Magic Quadrant for SaaS P&C Insurance Core Platforms, North America

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Due to varying software maturity, innovation approaches, cloud deployment and technical evolution, property and casualty insurance CIOs face challenges comparing vendors. This research will aid CIOs in identifying and shortlisting vendors and solutions that best align with their enterprise goals.

Market Definition/Description

Software as a service (SaaS) property and casualty (P&C) insurance core platforms enable insurers to support the administration of a range of P&C insurance products. They provide full product life cycle support by offering functionality, applications, services and content in a secure, cloud-based environment, offered as a service using subscription pricing. They encompass a single predefined and marketed core solution, either as a suite of preintegrated modules or a single application, supporting policy administration, billing and claims management. They also incorporate additional components to deliver customer, employee or partner experiences; data and analytics; integrations; and access to third-party technology solutions.

SaaS P&C insurance core platforms enable P&C insurance companies to manage and administer the entire life cycle of insurance policies and scope of products. They are mission-critical systems for insurance companies, foundational for digital optimization and enablers for digital transformation.

Depending on the vendor, core and noncore modules can be purchased and implemented separately or as a suite of tightly coupled modules in the cloud. In addition, a core system typically integrates with other information systems, such as general ledgers, CRM, payment gateways, data lakes and third-party data sources, to support the end-to-end operations of the insurer.

Mandatory Features

The mandatory capabilities for this market include proven production deployments for:

- Full, end-to-end policy management and issuance functionalities, including quoting, rating, underwriting, policy generation and statistical reporting.

- Billing management, which supports the entire insurance billing and collections cycle, including functionalities such as electronic bill presentment and payment.

- Claims management, which combines claims administration and business process management to support every phase of the end-to-end claims process for non-life insurers, from first notice of loss through settlement and reporting.

- GUI-enabled configuration for products, business rules and workflows.

- APIs to enable faster integration with internal and external systems.

Common Features

The common capabilities for this market include:

- Data repositories, which use a reference data model to centralize data from core systems that are a part of both the platform and other external systems.

- Reporting and analytics, which provide prebuilt dashboards and reports with industry-specific key performance indicators and support for ad hoc analysis.

- Agent and policyholder portals, apps or tools, which enable sales and self-service functions from any device. Self-service for policyholders can range from simple account information updates to support for new policy applications and claims submissions to full, ongoing life cycle service transactions and tracking. Agent support can include various functions, such as lead management; needs analysis; collaboration with underwriters; account management; policy, billing and claims management; and agent analytics.

- Integration accelerators, which extend the functionality of the core platform by tapping an ecosystem of third parties offering additional functional capabilities and data sources.

- Venues such as app stores or marketplaces that enable customers to search for, and more easily incorporate, technology, data or services from third-party vendors and insurtechs to extend the capabilities of the P&C core platform.

- Supplier portals and apps, which enable collaboration and online transactions with supply chain partners, such as automobile repair shops.

- Self-service cloud consoles, which enable insurance users to access performance metrics, log files and security controls; create or decommission nonproduction environments; and move configurations and data between environments.

- Cloud portability, which enables ease of transition and deployment between different cloud service providers.

This list above is not exhaustive. The number of technologies that will be incorporated into core platforms will continue to expand.

Magic Quadrant

Figure 1: Magic Quadrant for SaaS P&C Core Platforms, North America

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Vendor Strengths and Cautions

BriteCore

BriteCore is a Challenger in this Magic Quadrant. The BriteCore Platform is a single-stack core application with preintegrated components, including portals for customers, agents and partners; APIs; embedded business intelligence (BI) and analytics; and a solution marketplace. The vendor's software as a service (SaaS) offering is deployed solely on Amazon Web Services (AWS).

BriteCore has a total software revenue estimate of $25 million. It has 84 employees supporting 97 deployments for its SaaS offering in North America at the time of writing.

In 2023, the vendor delivered built-in analytics, role-based dashboards and an automation tool for integration and workflow. BriteCore is testing a generative AI (GenAI)-powered assistant to create visualizations, perform complex calculations, ask questions of data and summarize dashboards.

Strengths

- **Single version:** BriteCore is a cloud-only platform that enables investment in a single version of its offering.

- **Clear target market:** BriteCore's target market is clearly defined as property and casualty (P&C) carriers and managing general agents (MGAs) with up to $500 million in revenue, which is reflected in its new wins and customer base. This enables it to focus on features, implementation and the ongoing service needs of lower to midtier insurers.

- **Strong software delivery:** BriteCore employs a continuous development cycle, providing incremental updates to clients typically every two weeks. New features can be released with opt-in functionality administered by clients through configuration settings, enabling clients to manage the adoption and timing of new changes for their implementations.

Cautions

- **Limited self-service:** BriteCore's self-service tools for monitoring and managing environments, and for promoting changes are limited. This work is typically done through an assigned BriteCore application administrator. Potential customers will need to validate that the vendor is aligned with their expectations for SaaS solutions.

- **Line-of-business support:** BriteCore's support for auto insurance products was only launched in 2022, and it has limited customer adoption in production. Customers may find limited depth of prebuilt content and processes for supporting auto insurance, including commercial auto.

- **Narrow innovation:** The vendor's innovation investments during the past 24 months are narrowly scoped, with most deliverables representing gap fill or extensions to expected core functions.

Duck Creek Technologies

Duck Creek Technologies is a Leader in this Magic Quadrant. Its core platform, Duck Creek Suite, is a modular core application with preintegrated platform components. These include

portals for customers, agents and partners, digital experience development tools, data hub, predictive analytics, graphical user interface (GUI)-driven product configuration, APIs, software development kits (SDKs) and a marketplace. The vendor's SaaS offering is deployed solely on Microsoft Azure.

Duck Creek Technologies has a total estimated revenue of more than $300 million. Its approximately 1,700 employees support 52 policy, 48 billing and 30 claims module deployments for its SaaS offering in North America at the time of writing.

In 2023, the vendor delivered new web-based configuration tooling, along with Active Delivery for its policy module.

Strengths

- **Continuous upgrades:** Duck Creek offers continuous upgrades through continuous integration/continuous deployment (CI/CD) for policy and claims, with billing due in 2024. This significantly reduces the burden of upgrades associated with traditional insurance core systems.

- **Implementation partners:** Duck Creek Technologies has extensive system integration partnerships, with more than 2,700 resources certified for implementation through its training program.

- **AI innovator:** Duck Creek machine learning (ML) enables insurance carriers to use data from the core system or bring in their own or third-party models to support faster prototyping of innovative products and process automation.

Cautions

- **Cost:** Duck Creek's pricing is at the higher end of the scale of vendors evaluated for this report. It does not offer the ability to reduce the baseline during the initial, typical six-year term, making it imperative that customers create the right model for usage ahead of committing to contracts.

- **Delayed reporting system:** Duck Creek's reporting platform, Clarity, is relatively new and has a mix of near-real-time and batch updates from Duck Creek solutions. Duck Creek does not have event streaming for real-time reporting across the suite. As a result, it may not be suitable for near-real-time reporting or decision-making requirements across all processes.

- **Update adoption:** Only 48% of Duck Creek customers are on the latest release for claims, despite this being offered as Active Delivery for more than a year. Existing customers will need to validate the upgrade potential versus the update reality, and consider the possible dilution of support resources across multiple different versions.

DXC Technology

DXC Technology is a Niche Player in this Magic Quadrant. Its core platform for North America comprises three core modules: DXC Assure (DXC Assure P&C Policy, DXC Assure Billing and DXC Assure Claims) with platform components, including a GUI-driven product configuration and APIs. The vendor's SaaS offering is deployed on AWS, but clients can select other clouds.

DXC Technology has a total insurance market revenue estimate of $1.4 billion, of which Gartner estimates that less than $500 million is generated by its global P&C software business. DXC supports four policy, two billing and 107 claims deployments for its SaaS P&C offering in North America at the time of writing.

In 2023, the vendor delivered an increase in configuration options, started the transition to microservices, and added a new user experience (UX) for billing and parts of policy.

Strengths

- **Extensive global presence:** DXC's core components natively support multiple currencies and languages, enabling service for complex insurers with a wide geographical presence. It also has a robust series of global forums and local advisory groups to engage clients and help DXC's insurance strategy.

- **Adjustable cost:** DXC's pricing enables clients to move direct written premium (DWP) volumes up and down from preagreed baselines, providing greater flexibility throughout the term of the contract.

- **Managed services:** DXC offers an extensive suite of managed services, such as managed upgrades, meeting compliance, regulatory requirements and business process services. These could provide value to insurance customers with limited internal skills, or insurers looking to change their operating models.

Cautions

- **Module modernization lag:** The DXC core platform consists of three separate integrated modules for policy, billing and claims that are on different technology stacks. The vendor is transitioning to microservices to deprecate legacy code and create a single semantic layer. However, this will take time and add risk to ongoing maintenance.

- **Lack of cohesive models:** With no contracted upgrade commitment for SaaS, DXC has customers on various different versions, limiting the company's ability to concentrate support, maintenance and R&D on a single version. Potential customers considering a SaaS deployment should check whether the vendor's abilities are aligned with their expectations of SaaS solutions.

- **Restricted integration:** DXC offers a limited subset of published APIs for the North America P&C core platform. Potential customers considering DXC will need to evaluate the integration cost and effort required to implement the platform as part of their overall total cost of ownership (TCO).

Guidewire (InsuranceNow)

Guidewire's InsuranceNow is a Challenger in this Magic Quadrant. InsuranceNow is a single-stack core application with preintegrated platform components, including separate portals for customers, predictive analytics, APIs and a marketplace. The vendor's SaaS-only offering is deployed solely on AWS.

Guidewire has a total group revenue estimate of more than $900 million and approximately 3,400 employees in total. InsuranceNow supports 52 deployments for its SaaS offering in North America at the time of writing.

In 2023, the vendor delivered instant quote and comparison, a fully templated commercial package policy, embedded analytics and automated testing for upgrade readiness.

Strengths

- **Access to platform investments:** InsuranceNow roadmap benefits from the Guidewire shared platform investments, such as predictive analytics and partner integrations, enabling faster speed to market for new services and functions.

- **Certified security:** Guidewire's SaaS deployment provides a number of certifications — such as ISO, SOC and PCI-DSS — that support customers as they progress through the necessary risk, security and procurement approvals.

- **Prebuilt offerings:** InsuranceNow provides 10 products out of the box. These include the necessary product definitions, rules and integrations for faster implementation. The core solution includes integrated document management and third-party licensing in the subscription pricing model.

Cautions

- **Configuration complexity:** InsuranceNow's configuration for products and rules is complex, requiring the use of multiple tools. It has limited GUI options for amending page layouts. Advanced configurations or rules require the use of an integrated development environment that is suitable only for technical users.

- **Limited currency and language option:** InsuranceNow can support only a single currency and English language deployment. Buyers with users and business units outside North America considering a single platform may have to look elsewhere.

- **Basic digital experiences for customers:** Support for agent and customer digital experiences is limited, with no prebuilt agent portal and a simple customer portal. CIOs will need to test the appropriateness of the APIs and their orchestration to support integrations with their own or with third-party portal solutions.

Guidewire (InsuranceSuite)

Guidewire's second platform, InsuranceSuite, is a Leader in this Magic Quadrant. It is a modular core application with integrated platform components, including digital experience development tools, data hub, predictive analytics, GUI-driven product configuration, an API SDK and a marketplace.

InsuranceSuite SaaS is deployed on AWS only. InsuranceSuite supports more than 75 policy, 69 billing and 83 claims deployments for its SaaS offering in North America at the time of writing.

In 2023, the vendor delivered a data-masking tool to enable data to be desensitized and an integration data management to enable third-party data to be stored outside the core. A revised digital development platform and update automation capabilities will speed up the delivery of updates.

Strengths

- **Expansive SaaS offerings:** Guidewire's SaaS offering includes client and developer access to a cloud console tool that supports a number of self-sufficiency features, such as environment provisioning, deployment management and backup scheduling. This will be important to customers that want autonomy for their ongoing change management needs.

- **Wide access to external resources:** InsuranceSuite has an expansive network of technology and service partners, with more than 9,700 consultants formally certified for its SaaS offering. This is the highest number among the vendors profiled in this research.

- **Dedicated R&D investor:** Guidewire invests more than $200 million in R&D annually, accounting for 35% of its total revenue. This is substantially higher than all of the other market competitors. Customers looking to adopt a platform with multirelease roadmaps backed by committed investment and delivery will find this appealing for ongoing viability.

Cautions

- **ComplexSLAs:** Guidewire's uptime service-level agreement (SLA) is 99.9%, or 99.5%, depending on the tier of platform application or service. In addition, the vendor has a complex calculation model, based on individual service availability, for service credits.

- **Cost:** InsuranceSuite pricing is at the higher-cost end of the vendors profiled. Customers should ensure that they evaluate cost with value for the modules and functions they intend to deploy.

- **Implementation backlog:** Guidewire has a large implementation pipeline with 45% of core module customers in the implementation phase. Potential customers should assess resource availability and the quality of the resources to support their projects ahead of committing to deployment.

Insuresoft

Insuresoft is a Niche Player in this Magic Quadrant. Insuresoft Diamond Platform is a single-stack core application with platform components, including separate portals for agents and consumers, APIs, a data analytics module and a GUI-driven product configuration engine. The vendor's SaaS-only offering is deployed solely on Azure.

Insuresoft has estimated revenue of more than $25 million and approximately 150 employees. Insuresoft supports 19 deployments for its SaaS offering in North America at the time of writing.

In 2023, the vendor delivered updates to its policyholder portal, increased coverage of third-party integrations and updated the core user interface (UI) experience.

Strengths

- **Strong Tier 5 presence:** With all clients in production at Tier 5 (see Note 1), Insuresoft is a strong candidate for insurers with gross written premiums of $250 million and below. It offers core system modules with solid fundamental functions, along with good levels of support for most of the major personal and commercial lines of insurance.

- **Prebuilt integrations:** Insuresoft has more than 80 partners with supported integrations for the exchange of data during different process workflows. These include integrations for supporting fraud and loss history, CRM, financial systems, geocoding, value estimation and call center telephony systems. It also offers access to all core processes and transactions via REST APIs, which help orchestrate and develop transaction solutions external to the core platform. This will help reduce implementation efforts.

- **Centralized configuration:** The Diamond Platform has a centralized tool to enable the configuration of workflows, rules and integrations to support policy, billing and claims management. Subject to training and certification, this tool is especially useful for enabling insurers to effect change to self-service rates and underwriting rules changes in the face of rapidly evolving rating environments.

Cautions

- **Lagging SaaS model:** The platform's SaaS operational maturity is still low. The vendor does not offer service credits for missed SLAs. Potential customers considering SaaS deployments will need to validate that the vendor's abilities are aligned with their expectations for SaaS solutions.

- **Restrictive digital experiences:** The vendor's solution to portals for agents and policyholders require XML script and code to add innovative automation, contextualization and personalization of experiences. This can create a dependency on technical analysts. Customers seeking a sophisticated "low code" UX with which to build automation experiences will need to solicit alternatives or integrate with core modules using the vendor's APIs in a headless approach.

- **Limited configuration:** The centralized configuration tool is separately licensed and does not support drag-and-drop screen design, or visualizations for business processes or workflows. This tool is not suitable for handing off configuration tasks to nontechnical business users.

Majesco (P&C CoreConnect)

Majesco P&C CoreConnect (formerly Decision Research Corporation [DRC]) is a Niche Player in this Magic Quadrant. P&C CoreConnect is a single-stack core application with preintegrated platform components, including GUI-driven product configuration and APIs. The vendor's SaaS offering is deployed solely on Azure.

Majesco has a total group revenue estimate of $300 million, and approximately 900 employees, of which approximately 200 support the P&C CoreConnect platform. P&C CoreConnect supports six primary insurer deployments for its SaaS offering in North America at the time of writing.

In 2023, the vendor delivered a rate impact analyzer, stand-alone claims platform, an integration hub and support for complex organizational structures.

Strengths

- **Acquired and invested:** The P&C CoreConnect roadmap shows that it is set to benefit from shared platform investments in operations, service and functionality, after the acquisition by Majesco. Existing customers will find assurance in the additional investments being made in the platform.

- **Convenience and utility:** P&C CoreConnect uses Microsoft Excel for the configuration of rates, rules, screen and data definitions. Customers seeking business-user input for implementation and ongoing change management will find this especially appealing for its ease of use and familiarity.

- **High SLA:** The vendor's standard uptime SLA ranges between 99.9% and 99.99%, depending on the instances and availability zones being used. These are some of the highest base SLAs of the vendors profiled here.

Cautions

- **Caters to a specific target market:** The vendor's postacquisition target market for P&C CoreConnect is primarily to serve MGAs, MGUs, UPAs and smaller-volume carriers.

Primary insurers considering P&C CoreConnect should evaluate the vendor's future investment alignment with their market needs.

- **Limited user autonomy:** The SaaS platform offers limited self-sufficiency for change management or environment monitoring. Customers will need to be comfortable with the vendor undertaking most aspects of ongoing change.

- **Paused progress:** The platform secured no new wins in 2023 or 1Q24. Insurance CIOs should weight platform viability higher on their evaluation criteria and monitor performance after the Majesco acquisition.

Majesco (P&C Intelligent Core Suite)

Majesco's second platform, P&C Intelligent Core Suite, is a Leader in this Magic Quadrant. P&C Intelligent Core Suite is a modular core application with integrated platform components, including digital experience designing tools, data hub, embedded analytics, GUI-driven product configuration, API SDK and a marketplace. P&C Intelligent Core Suite is deployed on Azure.

The platform supports 87 policy, 80 billing and 37 claims deployments for its SaaS offering in North America at the time of writing.

In 2023, the vendor delivered claims support for worker compensation, digital payments for claims and multicurrency support through all modules.

Strengths

- **GenAI frontrunner:** Majesco is the first evaluated vendor to make its embedded GenAI solution — which uses Microsoft Azure AI services — commercially available. This will be of interest to customers seeking deep productivity gains in such areas as policy summarization, transaction automation and agent recommendations.

- **Configurable landing pages:** The platform offers significant options for personalization for landing pages through a wizard-driven configuration solution. Insurance CIOs seeking to create differentiated experiences for different user personas will be able to use this function to more rapidly create screens and flows.

- **Standards adoption and support:** P&C Intelligent Core Suite provides preconfigured International Organization for Standardization (ISO)-based lines for all 50 U.S. states. It includes the ability for clients to manage monthly updates, including management for

customer deviations, through a self-service adoption wizard. The solution provides audit reports for all circular updates adopted, which speeds up compliance reporting.

Cautions

- **Customization deflects SaaS value:** Customers are enabled to run their customizations on single-tenant deployments. Although this may be attractive from a flexibility point of view, it allows customers to make significant deviations and does not fully support the value proposition of a SaaS solution.

- **Low SLA:** Majesco's standard uptime SLA of 99.5% is one of the lowest of the vendors profiled. Potential customers considering P&C Intelligent Core Suite may need to upgrade to the enterprise offering with higher SLAs, but this comes at an additional cost that will need to be factored into any TCO comparisons.

- **Lack of self-sufficiency:** Customers have limited self-sufficiency to deploy changes to the production environment and will need to rely heavily on the vendor to complete tests and deploy changes introduced in development or test environments.

OneShield (Enterprise)

OneShield is a Niche Player in this Magic Quadrant. OneShield Enterprise is a modular core application with preintegrated platform components, including portals, reporting, relationship management and APIs. The vendor's SaaS is cloud-agnostic.

OneShield has a total group revenue estimate of less than $50 million, and more than 400 employees. It has more than 16 SaaS deployments of OneShield Enterprise in North America at the time of writing.

In 2023, OneShield integrated with Verisk's ISO Electronic Rating Content (ERC) and released its Version 7, which includes a re-engineered core.

Strengths

- **Centralized configuration:** OneShield Enterprise has a centralized design studio that enables business and IT users to configure object models, workflows, products and integrations to support processing across all core modules.

- **Cloud portability:** OneShield Enterprise is cloud-agnostic, providing customers with flexibility, including the ability to deploy in their own cloud, should they decide to move back to a self-managed deployment through an alternative cloud provider.

- **Embedded agent relationship management:** OneShield Enterprise includes a separate relationship management tool for setting up and managing multiple tiers of agents brokers and agency partners. The system assesses the agent information to ensure the validity of the agent, and provides dual financial transaction management. This can be useful to enable embedded validation checks and for white labeling for in-house agents and MGAs.

Cautions

- **Anticipate and budget for necessary upgrades:** Enterprise depends heavily on Linux and various open-source forms. The core application is also undergoing technical upgrades. Existing customers should expect to have to deal with technical upgrades, as the vendor rearchitects its core applications.

- **Low sales execution:** With only one new win for the platform in 2023 and 1Q24, the vendor is below the market average in new sales execution. Potential buyers will need to consider the vendors existing customer expansion versus net new wins in their due diligence assessments.

- **Pace of Innovation:** OneShield Enterprise customers are more likely to rate the vendor "poor" or "weak" for its pace of innovation. Buyers should evaluate the vendor's roadmap and previous execution for innovation as part of their assessments.

OneShield (OMS)

OneShield's second platform, OneShield Market Solution (OMS), is a Niche Player in this Magic Quadrant. OMS is a single-stack core application with preintegrated platform components, including portals for customers and agents, GUI-driven product configuration and APIs. The platform is SaaS-only and is deployed solely on Azure.

OMS has 21 SaaS deployments in North America at the time of writing.

In 2023, the vendor delivered enhancements to its consumer portal to support more complex transactions, such as renewal initiation and endorsement initiation, billing to support multiple payment gateways, and claims to support installment plans for deductibles.

Strengths

- **Automated upgrades:** OneShield OMS clients benefit from multitenant deployment and automated push upgrades, eliminating the burden of upgrades associated with traditional

insurance core systems.

- **24/7 support:** OMS has 24/7 access to support through onshore and offshore resources. This will benefit customers that rely on overnight task completion or those that need to support extended hours for digital agent and consumer access.

- **Inclusive pricing model:** OMS is competitively priced, with the lowest indicative annual subscription costs of all the platforms profiled. The vendor uses a combination of project scope, functionality, jurisdictions and written premium to create a single, all-inclusive pricing model for software access and service support. Critically, the vendor takes on all upfront implementation costs and bundles them into the subscription price.

Cautions

- **Restrictive configuration options:** OneShield OMS does not provide GUI-based tools for configuration. With the vendor undertaking this as part of the subscription, potential customers will need to evaluate the vendor's SLAs and customer experience to ensure they are comfortable with the vendor supporting the majority of their ongoing change needs.

- **No self-sufficiency:** OMS does not enable access to environment management, performance monitoring or security controls. This will not suit customers that want autonomy for their ongoing management and security needs.

- **Customer advocacy:** Existing customers are, on average, less likely to recommend the SaaS platform to others. CIOs will need to undertake comprehensive client references as part of their platform selection process.

Origami Risk

Origami Risk is a Niche Player in this Magic Quadrant. Its core platform, Origami Risk P&C Insurance Core Solutions, is a single-stack core application with preintegrated platform components, including portals for agents, GUI-driven product configuration and APIs. The vendor's SaaS-only offering is deployed solely on AWS.

Origami Risk has a total revenue estimate of more than $200 million, and approximately 900 employees in total. It supports 15 policy, 17 billing and 18 claims deployments for primary insurers in its SaaS offering in North America at the time of writing.

In 2023, the vendor improved its policy APIs to enable headless access to support quote, bind and endorsement transitions, along with catastrophe management for claims.

Strengths

- **No upgrade debt:** Origami Risk has a single codebase offered via multitenant deployment in AWS. Insurers benefit from no IT debt, because all customers are on a single version of the software.

- **Low-risk subscription:** The vendor offers a three-year initial subscription term for the platform, enabling insurers to start implementations without concerns about long contract terms that can be punitive if the project does not proceed.

- **Built-out application systems:** The platform offers a suite of REST APIs, an API gateway and prebuilt-configuration-enabled integrations that enable faster implementations.

Cautions

- **Noninsurer customer base:** Eighty-four percent of Origami Risk's customers are not insurers. Of the 16% insurance customers, only 30% are primary insurers who are predominantly Tier 4 or Tier 5 (see Note 1). Potential customers will need to test the scalability and efficacy of deploying the solution for larger-volume business.

- **Lack of personal lines insurance experience:** Origami Risk does not have customers in production for personal lines insurance. Potential customers requiring support for personal lines or multiple lines of business (LOBs) should verify support for their required products.

- **Low SLA:** Origami Risk's standard uptime SLA of 99.5% is one of the lowest of the vendors profiled. Insurance CIOs will need to ensure that these service levels meet their requirements, or seek additional performance guarantees.

Salesforce

Salesforce is a Visionary in this Magic Quadrant. The Salesforce Digital Insurance Platform is a modular core application with additional platform components. These include portals for customers, agents and partners, digital experience development tools, data solutions, predictive analytics, GUI-driven product configuration, APIs, SDKs and a marketplace. The vendor's SaaS offering is deployed through its own data centers.

Salesforce has a total revenue estimate of $34.9 billion, of which Gartner estimates $150 million is generated from the insurance-specific functions offered as part of Salesforce Industries Financial Services. Gartner estimates that The Salesforce Digital Insurance Platform has around 200 core deployments for insurers and noninsurers globally.

In 2023, the vendor delivered support for out-of-sequence endorsements, a console for customer service representatives and the ability to send customized emails through integration with Salesforce Marketing Cloud.

Strengths

- **Underwriting:** The Salesforce Digital Insurance Platform has comprehensive underwriting, including an underwriting workbench solution and sophisticated pricing and modeling. This will be of particular interest to commercial lines or speciality lines insurers.

- **Self-sufficiency:** The platform offers high degrees of self-sufficiency for configurability with screen design, rule design and business process definition and data tools included.

- **Strong global resources:** Salesforce has a global network of partners to support its insurance platform. Many insurers in North America already using Salesforce will also benefit from being able to leverage existing internal skills.

Cautions

- **Complex pricing model:** The vendor's license model is complex, requiring purchasers to subscribe to a combination of enterprise licenses, user licenses and written premium-based licenses for the complete platform. Customers will need to ensure that they understand the pricing and TCO implications by modeling different scenarios of usage.

- **Too many solution paths:** The Salesforce platform consists of different features and capabilities that can support the same or similar outcomes. Potential customers will need the vendor, or its partners, to define and establish the optimal use of the various functions and ensure they form part of a cohesive ongoing strategy for the platform.

- **Client referenceability:** Salesforce has a few publicly shared insurance references for its P&C core insurance capabilities. Buyers will need to pressure test the implementation and usage of the different core capabilities as part of their due diligence.

Sapiens

Sapiens is a Niche Player in this Magic Quadrant. Sapiens CoreSuite for P&C is a modular solution with components including portals for agents and consumers, GUI-driven product configuration and APIs. The vendor's SaaS-only offering is deployed solely on AWS.

The vendor has total group revenue of over $500 million, and approximately 580 employees supporting the platform. It has around 15 policy, 12 billing and 16 claims deployments for its SaaS offering in North America at the time of writing.

In 2023, the vendor launched a consumer portal for home insurance, enhanced its support for complex hierarchies and commission structures, and completed its coverage of product and policy APIs.

Strengths

- **Shared platform architecture:** The roadmap for Sapiens CoreSuite for P&C benefits from shared investments in the Sapiens platform, such as digital experience, AI decision-making and API orchestration tools, and enabling faster speed to market for new services.

- **Integrated reporting tool:** Sapiens offers an integrated intelligent reporting suite with a range of prebuilt reports and dashboards. The solution also enables the creation of new reports and insights through natural language commands.

- **Line coverage growth:** The vendor supports ISO ERC rating for Business Owner's Policy (BOP), and is expanding its coverage to other lines. This will be beneficial for customers seeking to launch or modernize their commercial lines insurance business.

Cautions

- **Low digital adoption:** The core portals provide limited options for personalization and configuration. While Sapiens introduced an integration to its Digital Suite solution in 2021, it is still not in production.

- **Customer advocacy:** Existing SaaS customers are, on average, less likely to recommend Sapiens to others. CIOs will need to complete their due diligence through client reference evaluations to understand why this might be the case.

- **CSP transition:** The vendor is shifting its strategic cloud platform from AWS to Azure. Existing customers will need to evaluate the effort involved in moving to the new strategic option. New customers will need to keep in mind that the vendor will be spreading its support and services across two cloud offerings during the transition.

Socotra

Socotra is a Challenger in this Magic Quadrant. Socotra is a single-stack core application with preintegrated platform components including GUI-driven product configuration, APIs, SDKs and a marketplace. The vendor's SaaS-only offering is deployed on AWS.

Socotra has a total revenue estimate of $10 million, approximately 70 employees and supports approximately 26 deployments in North America at time of writing.

In 2023, the vendor delivered webhooks to enable external services to receive real-time notifications when specific events occur, cash management and effective date management for changes to processes such as rating and forms.

Strengths

- **Customer autonomy:** Socotra offers weekly updates pushed to all customers with functional changes controlled through configuration. This enables insurers to implement changes at their own pace, while ensuring they are not building up future technical debt.

- **Integration and notification:** The platform offers extensive APIs as well as event streaming to enable notifications to be pushed out to external services in real time. This architecture will be of importance to potential customers seeking to create highly responsive digital engagement solutions.

- **High SLA:** Socotra's standard uptime SLA of 99.97% offers the highest commitment of the vendors profiled here. This includes planned and unplanned maintenance and strong SLAs, which include 100% credit for service availability below 89.9%. This will be an important consideration to potential customers seeking a high-availability SaaS for servicing customers in extended hours, or for processing high volumes.

Cautions

- **Limited prebuilt options and support for standards:** The vendor offers a limited selection of prebuilt product templates and does not support automated ISO rating, NCCI or ACORD forms. Customers requiring support for these standards will have to build the time and cost for standards support into their TCO and implementation planning.

- **Claims functions:** Socotra's claims functions are limited to ingestion and rudimentary processing. Customers will need to rely on alternative solutions for full claims processing.

- **Caters to a specific target market:** Eighty-seven percent of Socotra's current production clients are nonprimary insurers, such as MGAs. Primary insurers are typically Tier 4 or Tier 5 (see Note 1). Potential customers considering the platform for multiple LOBs will need to validate the functional completeness of the platform to service their intended LOBs.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

Dropped

Inclusion and Exclusion Criteria

To qualify for inclusion, vendors need to meet the market definition for SaaS P&C Core Platforms:

- The SaaS platform must be generally available, excluding limited release or beta versions, as of 31 December 2023.

- It must include at least three of the six platform elements in production:

  - Separate preintegrated portals, or digital experience creation tools, for customers, agents or suppliers

  - A separate data repository

  - Separate preintegrated data analytics

  - Integration accelerators, which extend the functionality of the core platform (integration accelerators include access to SDKs and developer portals)

- User accessible consoles for assessing adherence to SLAs, such as performance and latency, and promoting and demoting data, configuration and customizations among environments

- Marketplace for accessing prebuilt, integrated and maintained solutions and services from partners

- It must have at least five North American P&C insurers in production on the vendor's SaaS offering, with policy, billing or claims modules as of 31 December 2023:

  - A vendor client is defined as a primary insurer that has executed a contractual agreement and has implemented at least one or more core modules (policy, billing and/or claims) for the vendor's stated SaaS core platform. (A primary insurer owns the insurance product and underwrites its own risk through its own capacity. They are fully licensed, and maintain their own balance sheet, rated by AM Best.)

  - Only one client per registered organization can be included. This means that a separate client can be achieved for the same overarching client deploying the system with separately registered subcompanies in different territories.

  - A client that has deployed the system more than once for different channels or product lines does not constitute a new client.

  - A project is not still in initiation/blueprint or scoping and, therefore, open for cancellation. (The project has fully commenced, and the insurer is using the modules in support of an active book of business for calendar year 2022 through 2023.)

  - The client has contracted directly with the vendor — not to include indirect relationships through a white labeling or third-party administrator (TPA)/business process outsourcing (BPO) arrangement.

  - Clients do not include health insurers and life insurers.

  - The offer must be live in production in North America as of 31 December 2023. For the purpose of this research, the following countries are included in scope: Canada and the U.S.

- It must have at least two new primary P&C insurer customer SaaS wins for the platform, excluding existing customers transitioning to the SaaS platform, in North America for the core system policy, billing or claims (excluding upgrades or expansion within existing customers) during 2022-2023.

- It must offer core modules that are currently being marketed by the vendor. Clients on unsupported, not upgradable, or alternative core systems or core modules should not be included in the numbers.

This Magic Quadrant is specific to North America and does not apply to other regions.

Honorable Mentions

Evaluation Criteria

Gartner analysts evaluate vendors on the quality and efficacy of the processes, systems, methods and procedures they use to be competitive, efficient and effective, and to improve their revenue, retention and reputation.

Product or Service: This criterion assesses a vendor's core platform offering and services that compete in and/or serve the defined market. It includes current product quality, feature sets, skills, etc and service capabilities and maturity. Evaluation factors include core product and service capabilities, the depth and breadth of functionality, and the availability of self-sufficiency for task and service completion.

Overall Viability: This criterion assesses a vendor's overall financial health as well as the financial and practical success of the finances and resources supporting the profiled platform. It also looks at the likelihood of the organization to continue to offer and invest in the product, as well as the product's position in the vendor's current portfolio.

Sales Execution/Pricing: This criterion addresses the overall effectiveness of the sales channel. Evaluation factors include sales execution and pricing.

Market Responsiveness/Record: This criterion assesses a vendor's ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. Evaluation factors include new and enhanced products and services that reflect market trends and the processes for incorporating feedback into product and service evolution.

Marketing Execution: Here Gartner evaluates the clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand, increase awareness of products and establish a positive identification in

the minds of customers. Evaluation factors include the quality of marketing materials and channels used along with client case studies and customer advocacy.

Customer Experience: This criterion assesses a vendor's products and services and/or programs that enable customers to achieve anticipated results with the products evaluated. Specifically, this includes quality buyer interactions, technical support or account support. Evaluation factors include customer feedback on sales, pricing, product, implementation and post implementation servicing, Gartner Peer Insights and Gartner client interactions.

Operations: This criterion addresses a vendor's ability to meet goals and commitments, including the vendor's operating model, scalability and customer issue resolution.

Ability to Execute

Ability to Execute Evaluation Criteria

Evaluation Criteria	*Weighting*
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium
Marketing Execution	Low
Customer Experience	High
Operations	Low

Source: Gartner (October 2024)

Completeness of Vision

Gartner analysts evaluate vendors on their ability to convincingly articulate their current and future market direction, innovation, customer needs and competitive positioning, and how well they map to customer needs. Ultimately, vendors are rated on their understanding of how market forces can be exploited to create opportunities for the vendor.

Market Understanding: This criterion addresses a vendor's ability to understand customer needs and translate them into products and services. It looks at whether a vendor shows a clear vision of its market — listens to and understands customer demands, and can shape or enhance market changes with its added vision. Evaluation factors include how vendors identify business trends shaping the P&C insurance industry and technology trends that will enable market execution and differentiation.

Marketing Strategy: This criterion assesses the ability for the vendor to create clear, differentiated messaging consistently communicated internally, externalized through appropriate channels. Evaluation factors include the linkage of marketing strategy to market understanding and the appropriateness of channels to reach the target audience.

Sales Strategy: This criterion assesses a vendor's ability to offer a sound strategy for selling that uses the appropriate networks, including direct and indirect sales, marketing, service, and communication. It also looks at partners that extend the scope and depth of market reach, expertise, technologies, services and the customer base. Evaluation factors include the clarity and appropriateness of the target market for the vendor and the attractiveness of product pricing and packaging options, deal strategies, and Gartner end-user client interactions and consideration rates.

Offering (Product) Strategy: This criterion looks at a vendor's ability to offer an approach to product development and delivery that emphasizes market differentiation, functionality, methodology and features as they map to current and future requirements. Evaluation factors include differentiated product functionality, execution against the roadmap over the past year and future roadmap, service strategy, platform strategy and technology strategy.

Business Model: This criterion addresses the design, logic and execution of the vendor's business proposition to achieve continued success. Evaluation factors include partner engagement and ecosystem evolution.

Vertical/Industry Strategy: This criterion assesses a vendor's strategy to direct resources (sales, product, development), skills and products to meet the specific needs of individual

market segments, including verticals. Evaluation factors include the vendor's industry focus and expansion strategy.

Innovation: This criterion addresses a vendor's ability to offer direct, related, complementary and synergistic layouts of resources, expertise or capital, for investment, consolidation, defensive or preemptive purposes. Evaluation factors include the process of fostering innovation and differentiated technical and nontechnical innovations made in the last 12 months and past innovations older than 12 months.

Geographic Strategy: This criterion assesses a vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate for that geography and market. Evaluation factors include the ability to resource for different regions and product localization capabilities.

Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	Medium
Marketing Strategy	Low
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	Low

Quadrant Descriptions

Leaders

Each of these vendors offers strong core functionality and SaaS service proposition backed by SLAs and third-party accreditations. They offer their own platform capabilities for digital employee, agent, policy holder and partner experience, and data and analytics, as well as having built a broader ecosystem around their core offering through partnerships with third parties. They also demonstrate experience of using emerging technologies for predictive analytics and intelligent processing.

Challengers

Each of these vendors offers comprehensive core system capabilities that can be deployed rapidly and change handled predominantly through GUI-based configuration tools. The breadth of their platform capabilities and LOB coverage is narrower than the leaders, and all have been highly successful among Tier 4 and 5 North American insurers.

Visionaries

These vendors offer strong core system functionality and have demonstrated a flair for innovation. They tend to have limited production experience in certain segments, but they demonstrate potential with strong architectural foundations in the cloud and in low-code/no-code configurations.

Niche Players

These vendors have key strengths that make them strong candidates in certain market segments. They have limitations (e.g., LOB coverage, breadth of functional coverage or production experience, or experience with only certain tiers of insurers, or supporting lower volumes in production) that make them less suitable for a broader range of opportunities.

Context

SaaS adoption for P&C insurers seeking core platforms for modernization, consolidation or to meet new needs is almost ubiquitous in North America. The vendors profiled a SaaS platform with a comprehensive set of core capabilities for policy, billing and claims management, and an expanded set of capabilities supporting the customer and agent experience via digital channels, data management and analytics. Many capabilities (in particular traditional core system capabilities) are similar, but there are key differences:

- Support for and degree of flexibility offered to customers, production experience with cloud-based deployment, including private cloud or public cloud, managed services and SLAs.

- The technical architecture; ability to deploy modules independently; languages used for coding, databases supported; and the design, maturity and accessibility of integration APIs.

- The range of LOBs and product types they have experience supporting.

- Actual production experience with all core modules and related components (such as rating engines or underwriting workstations).

- Full availability and actual production experience with platform capabilities outside the core modules — such as digital experience creation tools, prebuilt portal capabilities, data management and BI/analytics.

- Availability and certification of implementation partners.

- Number, coverage and ease of access to partner solutions and services.

- Geographical reach of the vendor and its partner ecosystem.

This Magic Quadrant evaluates vendor and platform capabilities as at 31 March 2023. It places emphasis on the vendor's platform capabilities and their service propositions. Although we recognize that many providers in this Magic Quadrant also sell to organizations in other regions, its evaluations reflect the needs of P&C insurers in North America.

Market Overview

Globally, 40% of insurance company executives are reporting that they are using SaaS solutions from third-party vendors for their core systems implementation strategies. [1] The

SaaS adoption trend is strongest for P&C core platforms in North America. Vendors in this market have breached the SaaS inflection point, with 65% of all production deployments now on vendors' cloud offerings showing increased maturity in the market (see **Top 10 Technology Trends for P&C Insurance CIOs in 2024**).

However, there are significant differences in vendor strategies. On one hand, we have vendors that have traditionally deployed on-premises, and are transitioning their software and their customer base to their cloud offerings. For some of these vendors, 30% to 40% of their new wins can be for the transitioning of existing clients, which masks the actual market impact.

The vendors also have differing maturity. Some are still at the early stages of having lifted and shifted their software to the cloud. Others have invested heavily into operationalizing in the cloud by enabling greater automation and offering self-sufficiency tools to their customers. A few have started the complex journey of completely rearchitecting their core modules to be truly cloud-native.

On the other hand, some vendors have started in the cloud and are taking a low-code/no-code, integration-led approach. However, the functional completeness of their solutions may be lacking, so they have typically targeted smaller insurers (Tier 3 or below), or noninsurers, such as MGAs, to get a foothold in the market.

Overall, Gartner has observed that, for a like-for-like base of vendors, there has been a 25% decrease in net new wins in 2023, compared with the prior year. Six vendor platforms secured two or fewer wins. In part, this could result from incumbent vendors concentrating on transitioning existing customers to their SaaS offerings to increase their revenue. They may also be looking for uniformity of deployment and versions to aid future growth. Gartner also sees 41% of insurance CIOs slowing, pausing or reevaluating the pace of their core system modernization efforts, as they TCO the ROI of current efforts and reset their strategy and evaluation parameters for future modernization efforts. [2]

Although pricing for core capabilities is universally calculated as a percentage of premium, pricing for the same premium can vary as much as 50% between the most and least expensive vendors. However, pricing should not be a primary driver for selection as vendor SLAs, tiering for pricing, contract terms, and included capabilities and services will all determine what constitutes value.

The acceleration of AI and GenAI has seen P&C insurance policy administration and some vendors prioritize R&D developments on adding AI into their applications. Buyers will need to be mindful that this represents a new capability that will be largely unproven; however, the promise of the ability to automate tasks, and augment key decision points in underwriting and claims will be appealing.

As a result, customers face a complex market for the selection of these business-critical capabilities. Buyers need to select platforms to meet current needs, as well as ensure that the vendor and the platform offer the necessary viability and agility to meet the future needs of the enterprise, such as intelligent core applications.

Gartner advises P&C insurance CIOs against simply selecting vendors that appear in the Leaders quadrant. All selections should be buyer-specific. Vendors from the Challengers, Niche Players or Visionaries quadrants may be better matches for an insurance company's business goals, IT budget, risk appetite, geographical needs, LOB, or functional requirements and future ambitions.

Acronym Key and Glossary Terms

⊕ Evidence

Note 1: Description of Tiers

Tier 1: More than $5 billion in DWP

Tier 2: $1 billion to $5 billion in DWP

Tier 3: $500 million to $1 billion in DWP

Tier 4: $250 million to $500 million in DWP

Tier 5: Less than $250 million in DWP

⊕ Evaluation Criteria Definitions