

# Insurity/Oceanwide Acquisition

## The Best of Both Worlds

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### In the News

In May 2015, Insurity, Inc., a provider of core insurance processing and data integration and analysis solutions, announced the acquisition of the insurance software firm Oceanwide, Inc., based in Montreal, Quebec. The considerable talent, experience, and software solution assets of the two organizations is enabling Insurity to offer even greater value to existing customers, strengthen its market position, and expand its ability to address the broad needs of domestic and international carriers, MGAs, and Program Administrators. The Oceanwide brand will be retained, and Oceanwide will continue to operate as a separate company, known as "Oceanwide, An Insurity Company."

The acquisition brings together a complement of solutions and the financial resources to best serve the combined Insurity/Oceanwide client base and the broader insurance market as well. Oceanwide customers gain the benefit of Insurity's Insurance Enterprise View (IEV) analytics platform in addition to Insurity's rich content and depth of experience in bureau support and ISO lines of business.



***"Oceanwide has an outstanding reputation in the industry for its solutions, customer service, and personnel. With this acquisition, Insurity can offer a more robust portfolio of insurance solutions. We are now better positioned to serve smaller insurers, startups, specialty, and niche players as well as the global insurance market."***

***Jeffrey Glazer, Insurity President and CEO***

Likewise, Insurity customers can take advantage of Oceanwide's proven expertise in rapid deployment and SaaS expertise and offerings. A major asset that Oceanwide brings to Insurity is their cloud-based Insurance System Suite, Bridge, which is configurable by end users rather than developers. Insurity clients will also benefit from Oceanwide's data visualization tool and analytics dashboard, SmartView, and access to Oceanwide's rich portal solution, Bridge Portal, to improve the experience of their agents, underwriters, and customers.

## Opportunity for Insurers

Insurity's acquisition of Oceanwide holds great promise for the P&C insurance industry as a whole. The solutions, expertise, and client bases of the companies are highly complementary. Together, they form a synergistic combination – Oceanwide's entrepreneurial culture and tremendous momentum united with Insurity's market-leading solutions and deep knowledge of the P&C market. They also share many clients, who can now benefit from the strengths of both organizations. The bottom line is that Insurity now has a unique combination of assets to offer the market, with the strengths of a large, established company that has built its success through novel approaches and expertise in new technologies.

*"Insurity and Oceanwide are tapping into the best attributes of the other by sharing technology as well as insurance expertise and best practices. Both companies' primary culture is a customer-focused one, and we will measure our success based on the success realized by our customers."*

*Mark Adessky, Oceanwide President*



There are several key areas where opportunities for insurers may arise, including:

- **Cloud:** Oceanwide was a pioneer with their cloud offerings: Bridge Insurance Suite, Bridge Portal, Bridge Underwriter Workstation, and Genoa. Their rapid growth has given them significant SaaS expertise and systems that can be deployed quickly. Their meteoric success has set an example for the market in terms of the use of SaaS and its uptake by insurers who need the rapid deployment that SaaS enables. The capabilities that Insurity has gained through this acquisition in cloud infrastructure are well aligned to meet the needs of insurers now and in the future.
- **Data and Analytics:** Business intelligence and analytics are critical capabilities that insurers rely on to manage and run their businesses. Insurity is a market leader with their robust analytics platform, IEV, which has been optimized for P&C insurers. IEV has seen a significant uptake within the market and, along with ISO content, is the Insurity asset having the most immediate impact on Oceanwide's offerings. IEV is already available to both customer bases, and pre-built integrations with Bridge are in development. Oceanwide's SmartView data visualization and analytics dashboard will also be integrated with IEV, which will make it easier for executives and other business users to access and exploit information from IEV in an easily consumable form. The strengthened IEV solution will raise the bar for other business intelligence and analytics functionality – both the capabilities built into core systems and those from other solution providers' standalone products.
- **ISO Content:** Insurity's strength in pre-built ISO content is a tremendous asset to Oceanwide's offerings. Now, Insurity's ISO Rating, Rules, Forms, and Stat Reporting will be available as a back-end service to Bridge customers. Insurity's other bureau-related services and data content for underwriting and risk assessment will also be accessible through Bridge. This aspect of the acquisition has the potential to have a broad impact on the core systems market in general, especially with respect to specialty insurers. The exemplary content that Insurity provides in these areas is now available to a much wider range of commercial and specialty insurers, including those operating in multiple geographies. Insurity can now offer insurers a core system designed for their businesses with access to the ISO content to back up their broad range of ISO-based products.
- **Portal:** Oceanwide, with Bridge Portal, has become a serious presence in the portal arena within a few short years. The portal is a primary strength and differentiator of the Bridge Suite. Bridge Portal has already been implemented by a number of Insurity's customers, demonstrating its ability to complement Insurity's existing offerings. Insurity now has the option to deploy the Oceanwide portal as a role-based front end to Policy

Decisions for an exceptional user experience. This functionality is a significant upgrade in functionality for Policy Decisions.

- **Oceanwide Suite Capabilities:** Taking advantage of the growing appetite for suite plays in the P&C market, Oceanwide will continue to develop their Bridge Billing and Claims modules for their target market. This will create even greater value for those considering the Bridge solution.

Insurity is positioned as a major player in the market with years of experience in all lines of insurance, a large and established client base, and the financial and operational resources necessary for long-term stability. With the Oceanwide acquisition, Insurity has gained the ability to apply Oceanwide's entrepreneurial focus on a larger scale to stimulate long-term, sustainable growth. Insurers can benefit from the on-premise and cloud deployment, rapid implementation, and advanced functionality that the new Insurity will be able to provide.

## Watch Points

There are three watch points that should be considered regarding the Insurity/Oceanwide acquisition: two related to the normal issues that arise with any acquisition, and the third focused on product offerings. To assess how well and how rapidly the potential of the acquisition is being realized, insurers should consider these three key areas:

- **Cultural Integration:** Watch for how each company's culture will be impacted by the acquisition. Specifically, Oceanwide's success has been driven by its entrepreneurial spirit. Both Insurity and Oceanwide have agreed that a key tenet of the acquisition is to support and enhance Oceanwide's growth rather than inhibit its entrepreneurial company culture. The emphasis on maintaining Oceanwide's start-up mindset is an excellent sign that this area of potential friction has been foreseen and actively prepared for.
- **Customer Relationships:** It is always critical to track how customer relationships are transitioned in an acquisition. This is especially true for Insurity and Oceanwide due to the large number of shared customers between them. In this particular acquisition, it seems that both sets of customers will be able to take advantage of the new capabilities created by the union of these two companies.
- **Multiple Suite Offerings:** The Oceanwide suite is targeted for very specific markets, and their continued investment in the suite is a priority. Watch to see if this multi-pronged approach continues or if some (or all) core functionality will eventually become centralized.

## SMA ViewPoint

SMA believes that the union of Insurity and Oceanwide, both having significant strengths in significantly different areas, represents the evolution of a strong market player in directions that will have a major impact on both insurers and solution providers. It holds great promise for insurers looking for a better approach to pursue individual markets. In addition, the expanded options that the new, larger Insurity can provide with respect to deployment, configuration capabilities, implementation approach, and organizational philosophy – within a single solution provider – are a major asset to customers and the insurance industry at large.

Insurity's acquisition of Oceanwide is part of the continuing aggregation of core systems providers seen across the industry. The consolidation of owners joins disparate capabilities that allow insurers to access more segments of the market. Oceanwide and Insurity will both benefit from the acquisition.

The real advantage in the Insurity/Oceanwide acquisition is that insurers can access the best of both worlds in terms of solution providers, both large and small. Even though there is no "one size fits all" approach for insurers, as the result of this acquisition Insurity is able provide clients and prospects many additional and previously unavailable choices.

In the short term, SMA's recommendation is that each client base should capitalize on the resources available from both Oceanwide and Insurity. This acquisition provides clients with the prospect of a fresh view and a different business culture.

SMA expects the effects of this acquisition to ripple throughout the industry. Solution providers will be challenged to improve their offerings in response. Insurers able to leverage the complementary strengths of the new Insurity will be working toward their own success while setting a new standard for the insurance core systems market as a whole. Both on its own and with this acquisition, Insurity has established itself as a solution provider to watch.



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