genpact
Transformation
Happens Here

Insurers' new imperative: transforming the role of the underwriter

Automate risk selection to turbocharge underwriting effectiveness

Insurance has always relied on the skillful work of underwriters to set the ground rules for the industry. These experienced decision makers and interpreters of risk have played a critical part in both pricing and policy structuring. Yet in recent years, some have found that their role has been compromised. The reason: having to work with legacy systems and workflows and spending too much time on menial tasks such as data entry that add little value to the business.

The failing legacy scenario

Underwriters - especially commercial lines underwriters - have always been time pushed. Some estimates suggest they spend 50% of their time on non-core activities. In the highly competitive insurance industry, that's unacceptable. All stakeholders - brokers, agents, and the insured - now expect almost instant turnaround on their quotes. A speedy response is paramount in an era when customer and user satisfaction separates industry winners and losers.

In a legacy environment, underwriters must prioritize new business manually, often influenced by factors other than business strategy. What's more, it can take hours to review, extract, and prepare quote submission documents. And when submissions are incomplete, it's back to square one. As a result, underwriters don't quote on about 40% of submissions, either altogether or through missed deadlines. When they do quote, it can often be on unprofitable business. Not only does that cause revenue leakage, there's an opportunity cost as well.

Carriers are feeling the pain of these inefficient legacy systems in more general terms as well. For example, they know that quality data is crucial to their success. Yet some studies suggest that nearly 70% of them have no way of mining insights from the ever-growing volume of intelligence now being produced. And despite new tools to counter insurance fraud, some carriers are still losing as much as 10% of their revenue to it.

All of these factors, which produce higher operating costs and expenses, are putting pressure on the bottom line - and stalling top-line growth, too.

Clearly, relying on legacy systems is unsustainable for insurers and underwriters looking to meet rising agent, business owner, and consumer expectations. Leaders in the field recognize that when new technologies release underwriters from rote tasks, these professionals can apply their expertise where it counts - in serving the customer. They can return their attention to risk assessments and decision-making - skills that have always set them apart. And they can also find new ways to ensure that every account and every risk is handled appropriately for every customer.

The Decision Optimizer advantage

The good news: new technologies are enhancing and even redefining the role of the underwriter. Genpact's Decision Optimizer automates risk selection - streamlining submission and renewal management based on a carrier's risk appetite. Built on the Genpact Cora platform, Decision Optimizer combines artificial intelligence, data science, machine learning, robotic process automation, natural language processing, mobility, dynamic workflows, and cloud functionality. Decision Optimizer:

- Digitally receives, reviews, triages, and ranks submissions in real time. It reports on how many submissions were quoted and how many were won. In all these ways, it increases conversion rates to win new business

- Contains predictive models that apply machine learning to forecast profits based on likely renewals. The models also use historical data to assess bind for profitability and link to an actuarial database for real-time pricing insights. A built-in quote simulator ensures accurate pricing

- Handles more than rote chores. Just as underwriters balance their risk selection with their carriers' portfolio strategies, policyholders want a carrier that meets their policy and customer service needs at a price they're willing to pay. By using machine learning to find patterns of behaviors, and by applying analytics and artificial intelligence, Decision Optimizer can recommend the best matches on both sides of the equation, lowering the time it takes to find that match

It also offers:

- **Best-in-class modeling algorithms** that mine text from both structured and unstructured documents

- **A workflow system** that integrates with existing systems or stands alone

- **Flexible engagement systems** that deploy globally in an effective, cost-efficient way and apply analytics skills to tightly align the process to business outcomes

- **A renewal consolidation** feature that pulls data from many sources, including policies, claims, financials, brokers, and external intelligence

- **An integrated analytics workbench** that has interactive reporting, one-click decision support, and targeted pricing

Decision Optimizer transforms operations, improves underwriting outcomes, drives growth, and boosts the customer experience. Because it takes on the repetitive work, underwriters can focus on value-added work, such as key accounts with the highest growth potential, and put their expertise to work.

Genpact has your back

Genpact has developed Decision Optimizer using our expertise in the insurance industry. With more than 20 years' experience running insurance operations, we understand our clients' priorities. We know the focus is on customer acquisition, healthy combined ratios, risk management, and pricing. So we focus on these factors, and the drivers behind them, to improve and sustain core metrics. Our services for insurers include:

- Consulting services across the insurance value chain

- Setting up global business services operations

- Designing frameworks to help underwriting teams adapt to transformation

- Benchmarking to ensure best practices

- Creating personas and journey mapping to boost the customer experience

- Managed services to support underwriters in areas such as new business, endorsements, policy changes, and exception handling

Our underwriting solutions cut through the complexity of emerging risks. We use advanced analytics and AI to speed up submissions, risk selection, and underwriting so insurers can write more profitable business that captures market share. And keeps customers happy.

About Genpact

Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes primarily for Global Fortune 500 companies. We think with design, dream in digital, and solve problems with data and analytics. Combining our expertise in end-to-end operations and our AI-based platform, Genpact Cora, we focus on the details – all 87,000+ of us. From New York to New Delhi and more than 25 countries in between, we connect every dot, reimagine every process, and reinvent companies' ways of working. We know that reimagining each step from start to finish creates better business outcomes. Whatever it is, we'll be there with you – accelerating digital transformation to create bold, lasting results – because transformation happens here.

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