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POLICY ADMINSTRATION SYSTEMS: LATAM LIFE INSURANCE EDITION

2021 Spectrum Report, Powered by VendorMatch

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EXECUTIVE SUMMARY

Since our last update to this report, Celent has seen an increased interest from vendors in the life policy administration system market in LATAM, evidenced mainly by new entrants and modernization efforts from incumbent vendors in the region. While insurers tend to have similar criteria when starting to look for a life policy administration system vendor (e.g., relevance of the system in target countries, insurance products supported, and the types of customers a vendor serves), getting deeper into vendor due diligence requires more granular information about the vendors and systems at play.

This report is the fifth in Celent's biennial look at policy administration systems (PASs) available to life insurers in Latin America (LATAM). In this LATAM edition, we will provide a vendor spectrum of participating life policy administration systems vendors. This report profiles 17 PASs in use or being marketed for LATAM life, pension, and annuities products. Some vendors also appear in the companion reports profiling these systems in Asia-Pacific, North America, and EMEA.

INTRODUCTION

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This report is part of a series on policy administration systems (PASs) in North America, Latin America, EMEA, and Asia-Pacific. It profiles the majority of the individual life, annuity, and pension insurance administration systems available in Latin America today.
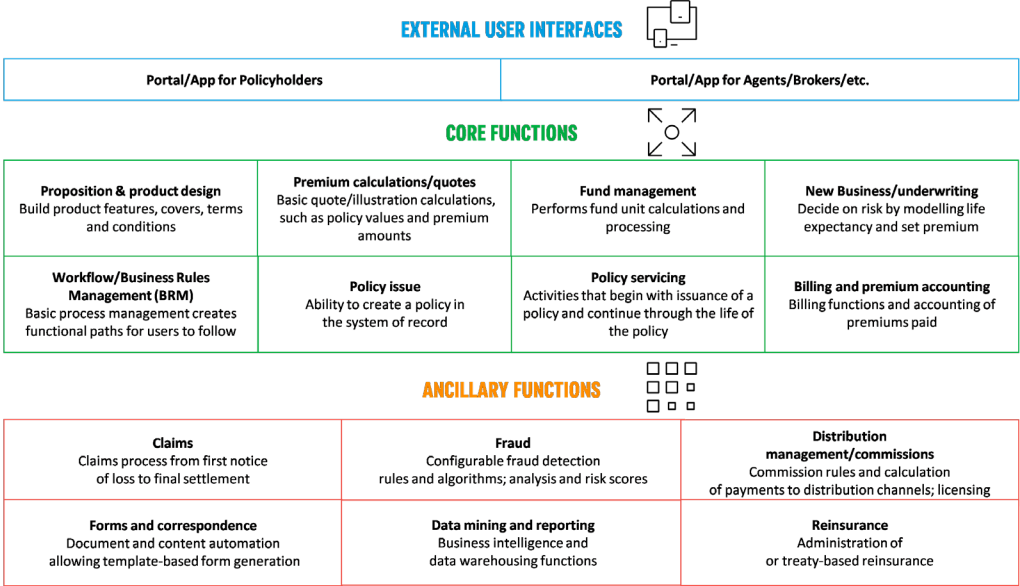
This report should help life insurers define their core systems requirements and, where appropriate, create a short list of vendors for evaluation. Expanded PAS functionality and improved technology mean that insurers continue to have a wide spectrum of systems and vendors to consider when they are looking for a solution to fit their needs. Insurers should leverage their access to the authors through analyst access to learn more about the vendors.

Policy Administration System Definition

In one sense, the definition of a policy administration system (PAS) is the system of record for all policies that an insurance company has written. At this most basic level, a PAS is a repository of policy-level data related to plans of insurance, policy coverage amounts, benefits and riders, duration of the policy, and so forth. A permanent policy record is created at the time a policy is issued and includes the complete history of the policy through payout, termination, cancellation, and/or reinstatement.

In actual practice, an insurer uses a PAS, either by itself or with closely integrated specific point solutions, to execute a number of core processes and relies on several types of supporting capabilities, as shown in Figure 1.

Figure 1: Policy Administration System Components and Functionality

EXTERNAL USER INTERFACES

Portal/App for Policyholders	Portal/App for Agents/Brokers/etc.

CORE FUNCTIONS

Proposition & product design Build product features, covers, terms and conditions	**Premium calculations/quotes** Basic quote/illustration calculations, such as policy values and premium amounts	**Fund management** Performs fund unit calculations and processing	**New Business/underwriting** Decide on risk by modelling life expectancy and set premium
Workflow/Business Rules Management (BRM) Basic process management creates functional paths for users to follow	**Policy issue** Ability to create a policy in the system of record	**Policy servicing** Activities that begin with issuance of a policy and continue through the life of the policy	**Billing and premium accounting** Billing functions and accounting of premiums paid

ANCILLARY FUNCTIONS

Claims Claims process from first notice of loss to final settlement	**Fraud** Configurable fraud detection rules and algorithms; analysis and risk scores	**Distribution management/commissions** Commission rules and calculation of payments to distribution channels; licensing
Forms and correspondence Document and content automation allowing template-based form generation	**Data mining and reporting** Business intelligence and data warehousing functions	**Reinsurance** Administration of or treaty-based reinsurance

Source: Celent

REPORT METHODOLOGY

Celent's objective is to include as many as possible of the leading policy administration systems being used or actively sold to insurers in Latin America in this report. Celent actively reviews vendor systems in the insurance software market and invites the vendors to participate in reports like these.

Approach

To analyze the capabilities of policy administration systems active in the individual life insurance market, Celent invited software vendors worldwide to participate in this research. There was no cost for vendors to participate.

Celent sent a detailed RFI to the participating vendors, accompanied by a product briefing and solution demonstration. The RFI sought information about key functionality, preintegrated products, customer base, pricing model, customer feedback, and implementation and support. In some cases, vendors revised their RFI responses following detailed discussions.

Celent used its unique VendorMatch platform to gather RFI data from each vendor. VendorMatch is the world's largest vendor and solutions data store—combined with analytical tools—to help financial institutions find, evaluate, and select a solution. Each profile contains a link to the solution's VendorMatch profile.

The individual life insurance policy administration solution RFI gathered information across multiple dimensions, including:

- Company information
- Product overview
- Specific information about the vendor and the system, including, among others:
  - Functionality: General service and policy management, including desktops; workflow; new business, including quotes, illustrations, and applications; underwriting; product configuration and management; premium calculations; fund management; annuity management; tax calculations; claim servicing; billing, collections, disbursements, and reconciliation; distribution management, including commissions; reinsurance; document and forms management; digital integrations and features; and internationalization and localization.
  - Technology: Code, databases, operating systems supported, integration methods and APIs, user interface, and mobile and deployment options.

- Implementation and support: Staffing, training, client services, and initial installation.
- Commercial terms: Pricing models, pricing factors, third-party software fees and other costs, service-level agreements.
- Customer base: Customers by premium tier; installations by country; marquee clients; lines of business supported; lines of business in production, including protection products, annuities, accident and health, and savings and pension; and customer references.

As part of the VendorMatch RFI process, Celent gathered much more information about each solution than is reflected in this report. Subscription clients can leverage analyst access to connect with the author and learn more about the vendors. They can also use Celent's VendorMatch platform to review a vendor's online company and product profiles. Since the online database may be updated at any time, the online data may be more current than this report.

About the Profiles

This report contains 17 profiles. The profiles are presented in alphabetical order.

Each of the profiles presents information about the vendor and solution; available professional services and support capabilities in the region; their customer base; functionality and lines of business deployed; technology and partnerships; and implementations.

Celent has retained final authority over the content of the published profiles. Some of the vendors profiled in this report are Celent clients, and some are not. No preference was given to Celent clients either for inclusion in the report or for the subsequent evaluation.

Limitations

Celent believes that this study provides valuable insights into current offerings in life insurance policy administration systems. However, readers are encouraged to consider these results in the following context. Although Celent analysts are very familiar with the systems included in this report, we could not confirm all of the solution details and client base information self-reported by participants. The initial data collection commenced in July 2021, and the vendors have had the opportunity to update their profile information since that initial outreach.

CELENT'S TECHNICAL CAPABILITIES MATRIX

Celent Technical Capabilities Matrix

New to Celent's solution research this year is the Celent Technical Capabilities Matrix. We've placed each solution into a category based on the sophistication and breadth of its technology (e.g., plotting the A and B dimensions). Solutions are not ranked within the category we have assigned—we have simply listed them alphabetically.

The five categories are:

I.   **Luminary:** Excels on both Advanced Technology and Breadth of Functionality.

II. **Technology Standout:** Excels in Advanced Technology but doesn't yet have as many features as leading competitors (low on Breadth of Functionality). Often newer, these solutions typically have chosen a focused set of functions with which to begin their journey.

III. **Functionality Standout:** Low on Advanced Technology, good on Breadth of Functionality (likely big installed base). Often more established, these solutions have built out a robust set of features with technology that is no longer cutting-edge.

IV. **Noteworthy Solution:** Relatively lower on both dimensions, and still worthy of consideration by the right financial institution.

V.   **Developing Solution:** Typically new to the market and quite low on either Advanced Technology or Breadth of Functionality. Has the potential to mature into a more robust offering over time.

The numbers used to identify each category do not necessarily mean a category is superior to another. For example, an insurer might prioritize functionality (III) versus technology (II).

Figure 2: Celent Technical Capabilities Matrix

All of the 17 solutions in our full report are categorized in this figure*
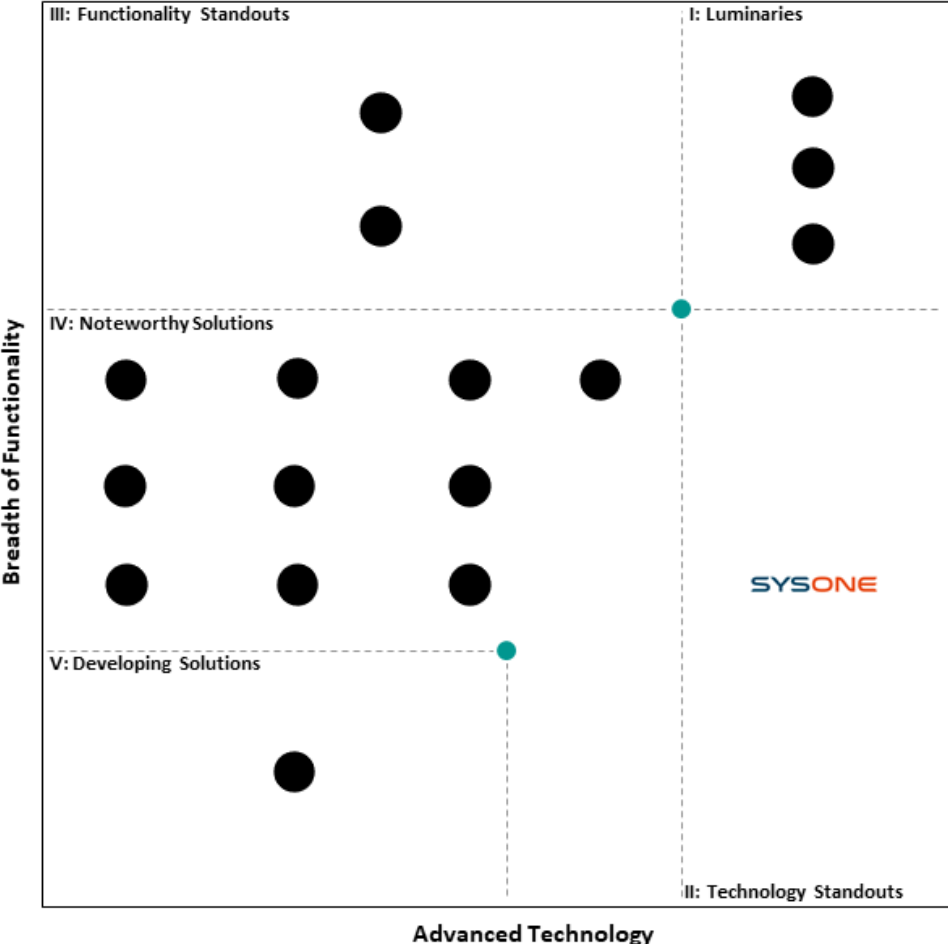
Source: Celent

SYSONE: INSURANCE CORE LIFE™

Company and Product Snapshot

Table 1: Company Snapshot

Year Founded	2011
Headquarters	Ciudad Autónoma de Buenos Aires , Buenos Aires
Number of Employees	75
Revenues (USD)	Not disclosed
Financial Structure	Company Financial Structure: Private
VendorMatch Link	https://www.celent.com/solutions/127853170

Source: Vendor RFI

Table 2: Product Snapshot

Name	Insurance Core Life™
Year Originally Released	2013/2014
Current Release and Date of Release	3/2020
Revenue Derived from the Product	Not disclosed
R&D Expense	R&D expense over the past two years has been 35% of total revenue attributed to this solution
FTEs Providing Professional Services for Product	30
Notable Clients	Sancor Seguros, Bice Vida, Smsv Seguros

Source: Vendor RFI

Functionality

Table 3: Suite Availability

	Availability
Premium Calculations/Rating Engine	✔
Quoting	✔
Needs Analysis	✔
Product Design/Development/Modeling Tools	✔
e-Application	✔
New Business Case Management, incl. Workbench	✔
Underwriting Rules Engine/Automated Underwriting	✔

Business Intelligence/Analytics	✔
CRM	✔
Content Management	✔
Policy Administration	✔
Billing/Collections	✔
Claims Administration/Payouts	✔
Prospective Customer Portal (quick quote, illustration, bind, issue)	✔
Policyholder Portal (inquiries and transactions for in-force policies)	✔
Producer Portal (quick quote, illustration, bind, issue)	✔
Reinsurance Management	✔
Distribution Management/Commissions	✔
Document Management	✔
Customer Communications	✔

Legend: ✔ = Can be licensed as a stand-alone component; ☐ = Only bundled with the solution (no additional cost); ■ = Only bundled with the solution (with additional cost); ● = Through third party provider; ✗ = Not available

Source: Vendor RFI

Lines of Business Supported in LATAM

Table 4: Suite Availability

Line of Business	Individual	Group
Term Life	✔	✔
Whole Life	✔	✔
Variable Life	✔	✔
Universal Life	✔	✔
Variable Universal Life	✔	✔
Indexed Universal Life	✔	✔
Unit Linked	✔	✔
Senior or Pre-need / Final Expense	✔	✔
Fixed Annuity	✔	✔
Variable Annuity	✔	✔
Indexed Annuities	✔	✔
Enhanced/Impaired Annuities	✔	✔
Short-Term Care	✔	✔
Accidental Death or Dismemberment	✔	✔
Critical Illness	✔	✔
Long-Term Disability (LTD)	✔	✔
Short-Term Disability (STD)	✔	✔

Long-Term Care (LTC)	✔	✔
Income Protection	✔	✔
Dental	✔	✔
Vision	✔	✔
Supplemental Health/Hospital Indemnity/Major Medical	✔	✔
Credit	✔	✘
Pension (Defined Contribution)	✔	✔
Pension (Defined Benefit)	✔	✔
Wrap	✔	✔
Savings (Bonds, Mutual Funds, etc.)	✔	✔
Legend: ✔ = In production; ☐ = Supported but not in production; ✘ = Not supported		
Source: Vendor RFI		

Customer Base

Figure 2: Client Base by Size and Deployment Option
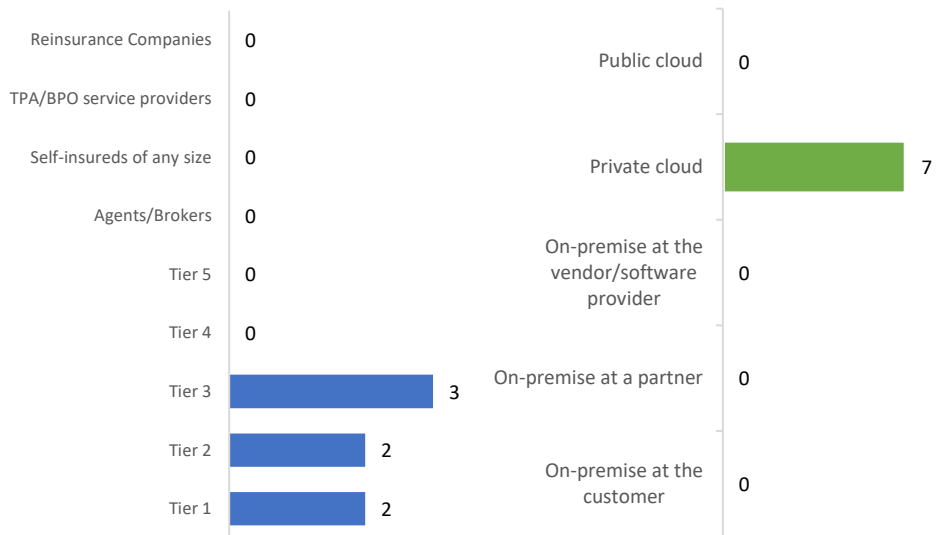
Source: Vendor RFI

Table 5: Implementations by Country

Region	Countries
North America	-
Europe	-
Middle East	-
Africa	-

Asia-Pacific	-
Central America	-
South America	Argentina, Bolivia, Chile, Ecuador
Caribbean	-

Source: Vendor RFI

Technology

Table 6: Technology Options

Technology Options	Responses
Platform	The system is implemented in Java/JEE on Java—Tomcat, Java—JRun, Java—Other non-JEE servers, JEE—Boss, JEE—WebLogic, JEE—WebSphere, JEE—Other
Code Base	Java: 100%
Database	DB2, Firebird, Kdb+, NoSQL, Oracle, PostgreSQL, SQL, Sybase, Other
Integration Methods	Web services; RESTful HTTP-style services; JSON format; MQSeries, JMS or similar queue technology; Custom APIs
API Details	✓ The API is documented
	✓ External systems can trigger an event in the system which can be responded to by a workflow or business rules system
	✓ API management supports local or global standards, such as ACORD application creation and rendering
	✓ API sample codes are available to clients
	✓ API developer portal is available for support and descriptions
	✓ API testing portal and the ability to use scripts on website is available
	✓ The system allows API publishing in SOAP, REST, JSON, and XML style services as APIs
	✓ API version management is available
	✓ Access to the APIs is managed and use of APIs tracked by developers
	✓ Training in extending the system is offered

Legend: ✔ = Available; ☐ = Not available

Source: Vendor RFI

Table 7: Change Tooling and Upgrades

Types of Changes	Availability
Business Rule Definition	✔
Data Definition	✔
Table Maintenance, List of Values, etc.	☐
Interface Definition	☐
Product Definition	☐
Role-Based Security, Access Control, and Authorizations	✔
Screen Definition	✔

Legend: ✔ = Configurable via tools for business users; ☐ = Configurable via tools for IT users; ■ = Configurable via the vendor; ⊖ = Configurable via scripting; ● = Coding required; ✘ = Not available

Source: Vendor RFI

Table 8: Public Cloud Options in LATAM

Providers	Availability
Microsoft Azure	✔
Amazon AWS	✔
Google Cloud Platform (GCP)	✘
Alibaba Cloud	✘
IBM Cloud / Bluemix	✘
Oracle Cloud	✘
Salesforce Cloud, Force.com, AppExchange	✘
Other	☐

Legend: ✔ = In production; ☐ = Supported but not in production; ✘ = Not supported

Source: Vendor RFI

Partnership

Table 9: Implementation and Support

Type of Partnership	Partner Vendor
System Integrators	For Onboarding processing and digital enrolment of people. ex. Biometric identification of the user.
Fintech Partners	We currently have technology partners for Onboarding and digital enrolment processing of people. for example, Biometric identification of the user.

Source: Vendor RFI

Implementation, Pricing, and Support

Table 10: Implementation, Pricing, and Support

Typical Implementation Team Size	6 to 10
Resource Breakdown	Vendor: 80%; Insurer: 20%; Third-party: 0%
Location of Employees	SysOne has employees in LATAM, with 100 in Latin America
Average Time to Implementation	Initial Implementation: 1 to 3 months
	2nd and subsequent line of business: 4 to 6 months
	2nd and subsequent states/jurisdictions: 4 to 6 months
Preferred Implementation Approach	Our implementation approach is modular and incremental, emphasizing the determination of an MVP (Minimum Viable Product) that allows the client to go into production with a portion of the final product in order to probe the market and obtain a Return on Investment (ROI)
Pricing Models	Term license, Perpetual license Enterprise license, Subscription-based license, Another pricing model that is not listed
Factors Used to Determine Pricing	Usage-based factors: Per functional components/modules used
	Tier-based factors: Functional components/modules, Jurisdictions (States/Provinces/Countries)
	Other factors: Flat pricing

Source: Vendor RFI

LEVERAGING CELENT'S EXPERTISE

If you found this report valuable, you might consider engaging with Celent for custom analysis and research. Our collective experience and the knowledge we gained while working on this report can help you streamline the creation, refinement, or execution of your strategies.

Support for Financial Institutions

Typical projects we support include:

Vendor short listing and selection. We perform discovery specific to you and your business to better understand your unique needs. We then create and administer a custom RFI to selected vendors to assist you in making rapid and accurate vendor choices.

Business practice evaluations. We spend time evaluating your business processes and requirements. Based on our knowledge of the market, we identify potential process or technology constraints and provide clear insights that will help you implement industry best practices.

IT and business strategy creation. We collect perspectives from your executive team, your front line business and IT staff, and your customers. We then analyze your current position, institutional capabilities, and technology against your goals. If necessary, we help you reformulate your technology and business plans to address short-term and long-term needs.

Support for Vendors

We provide services that help you refine your product and service offerings. Examples include:

Product and service strategy evaluation. We help you assess your market position in terms of functionality, technology, and services. Our strategy workshops will help you target the right customers and map your offerings to their needs.

Market messaging and collateral review. Based on our extensive experience with your potential clients, we assess your marketing and sales materials—including your website and any collateral.

RELATED CELENT RESEARCH

Health Policy Administration Systems: 2020 XCelent Awards
July 2020

Latin American Policy Administration Systems 2019: Life, Annuities, and Pension
February 2020

APAC Policy Administration Systems 2019: Life, Annuities, and Pension Vendor Spectrum
December 2019

Policy Administration System Deal Trends in General Insurance in EMEA
September 2019

APAC Policy Administration Systems 2018: Personal, Commercial, and Specialty ABCD Vendor View
February 2019

Europe, Middle East, and Africa (EMEA) Policy Administration Systems (PAS) 2018: Personal, Commercial, and Specialty ABCD Vendor View
May 2018

Healthcare PAS 2018: ABCD Vendor View
April 2018

Latin America Life & Annuity Policy Administration Systems 2017: ABCD Vendor View
March 2018

Group and Voluntary Life Insurance Policy Administration Systems: 2018 North American Solution Spectrum
March 2018

North American Policy Administration Systems 2018: Personal, Commercial, and Specialty ABCD Vendor View
February 2018

Asia-Pacific Life Insurance and Annuity Policy Administration Systems 2017: An ABCD Vendor View
January 2018

EMEA Policy Administration Systems 2017: Life, Annuities, and Pension ABCD Vendor View
December 2017

North American Life Insurance and Annuity Policy Administration Systems 2017
November 2017

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