



Guidewire Releases Summary of Findings From "Key Claims Challenges and Priorities in Australia" Survey

June 15, 2005

Survey includes results from 26 claims organisations across Australian insurance industry

SYDNEY, NSW, Australia, June 15, 2005:

Guidewire Software, a leading provider of solutions to general insurance and workers' compensation insurers, today announced the results of its recent industry survey, Key Claims Challenges and Priorities in Australia. The Guidewire-conducted survey, focused exclusively on the Australian general insurance claims industry, involved 26 claims organisations throughout Australia. The survey's goal was to provide Claims Managers with important benchmarking information enabling them to compare their philosophies, practices, and systems to others in the industry.

The insurance industry continually strives to improve the customer's experience during a loss through enhanced claims handling from first report of loss to final claims settlement. In order to most effectively meet this objective, insurers are often choosing to specialise their claims staff by focusing on specific types of claims and by developing the required expertise to most efficiently evaluate and settle a claim. The required skill sets may be distributed across several offices, often with resources external to the insurer. Managing this virtual team and insuring adherence to the company's best practices is a challenge. And, unfortunately, many of the claims systems still in use today were designed a decade or more ago and lack the capabilities and flexibility to support today's desired work process.

"We appreciate the willingness of those surveyed to share their comments with us," said Ian Tavener, Vice President of Guidewire Software. "The results indicate that local insurers are generally dissatisfied with their current claims systems as they don't support the work of a modern claims team. Better support is required for managing cases across multi-disciplinary teams, instantiating best practices, and management reporting. We believe Guidewire ClaimCenter can provide them with exactly the modern web-based tools they seek."

Survey Result Highlights:

Customer Service

- In general, insurers understand that customer service is the cornerstone to future success. They also understand the needs of customers at claim time. They set, follow, and monitor their service standards to meet ever-increasing customer expectations. Insurers are keen to make claims service a key differentiator to their competitors.

The Claims Management Environment

- The average claims officer handles 1000 property claims (short tail, this includes motor and household property) or 300 liability/injury claims (long tail) per year.
- This usually equates to claimant payouts between \$2-5 million a year.
- There is a push towards specialisation of specific claims tasks and centralisation of operations.
- 37% of all claims practices are handled by resources that are external to the insurance company staff (typically, Loss Adjusters, Litigation, and Investigation).

Current IT Support

- 60% of respondents said that their current IT systems are a major roadblock to further improving their claims management and their organisation's position in the industry. Current systems, while generally reliable, are old, and inflexible to change. This was, and will continue to be, problematic in an environment undergoing change from increased legislative requirements, increasingly demanding customers, and ever increasing challenges in the legal and medical environment.
- 92% of organisations were at least in the planning stages of major changes to their claims systems over the next few years, as compared with 3 out of 4 companies globally.

About Guidewire Software

Guidewire Software is a provider of core system software to the global Property/Casualty (general) insurance industry. Designed to be flexible and scalable, Guidewire solutions give insurers the capability to deliver excellent service, increase market share and lower operating costs. Guidewire InsuranceSuite™, consisting of Guidewire PolicyCenter®, Guidewire ClaimCenter® and Guidewire BillingCenter® spans the key functional areas in insurance – underwriting and policy administration, claims management, and billing. Guidewire is headquartered in San Mateo, California, with offices in Beijing, Dublin, Hong Kong, London, Munich, Paris, Sydney, Tokyo, and Toronto. For more information, please visit www.guidewire.com.