

Policy Administration Software to Accelerate Success



Policy administration software is the backbone of insurance carrier operations. It handles all core aspects of the policy lifecycle: new business, underwriting, endorsements, renewals, cancellations, rewrites, reinstatements, and more. This technology is so essential to keeping business running that carriers invested heavily in proprietary systems customized for their own workflows and data.

But the world has radically changed since those systems were built. Advancements in technology, ever-changing business conditions, and emerging insurance needs are all but impossible to navigate with inflexible legacy software. Aging, on-premises solutions that cannot support today's demands will inhibit your ability to remain competitive – and erode your profitability.

Modern policy administration software provides a centralized, adaptable, and secure platform to streamline operations, improve accuracy, eliminate knowledge gaps, and launch products faster. You can efficiently handle large, complex policies, comply with changing requirements, and provide a seamless customer experience. And you'll never again put your business at the mercy of IT.

Changing your platform, however, is no small endeavor. There is no downtime in the insurance industry for systems to go offline for upgrades and maintenance. Indeed, that fact has held many carriers back from replacing – or even updating – their aging systems.

But at what cost? Consider how much business you are losing because you can't launch a new line quickly enough. How many customers turn to others when they can't get the information they need in time? And the pressure is growing.

This ebook will explain what the industry is facing and how new policy administration software can help you price risk better, reduce underwriting expenses, and improve the broker/risk manager experience so you can determine if a change is worth it.



TABLE OF CONTENTS

Market Forces of Change	<u>03</u>
Advantages of Modern Policy Administration Software	<u>04</u>
What to Look for in New Policy Administration Software	<u>06</u>
The Power to Take on Tomorrow's Insurance Challenges	<u>07</u>



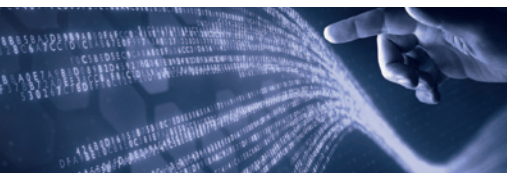
MARKET FORCES OF CHANGE

The insurance industry is highly competitive with razor-thin margins. Even small changes to efficiency and accuracy can make a big difference to the bottom line. The key to increasing revenue and market share is speed – that is, your ability to respond rapidly to customer demands, changing market conditions, and new opportunities.

Here are the market pressures your policy administration software is up against.



Scarce IT resources. Many legacy policy administration systems rely on IT to launch new products, update rating tables, respond to regulations edicts, or simply update a user interface. IT professionals, however, are balancing many competing priorities and may not get to these updates for weeks or even months. And any delay is costly. If you are forced to wait for IT to hard code changes to launch a new line of business, for instance, that business will probably be long gone before the update happens.



An avalanche of data. The insurance business is built on analyzing policy and claims data to evaluate risk, reduce leakage, and price coverage. If you don't have the appropriate tools to efficiently and accurately analyze a growing volume and variety of data – from both internal and external sources – you're leaving critical intelligence on the table. That's a significant disadvantage in a business where profitability turns on accurate pricing.



Technology advancements. Upgrading an on-premises solution with new features and functions is painful – so painful, in fact, that many updates get habitually pushed off. And the longer the upgrades are deferred, the more expensive, complex, and time-consuming they become. At some point, simply maintaining the system is no longer viable.



Security threats. Cybercriminals are ready to exploit any security weakness with ever-cleverer attacks aimed at taking down your systems, stealing your data, and generally wreaking havoc on the business. Legacy systems with their rigid structure and infrequent security updates are easy targets.



Rising customer expectations. A one-size-fits-all approach to servicing customers isn't going to cut it in today's world where brokers and risk managers expect instant answers and a personalized experience. Customers simply have no patience for communication roadblocks or operational inefficiencies that slow processing times and increase costs.

ADVANTAGES OF MODERN POLICY ADMINISTRATION SOFTWARE

In insurance, there is no such thing as a bad risk, just an underpriced risk. Being more accurate – and faster – takes real-time access to high-quality, consistent data. And the more data that can feed into the analysis, the better.

Cloud-based, SaaS policy administration software has the agility and architecture to help you adapt to changing conditions, streamline operations, and make decisions based on data instead of hunches. You can:

Price risk accurately. Accurately assessing the risk comes down to having the right data to calculate the premium. Modern policy administration software embeds data management, analytics, AI, and geospatial data into the insurance process. APIs also can automatically bring in weather data, SIC classification data, and other third-party information to further refine your analysis.

Cut the red tape. While price is always important, speed can be the deciding factor when an insurance broker is shopping multiple carriers for quotes. Brokers pressed for time often present the quickest quotes to their clients, rather than the best coverage or lowest price. Modern policy administration software provides an omnichannel experience to give brokers a unified policy submissions process and the ability to interact in real-time with an underwriter to ensure the quickest quote is also the best.

Get more from your data. The insurance industry runs on data – yet as much as 80% is in an unstructured format (e.g., emails, underwriter notes, research), which is notoriously difficult to analyze. Modern policy administration software includes embedded intelligence that can instantly unlock the value of unstructured text and other previously untapped data sources. AI, machine learning, and natural language processing can also be trained to recognize patterns and identify anomalies for further investigation.



Minimize premium leakage. Extracting information from policy schedules and loss runs is the basis of underwriting. Modern policy administration software streamlines and automates the underwriting process with technology like OCR and AI to efficiently pull information from ACORD forms, policy schedules, and loss-run reports, along with other PDFs and spreadsheets. Not only does this save time, eliminate duplication efforts, and reduce error rates, but it can minimize premium leakage.

Pivot quickly to changing market conditions. The weeks or months it takes IT to update rating tables or simply amend a user interface can drive away business as customers find others to fill their needs. Modern policy administration software offers low-code/no-code product configuration using prebuilt templates and simplified building tools that are easy for anyone to use. You can quickly respond to market trends and launch new products, such as cyber insurance, helping you stay ahead of your competitors and increase premium revenue.

Lower operating costs. Why devote human time to something that can be performed more effectively by technology? Modern policy administration software allows you to easily configure business rules to identify policies and new business that meet defined underwriting criteria for straight-through processing, allowing human underwriters to focus on more complex submissions.



WHAT TO LOOK FOR IN MODERN POLICY ADMINISTRATION SOFTWARE

Efficient policy administration is essential in today's fast-moving marketplace, where the customer experience is front and center. The right policy administration software can be a real competitive differentiator. Here are six things to look for as you evaluate your options.

- 01 A cloud-based, SaaS solution.** Look for a flexible solution that allows you to accelerate the adoption of new technology, data sources, and products without interrupting or impacting your core business operations. Machine learning or geospatial support, for instance, can be integrated into actuarial pricing to help underwriters better assess the risks of a property. Because system updates are automatic, you'll always have the latest functionality and the most advanced security.
- 02 Low-code/no-code product configuration.** Look for software that uses prebuilt templates and visual building tools instead of programming languages. An easy-to-use interface enables subject matter experts, business analysts, and other non-IT professionals to update the system themselves as conditions evolve.
- 03 Intelligent decision support.** Look for software that offers OCR, machine learning, predictive analytics, and AI to help you do far more than you could do on your own. These tools can ingest huge amounts of data from a variety of sources, identify patterns and anomalies, pull out critical data like policy number, accelerate decision-making, and eliminate guesswork. The analysis can then be integrated into the workflow. AI models, for instance, can score the risk and provide contextual guidance for underwriters. Geospatial tools can be used for catastrophe modeling or to assess the impact, say, on coastal properties with rising sea levels.
- 04 APIs and third-party integrations.** Look for software that can seamlessly flow information into your underwriting analysis to better assess the risk and reduce premium leakage. Claims management, billing, content management, agency management, premium audits, and even fraud detection can be seamlessly integrated to eliminate manual labor. Commercial property data, internet of things data, weather data, and other outside data sources can also prepopulate underwriting submissions, validate data for better risk selection, enhance pricing, and feed data-hungry algorithms for increasingly targeted results.
- 05 Customer portal.** Look for software that provides a seamless digital experience across the entire insurance lifecycle, from underwriting submission and endorsements to policy renewals. Customer portals provide a secure, self-service way for agents and brokers to upload submission forms, loss-run reports, and other policy transactions, which reduces the workload on underwriters and speeds up response time.
- 06 Sophisticated reporting.** Look for software that offers advanced reporting and analytics so users can fully explore data beyond what's offered by traditional reporting like earned premium by state or broker, loss ratio by coverage, and renewal status. Data visualization tools can slice and dice real-time data to find hidden insights to fuel better, faster business decisions. These tools can, for instance, identify correlations between loss severity for class code payroll by state/region, agent, or agency not easily visible to human eyes.

THE POWER TO TAKE ON TOMORROW'S INSURANCE CHALLENGES

Legacy policy administration technology may have served you well in the past. But what is it costing you now?

Manual data processing and analysis cost time and accuracy. Infrequent or nonexistent system updates slow the process while opening the door to cybercriminals. Lack of transparency and incomplete data mean decisions are based more on gut instinct than rational analysis.

And the pressure is relentless. The market will continue to demand new products. Security weak points will get easier to exploit. Customer expectations will continue to rise. Holding on to outdated systems amid these conditions will keep backing you into a corner until there is no escape.

Modern policy administration software is flexible, adaptable, and customizable. It streamlines operations, reduces costs, and increases premium revenue. You'll have the agility to pursue new business, the speed to delight customers, and the intelligence to make solid decisions on risk and pricing based on data you can trust.

Change is never easy. At some point, however, the business cost of an outdated system dwarfs the cost of an upgrade. What could modern policy administration software do for your business?



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