

**At the Heart of
Re-engineering
Underwriting
Systems**

**Automating Underwriting and Rating
System for a Leading Insurance Provider**

CASE STUDY

Synopsis

How do you ensure seamless upgradation and automation of the underwriting and rating system? We were able to answer this by re-engineering the underwriting/pricing model for a leading insurance provider by introducing a model that was made more sophisticated in its approach to risk selection/pricing. This model also ensured higher levels of compliance/regulatory commitment with our Pega system SmartBPM® platform.

About the Client

A leading insurance provider in Australia, the client sells products through corporate and intermediary partners. They leverage the brand value of their corporate partners to sell insurance products over the Web. The client has more than 100 years of experience with intermediary partners in selling tailored products for commercial establishments over the broker channel.

Business Challenge

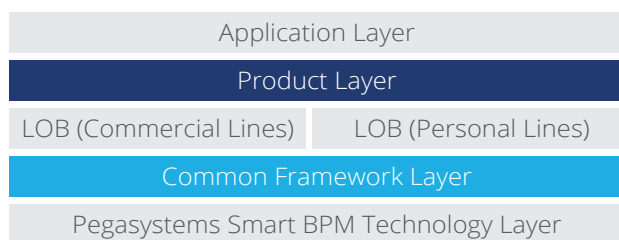
The client used excel-based underwriting raters for issuing new business quotes that posed significant operational and productivity challenges including the possibility of inconsistent and inaccurate commercial pricing. Since there were multiple raters for the same product across different states, these could possibly use different parameters to underwrite the risk. This meant that the client was potentially not working consistently. The rules were not well documented—creating difficulties in navigating multiple sheets while troubleshooting for issues. Multiple individuals had designed Excel raters in the business, which brought a high level of dependency along with significant risks of losing the intellectual capital. The current solution provided insufficient governance, auditing, and control over ratings.

Our Solution

We designed and built a Pegasystems SmartBPM® platform, which automated the rating system that captured rating criteria and calculated a technical premium that is based on sound underwriting and claims experiences. The solution provided a clear audit trail for the underwriting process, incorporating clear accountability and controls, and additionally provided access to real-time information that was consistent across all the states.

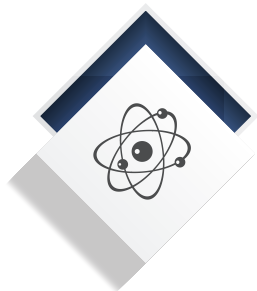
Our solution architecture included the following objectives:

- ◆ The underwriting platform facilitated disciplined underwriting and pricing through consistent and controlled use of underwriting rules/criteria
- ◆ Greater transparency over the underwriting process provided better risk assessment and compliance, enabling the client to identify competency weaknesses
- ◆ Enhanced operational efficiencies which were projected to provide costs savings sufficient to offset the cost of implementation
- ◆ Comprehensive capture of information that provided a framework for exposure rating
- ◆ Provided internally configurable rating factors



Delivering More Value

- ◆ **More Efficiency:** We delivered a workflow management reporting framework/dashboard for state managers and product managers with real-time data to manage portfolio effectively. External perils databases and historical claims data were factored into the pricing and rating mechanism to assist in determining a technical rate.
- ◆ **More Customer Satisfaction:** The information was captured and provided to the framework for exposure rating. The client was able to gain valuable insights to optimize product definitions and channel mix. The business processes were developed end-to-end from quote to fulfillment.
- ◆ **More Agility:** The new system was able to close business-related risks faster by applying rules at sales and customer touchpoints in real-time.
- ◆ **More Improvements:** The underwriting workbench improved performance of the underwriters.
- ◆ **More Clarity:** The governance/risk and compliance framework clearly defined accountability, provided a transparent audit trail, and the ability to identify capability gaps and productivity of individual underwriters.



The Incessant Technologies Advantage

Our in-depth technology and domain knowledge, and our expertise in architecting, building, and maintaining the client's mission-critical business applications enabled them to accurately record the information at the front-end—providing them with accumulated data required to measure their exposure. This in turn formed the basis of rating criteria assisting our client achieve a technical premium based on sound underwriting and claims experience.

For more information, write to contact@incessanttechnologies.com

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