

VERABRIDGE

Connecting Insights and Actions

Growing a complex business, without complexity

A VeraBridge Insurance Platform Case Study



Executive Summary

Our client, a multinational insurer and reinsurer focused on large CAT property exposures, wanted to grow one of its lines of business: direct insurance of large property risks aimed at primary and middle exposure layers. They were held back, however, by a heavy reliance on emails, spreadsheets and word documents. These manual processes caused deals to fall through the cracks, work to be repeated multiple times, and errors to creep into the process. The company could not simply staff its way to growth; it needed a robust infrastructure.

After considering multiple options, this insurer chose the VeraBridge Insurance Platform. Their business has grown over 300% during the first year using the system, with minimal growth in staff. Responses that used to take a week can now be processed in a day or two, and the errors and re-work that plagued their old system have virtually been eliminated.

A complex business meets a manual operation

The environment in which this insurer's business unit operates is highly complex, both in the types of risks they cover and the underlying business processes necessary to compete effectively:

- Brokers send complex quote requests (often the same submission from multiple brokers) that involve TIVs in the hundreds of millions of dollars, with properties located in different parts of the world.

- Sophisticated risk modeling is common, including multiple perils, multiple layers and multiple participation scenarios.
- The unit's underwriters, modelers, and support staff are dispersed in different cities in the US and Europe.
- Customized policy forms are often needed, either the broker's or customer's.
- There is a lot of "back and forth" with the broker during quote/bind/issue.

The cost of manual processes

Quantifying the potential value of any technology is often difficult. In this case, however, the company had experienced the pain of running the business "on email with Excel and Word."

Executives estimated that a typical submission done the "old

The "old way" took about one FTE to process four submissions during a month

way" took from four to seven person days, with some simpler submissions taking less time, yet many more complex ones with multiple scenarios taking much longer. Moreover, their manual processes were fraught with errors, re-work, and even deals that "fell through the cracks" and became missed opportunities. It was clear to management that they could not scale the business if they did not adopt better, more automated processes.

Traditional solutions were found lacking

The company evaluated traditional P&C policy administration systems, but found them lacking. These systems were rigid, did not support their complicated workflow processes, did not integrate into the company’s complex risk models, and generally were not suited to a fast-paced, complex business. Moreover, the up-front investment required ran into the millions, between vendor software licenses, hardware, third party software, deployment, and internal staff costs. The ongoing maintenance and operations costs were also substantial. The insurer also evaluated developing a system internally, but they recognized that their core competency was not software development. Moreover, after totaling the expected costs and time required, the return on investment for the business simply was not there.

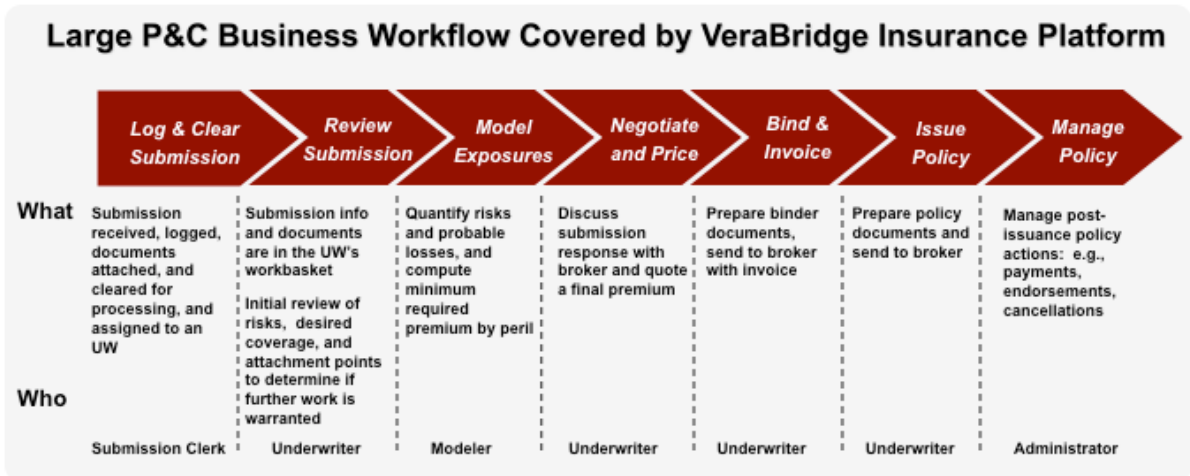
**The clear choice:
VeraBridge Insurance Platform**

The VeraBridge Insurance Platform brought a different opportunity to the company; a web-based, full-featured policy administration system with the flexibility and adaptability to accommodate a range of insurance policy types; from simple, automated, “lights-out” quote bind and issue, to the large complex policies that often require custom forms and broker negotiations. The VeraBridge Insurance Platform easily adapted to the insurer’s unique business needs, workflow, decisioning/rules, document management, and integrated with the company’s risk models.

Moreover, VeraBridge’s software-as-a-service (SaaS) business model was highly compelling. There were no upfront costs for software license, hardware, or infrastructure. The only costs to the company were for VeraBridge consultants to implement the system and configure it for their business workflow, and an ongoing monthly subscription fee based on the volume of business managed in the system.

In addition to the primary functionality of the VeraBridge Insurance Platform, a number of additional features were of particular interest to the company, including:

- “Fuzzy match” checking of submissions to identify duplicate brokers or customers at the first point in the process, and if so, the infrastructure to manage the BOR process in the application.
- Upload and attach to the submission record any document received from the broker.
- Automatic uploads to the company’s internal CAT exposure models, and automatic receipt of modeling results in a format that could be used for price strength assessment.
- Provide multiple quotes for multiple layers and participations, with online re-computing of minimum premium for different participations during broker negotiations.
- Auto-generation of policy forms, including those with dynamic content for electronic distribution.
- Broker information maintenance and contact tracking.
- Ability for users to change selection values in the user interface as new “reason codes” or “transaction codes” are needed.



- Full document management and e-mail communication from within the platform (i.e., no need to exit to save a file or send an e-mail).
- Workload balancing; i.e., underwriter can assign work by viewing the modelers' pipeline of work and due dates, and track productivity of modelers by electronic "time stamps" of jobs.

With the VeraBridge Insurance Platform, this carrier is now able to manage their end-to-end processes from a single database accessible via the Web by any authorized person in the company. Quotes and policies are delivered faster, and policies are administered more efficiently.

A business that is now scaling efficiently and effectively

With the VeraBridge Insurance Platform, the carrier processes an average of 155 submissions each month. With the old process, the insurer would have had to ramp up its team to forty people, expand its office facilities, contract additional support, etc. With VeraBridge, the entire unit is run with about a dozen

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people, including management and sales. More deals are being done, errors are few and far between, and response times are now a fraction of what they were.

About VeraBridge

VeraBridge combines advanced technology and consulting to deliver analytical solutions for insurance companies like yours; enabling you to better understand your business and the dynamics of customer and producer behavior, and supporting decisions that lead to more profit and more volume without compromising your risk objectives.

Our technology solutions take advantage of the latest application and web technologies to deliver sophisticated business functionality in less time, at lower cost, and with less risk than traditional software. Our consultants, with deep expertise in predictive modeling and econometric analysis, work with your analytical staff to make the most of the technology and uncover insights that provide a basis for better analysis and decisions.

VeraBridge is headquartered in Atlanta, with offices in Dallas and London.



For more information on VeraBridge Solutions for Insurance, please contact us at:
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