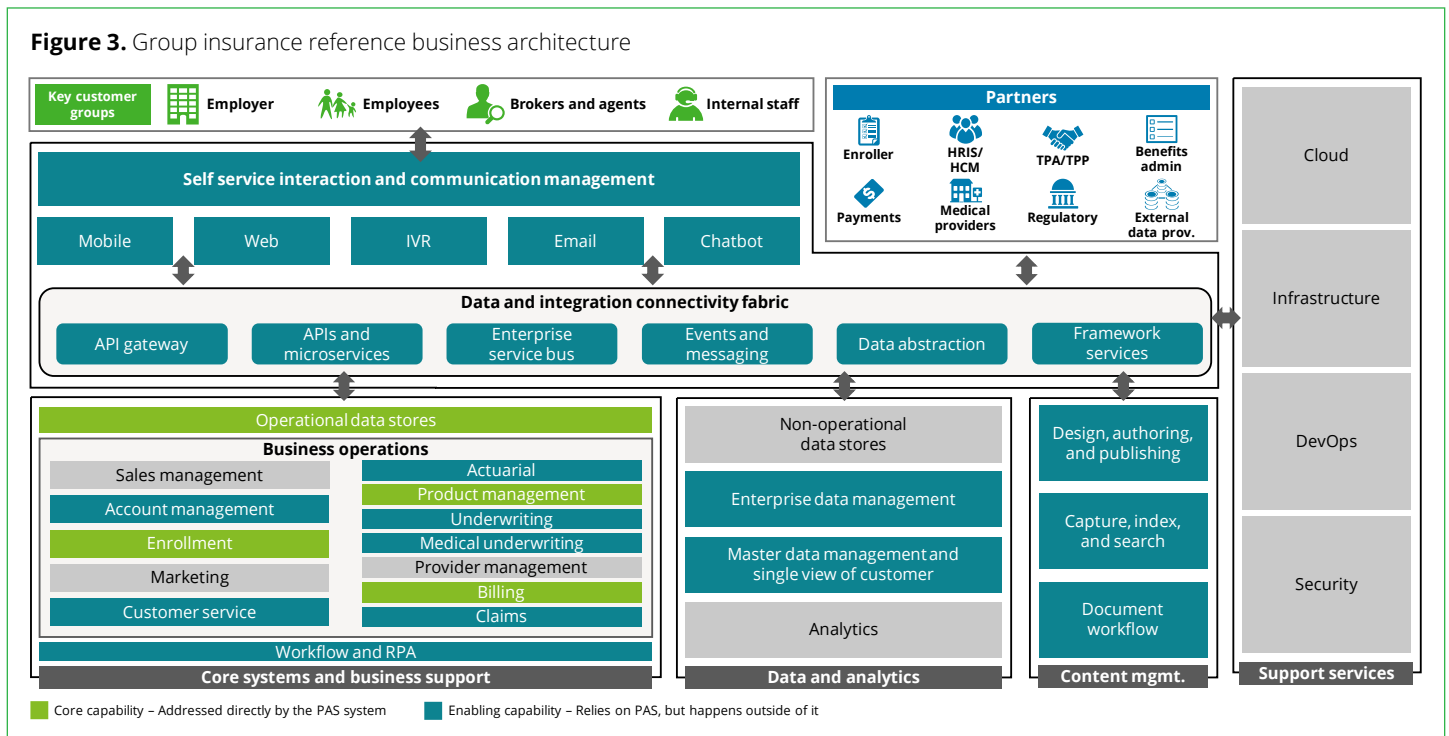
Figure 2. Typical PAS capabilities



As PAS capabilities are an integral part of a group insurer's operations, they have numerous downstream and upstream impacts across the entire technology architecture. The reference architecture (figure 3) depicts the various technological capabilities that are either directly addressed by or enabled by PAS. The widespread organizational reach of a PAS transformation and its associated impact on a group insurer's technology architecture provides an opportunity to enable several modern technology capabilities and design patterns, many of which have historically been a challenge to implement due to the limitations of legacy PAS platforms. For example, one of the more notable trends in recent years has been the increased importance of having a robust data integration fabric in order to enable real-time integration with ecosystem

partners like brokers and employers. Technology capabilities like plug-and-play are becoming increasingly intertwined with business strategy, as they are the only pathways to enable profitable future growth. In addition to meeting the organization's technological demands, the PAS transformation strategy must match the needs of its various business functions. Crafting a PAS transformation strategy to accommodate the structure of business units and/or product classes will require an organization be ready to address the PAS's key role in various dimensions of the group insurance business architecture (figure 3).

- What **changes** are required to the **business operating model** to realize efficiencies from a modern PAS?
- What **PAS capabilities** should be owned **in-house**, and which ones are **leveraged via third parties in the ecosystem** to cost-effectively enhance the value proposition?
- How will the PAS capabilities support the group insurer's **desired distribution channels**?
- What **product and/or service differentiation** does the PAS enable?



Key learnings from the trenches

Despite the ongoing need to modernize core PAS environments, the industry overall does not yet have a successful track record using new technology solutions. Group insurers have historically encountered a variety of challenges throughout the transformation journey, predominantly stemming from varied product requirements and case-level customizations across various market segments. Each of these challenges has a proper mitigation step that can be preemptively put in place to minimize implementation risks and increase confidence in realizing the objectives associated with the transformation agenda:

- **Clearly define business objectives** at the onset of the PAS transformation

to **prevent misaligned expectations among executive stakeholders.**

- **Utilize a robust vendor due-diligence process** to minimize implementation risks.
- **Periodically refresh the PAS transformation business case** with financial outcomes (return on investment, growth opportunities, etc.) to **justify and secure continued funding.**
- **Pilot transformation programs** in smaller lines of business or segments to validate business fit and value of **PAS vendors in the early stages of maturity.**
- **Adopt a policy of simplification** and align business capabilities to out-of-the-box

functionality to **free up the business value intertwined with legacy systems.**

- **Commit to an executive-led change management strategy early** to prevent the **low adoption of new PAS capabilities.**

Being ready to address the common challenges of a PAS transformation will enable the group insurer to navigate around the common pitfalls that have limited overall success of PAS transformations. However, no amount of preparation will lead to a successful outcome without the right combination of transformation approaches that align to the business's needs.



Group insurance policy administration transformation approaches

One of the most difficult decisions to make with regard to transformation is which approach to employ when having to choose between incumbent legacy PAS solutions and a new, modern solution. The following framework provides a model for characterizing the differences between approaches Deloitte has leveraged in the industry (figure 4).

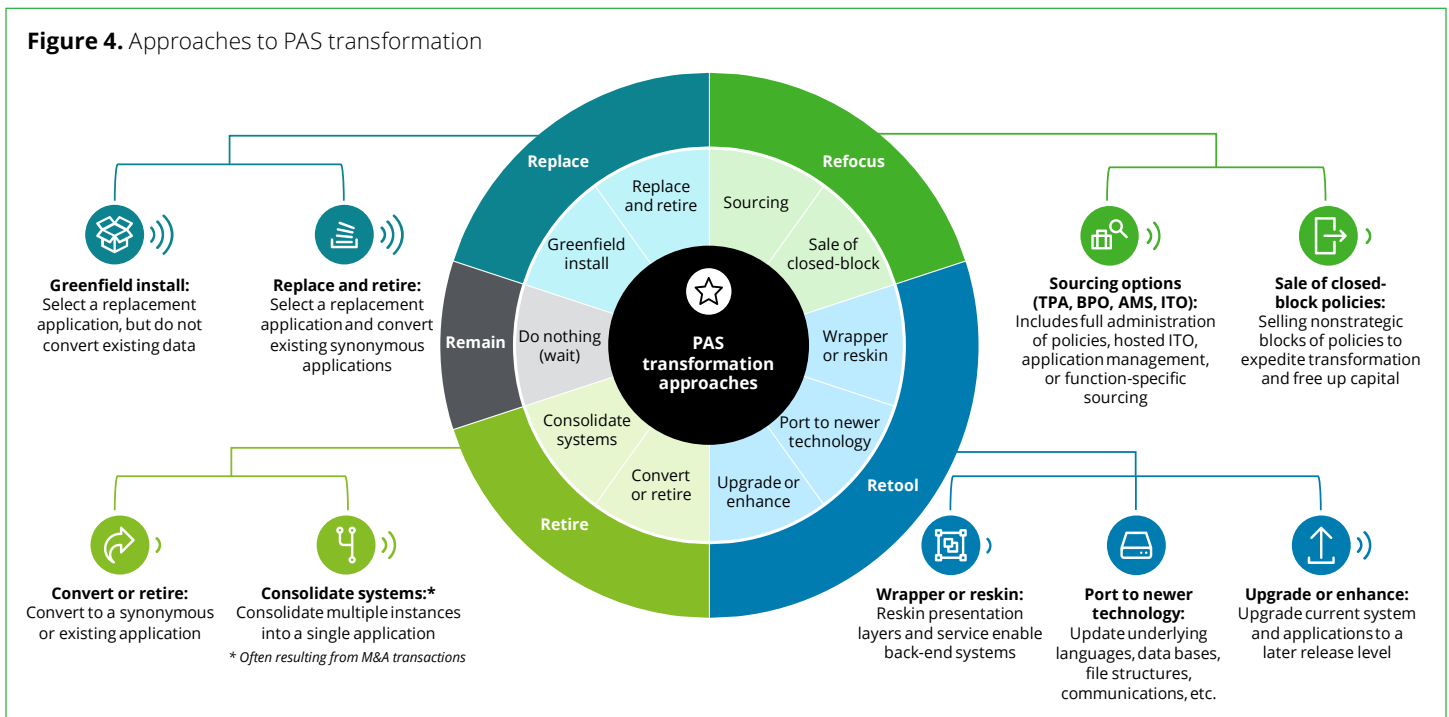
The continued intertwining of technology and business architecture raises additional considerations that must be carefully considered when crafting a PAS transformation strategy. Picking the right combination of approaches, which must be

tailored to meet the differing needs of all business segments, requires careful analysis of several strategic and operational drivers to deliver optimal results in a manner that is aligned to the overall business strategy. Answering the following questions for each line of business affected by the PAS transformation will provide a good starting point to ensure that a group insurer identifies the priorities and nuances that must be addressed with the overall PAS transformation strategy:

Questions regarding key strategic drivers

- Is this line of business or product group critical to our strategy?

- How can the customer experience be optimized to achieve profitable growth?
- Could a third-party administrator or service outsourcing be used as a strategic lever, keeping acceptable customer experience?
- Can we simplify our operating and platform ecosystem?
- Can the services be tiered based on the level of customization required across case mixes?
- Can we enhance the overall architecture maturity to a sufficient level leveraging the PAS system?



Questions regarding key operational drivers

- Are the operational costs for this line of business too high?
- How do you streamline any legacy product complexity?
- Can we standardize and improve our PAS service process efficiency?
- Does the line of business have favorable conversion economics?
- Can savings be realized through “lift and shift” to a modern platform?
- Are there enough critical resources skills to maintain multiple systems?

To maximize the impact from a PAS transformation, a group insurer must carefully craft its PAS strategy so that it aligns to the prioritization of the strategic and operational drivers, as well as any other significant organization-specific nuances.

Another factor that must be considered when selecting a PAS transformation approach is the trade-off between an approach’s timeline and the value associated with its completion. Incremental digital development remains a tried-and-true method of delivering value in the short term, but still cannot match the totality of benefits delivered by a comprehensive PAS transformation that builds a true digital core. Several different outcomes across different domains that rely on the PAS’s capabilities could become key differentiators in the group insurance ecosystem:

• Customer experience

A modernized PAS facilitates real-time updates between the PAS and user engagement layers, creating a consistent user experience across all platforms. The outstanding user experience can differentiate the group insurer from

competition, increasing its share of wallet, improving revenue, and driving growth. Furthermore, disaster events like the COVID-19 pandemic have demonstrated the need for robust digital engagement channels that can rise to the forefront when traditional channels are temporarily or permanently closed.

• Product innovation

A modernized PAS enables product development capabilities required to create robust solutions targeted to the market’s needs. Automation and flexible business rule frameworks enable new products to be brought to market relatively quickly to capitalize on changes in demand.

• Partner engagement

A modernized PAS enables **plug-and-play capabilities** between partner ecosystem and PAS, including the ability to accept real-time electronic notifications for changes in member data. The improved ecosystem connectivity results in **reduced turnaround time** and **fewer manual workarounds** for processes that require external data, including EOI and new client enrollment.

• Integration

Services build **composite applications** that **interoperate** with the PAS across the organization with **real-time** data flows. Complex processes like new plan creation and underwriting can be **automated** or simplified to **reduce manual effort**, therefore reducing costs.

• Infrastructure

PAS infrastructure needs are supported through an **“on-demand”** model that allows for **rapid deployment** of new applications or features. New provisioning paradigms grant increased **organizational agility** and allow **faster adoption** of new capabilities with **lower capital requirements**.

• Data and analytics

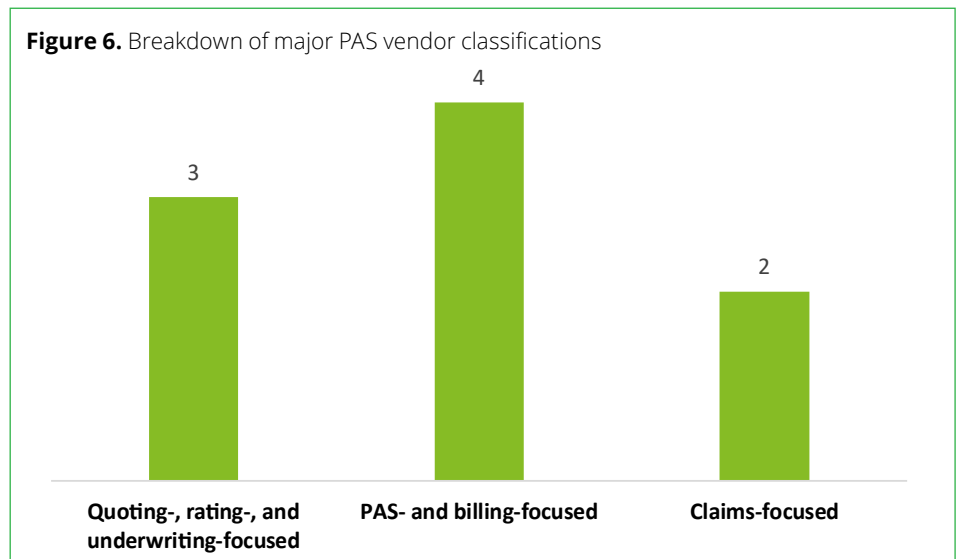
Organizations achieve high levels of data **standardization, quality, and integration** using PAS data that can be utilized to improve business outcomes. Clean data greatly **reduces processing times** for data-intensive tasks (e.g., rating) and **lowers error rate** in workflows like claims processing.

Policy administration technology marketplace perspectives

To achieve the benefits of a complete PAS transformation, a group insurer must identify the PAS technology platforms with capabilities that are matched to the organization's strategic goals. PAS platform selection remains a nuanced challenge. For many reasons, the PAS technology market has not reached a fully mature state (figure 5).

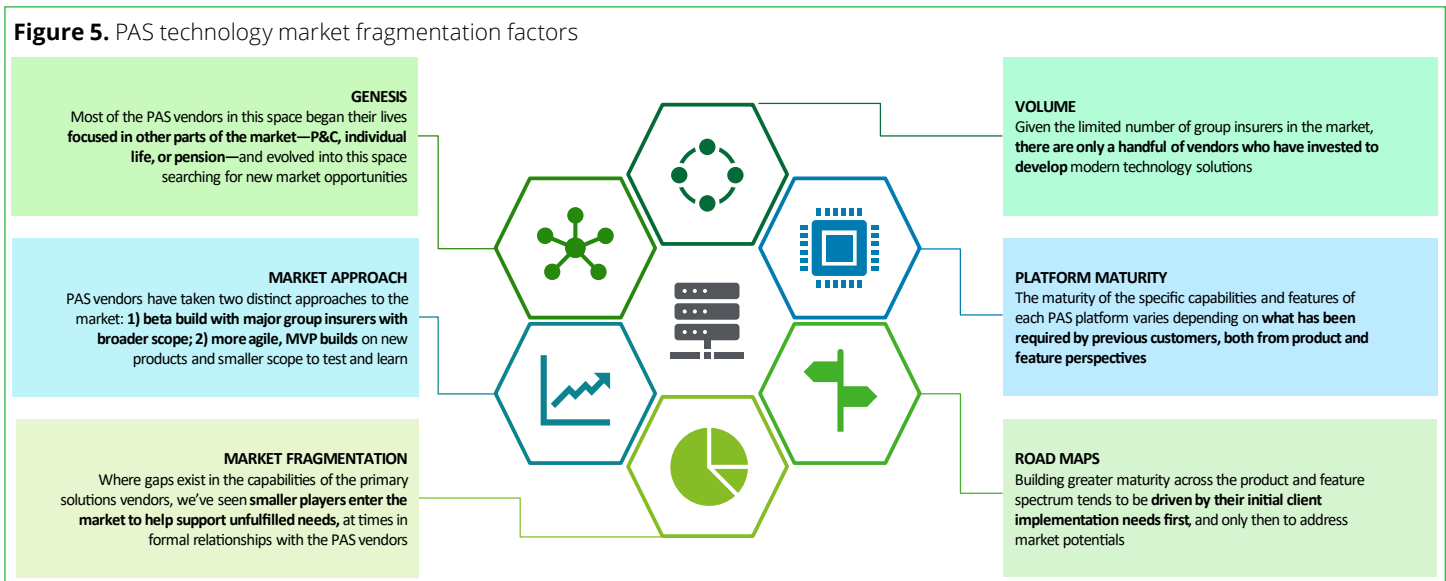
Comprehensive solutions continue to be developed, but organizations will need to mix and match solutions that fit the needs of their business and technology architecture.

PAS platforms have scaled their solutions and capabilities from an initial industry focus (e.g., P&C, retirement), along with specific functional focus (e.g., billing, claims) into full enterprise solutions. However, the platforms original framework will continue to influence the strength and completeness of its capability offerings. There are likely three major categories of PAS vendors based on their original specialties (figure 6).



Group insurers should identify platforms whose capabilities are vital to supporting overall strategic goals. It must, however, be noted that the group insurance technology platform space is fragmented—none are emerging as a fully formed, best-in-class

solution. While group insurers have initiated programs to modernize the PAS in pockets for specific segments or product types, a full-fledged, industrial-scale deployment has yet to be observed in the market.



Getting started with a group insurance policy administration transformation

Independent of the decision to commit to a full-scale transformation, it is likely that there are four “no-regret” steps that all group insurers should take. These initiatives not only provide immediate value by alleviating some of the pressing challenges that carriers face today, but also create the foundation for additional benefits that can be achieved through a PAS transformation:

- Group insurers can start by **optimizing and simplifying product structure and business processes**. The resulting organizational agility improves reaction times to new market demands, allowing the insurer to capitalize on changing customer preferences. In addition, the lean business structure will be better suited to most out-of-the-box vendor functionality and reduces the time needed for a future PAS transformation.
- Next, insurers could **establish a reference technology and digital architecture that is aligned with the business’s strategic goals**. They should try to identify opportunities to sunset inadequate or redundant legacy systems to reduce operating costs. Insurers should also define the core systems vision, which could be used to guide investment decisions, including the approach and timing of a PAS transformation program.
- The third step is to **modernize the data and integration environments** across the entire business, reducing the complexity of future investments and providing a framework to make data-driven product and customer decisions. Given the PAS’s role as the system of record for critical data domains (e.g., policy, product), having a prepared modernized integration and data

environment is a requirement for unlocking the value of a PAS transformation.

- Finally, group insurers **can define a tiered services catalog** to simplify and standardize the service offerings provided to their employers, with tiering based on service usage, profitability, and internal capabilities. The service catalog is used by both outward-facing functions (e.g., sales) to determine which services can be provided to customers in a profitable manner and internal teams (e.g., claims) to align on and execute services consistently for all customers.

In addition to taking the “no-regret” steps, there are several key activities that should likely be undertaken by any insurer who is embarking on the PAS transformation journey. These are vital to maximizing the value that can be achieved by a PAS transformation, no matter where an organization currently is on its transformation journey.

- *I am not sure what my long-term strategic vision is and which PAS capabilities are needed to support it.*

Digital transformation design workshops

Plan interactive workshops with key stakeholders and outside industry experts to reimagine the business capabilities needed to succeed in the group insurance marketplace. Obtain executive alignment on the long-term strategic vision, and detail a capability map for the ideal PAS solution.

- *I know where I want to end my journey, but need to craft a compelling argument to get the resources to start.*

PAS transformation business case

Analyze the business benefits and costs of

various PAS transformation approaches to decide on the methodology that is the best fit to achieve long-term strategic vision. Create a business case document and summarize outcomes, timelines, and scope.

- *I want to find the right vendor that shares my long-term vision.*

PAS technology selection process

Define which PAS capabilities are critical to thrive in the group insurance industry, and perform due diligence on vendors in the market to determine which is the best match.

- *I need to understand which ongoing programs are part of my final vision and should be continued.*

PAS program health check

Perform an analysis of the health of ongoing PAS transformation or enhancement programs to determine if the current programs will still deliver the desired business value. Complete a value assessment for active PAS programs and formulate a decision framework to make future start-stop decisions.

- *I am ready to start and want to ensure and achieve my vision.*

PAS implementation with an experienced business transformation partner

Avoid common pitfalls to improve confidence in value creation and ensure delivery excellence by partnering with an experienced system integrator to execute and support the PAS transformation journey.

As current market trends continue to accelerate the rate of digital transformation, legacy PAS platforms are becoming

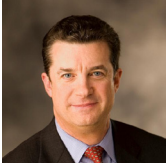
increasingly larger liabilities for group insurers. PAS transformations are no longer isolated as technology initiatives, but are fundamentally tied to an organization's future strategic vision and intertwined with its business structure. Despite the many historical challenges of completing a PAS transformation, group insurers would likely be better suited to capture competitive

advantage by either beginning a PAS transformation program or accelerating any ongoing initiatives within the space. The technology benefits delivered by a modernized PAS potentially enable the business capabilities and organizational agility needed to thrive in a market that is changing with ever-increasing velocity. Recent pandemic events have

reemphasized the need for organizations to become digitally native, and it all begins by building a robust and modern core that acts as the foundation for future innovation while also supporting group insurers' strategic imperatives across both business and technology.



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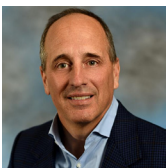
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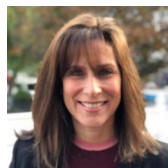
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