

## Insurance Industry Shifting Technology and Business Strategies to Spur Profitable Growth

**FREMONT, Calif. May 22, 2006**--Infosys Technologies (NASDAQ:INFY) today announced that a comprehensive study on underwriting in the \$222 billion commercial lines insurance industry has revealed that U.S.-based Property & Casualty (P&C) insurers are taking new approaches to risk assessment and acceptance to sustain profitable growth in their business. The study, commissioned by Infosys and conducted by TowerGroup, was designed to assess the strategic direction and readiness of the commercial underwriting market, from both business and technology perspectives.

The study found that P&C commercial insurance companies are choosing to make the strategic shift towards "flow" and "transaction" underwriting to build competitive advantage and gain profitable market shares. Flow underwriting promotes straight through underwriting for risk classes that were previously underwritten through manual, subjective evaluation by underwriters. The "low" or "no touch" transaction approach is supported by automated decision support capabilities so that only "exceptions" are processed by underwriters. This underwriting approach reduces cost and saves time, and also enables consistency and controlled underwriting. Furthermore, the "low and no touch" (flow) underwriting approaches enable underwriters to focus on more complex risk submissions and develop the market through enhanced distributor interactions.

The study also uncovered that developing and deploying business process optimization capabilities was a key business goal for insurance carriers of all sizes. Interestingly, the study found that the mindset change to move away from manual exception processing to either "flow" or "transaction" based underwriting, is not limited to the mega carriers - small to mid-sized carriers are just as serious about deploying process and technology enablers to create competitive advantage.

The study additionally revealed the following interesting data points:

- Close to half of the respondents (48%) felt that business process management (BPM) and modernization of legacy platforms were their main IT priorities
- Only 14% of respondents listed IT cost reduction as a priority; only 9% listed infrastructure consolidation as a top priority
- Nearly 50% of respondents plan to upgrade their organization's capabilities and systems around straight through processing and BPM over the next 18 months

"This research clearly indicates that the P&C commercial insurance market is at a point of inflection as carriers are demonstrating a change in mindset towards the way they underwrite commercial lines risks," said Brian Kearns, Head of Infosys' Insurance Industry Practice. "Infosys' goal is to help its clients build their market presence and capabilities, and our unique New Business Excellence (NBx) solution is one example of how we leverage technology to do so. With the NBx solution, P&C insurers are readily able to adopt innovative risk profiling and predictive modeling techniques to leverage both internal and external data for better decision making."

"The strategic shift by P&C carriers towards flow business detected by this study indicates the insurance industry is in transition," said Deborah Smallwood, managing director, Insurance, TowerGroup. "TowerGroup sees this trend as quite significant in shaping the industry in the coming years, and we believe P&C insurers must be willing to invest in building the underlying flexibility into their business systems to take full advantage of this opportunity."

**About the methodology:**

The study included a questionnaire based survey across companies across the P&C industry followed up with detailed interviews with a wide array of “C level” business and IT executives (CEOs, CIOs, CUOs etc) from large/mega U.S.-based carriers– the leaders in the commercial lines industry. All interviewees had some level of responsibility for P&C Commercial Lines, including business operation, technology oversight or application development. The study was conducted during November 2005- January 2006.

**About NBx:**

New Business Excellence (NBx) is Infosys’ proprietary approach to enable P&C commercial lines carriers create a robust platform for sustained profitable growth. The solution takes a holistic view of processes and technology supporting new business and improves operational efficiency, in addition to making underwriting more consistent and effective. For more information on the NBx solution, visit: <http://www.infosys.com/industries/insurance/new-business-excellence.asp>

**About Infosys Technologies Ltd.**

Infosys (NASDAQ: INFY) defines, designs and delivers IT-enabled business solutions. These provide our clients with strategic differentiation and operational superiority, thereby increasing their competitiveness. Each solution we provide is delivered with the industry-benchmark “Infosys Predictability” that gives our clients peace of mind. With Infosys, they are assured of a transparent business partner, business-IT alignment with flexibility, world-class processes, speed of execution and the power to stretch their IT budget by leveraging the Global Delivery Model that Infosys pioneered. Infosys has more than 52,000 employees and 36 sales and marketing offices across 17 countries. For more information, visit [www.infosys.com](http://www.infosys.com).

**Safe Harbor**

Statements in connection with this release may include forward-looking statements within the meaning of US Securities laws intended to qualify for the “safe harbor” under the Private Securities Litigation Reform Act. These forward-looking statements are subject to risks and uncertainties including those described in our SEC filings available at [www.sec.gov](http://www.sec.gov) including our Annual Report on Form 20-F for the year ended March 31 2006, and actual results may differ materially from those projected by forward-looking statements. We may make additional written and oral forward-looking statements but do not undertake and disclaim any obligation to update them.