



GENERATING **INSURANCE** IMPACT

Shifting underwriting triage to the “left” to improve customer focus



In the commercial Property & Casualty (P&C) insurance industry, the underwriter can be perceived as a gatekeeper, rather than a customer-centric relationship leader working with brokers for the mutual benefit of the insured. Given the power of brokers in today’s consolidated marketplace, broker-savvy underwriters have done exceedingly well. This paper informs the reader on how the practices of these elite underwriters can be instilled at all levels of the underwriting organization using a combination of analytics, process and technology.

Engaging your customer early and often - using their preferred channel of communication

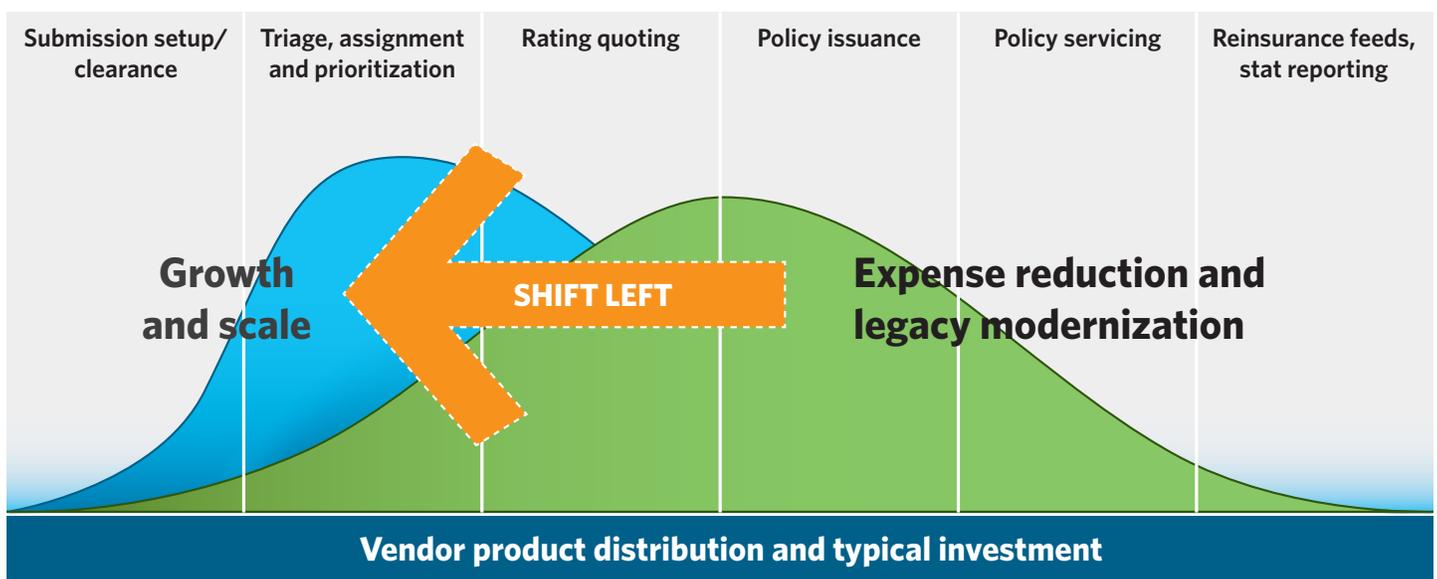
Improving **underwriter service levels** and **customer centricity** are becoming priorities for insurers as they evolve with the rest of the financial services industry. For instance, in the banking sector one can bank in a variety of ways: over the phone, through mobile devices, with ATMs, and at physical branches. Multichannel environments have become essential for customer satisfaction and are changing expectations in the insurance industry as well. For commercial carriers, success will come when customer intake channels are based on customer, as opposed to carrier, preferences. The key to meeting customer expectations today lies in the ability of an insurance carrier to engage the customer through **different devices**, to offer **consistent experiences**, and to ensure **timely responses**. Most carriers are finding that they are behind the curve.

The concept of **shifting the focus on customer satisfaction to the left**, or earlier in the customer interaction, is increasingly critical for meeting customer expectations. The brokers who dominate the commercial line distribution landscape prefer to work with carriers that enable better productivity from the producers employed by that

broker. **Business is clearly won or lost** based on the turnaround time and ease of working with these carriers and as a result, carriers that provide flexibility and convenience stand to gain in the long run. However, it is difficult to scale underwriting operations to deliver more timely and complete responses with additional staff, and skilled underwriters are a scarce commodity.

In addition to turn around time, it is critical to have differentiated processes for certain risk classes which the carrier may want to write. **Such flexibility is absent from current underwriting work streams**. This is because the processes are aligned with the resources that are assigned to the tasks at hand and such key personnel become bottlenecks to growth.

The ability of insurers to leverage their underwriting data through **analytics-based triage** is essential as it allows decisions to be taken much closer to the customer interaction point, and is crucial to scaling a carrier's response to the market. This approach spares the underwriters from filtering high-value submissions and spending time on routine decisions. They should also be enabled with risk-appetite visualization and a prioritized work queue to improve focus on higher value activities. This scales the underwriting workforce while **improving the per-underwriter premium yield** through a rigorous focus on high-quality, high-value



submissions. Since turnaround time and response completeness improves as a result, customer satisfaction improves and positively impacts the long-term growth and sustainability of a carrier. The additional time available to the underwriters allows them to focus on critical broker relationships, which are major factors in competing in the commercial lines space.

A more customer-centric approach

The **shift left approach** operates on the expectation that even though the initial submission received is just a sliver of the complete application data, there are meaningful insights that can be derived to streamline operations. In commercial lines for example, the prediction of bind probability for the submission, using this thin slice of data, can lead to a **significant increase in underwriter productivity** by refocusing their efforts on the best submissions. This also allows the carriers to improve their customer satisfaction levels without compromising their underwriting guidelines.

The **shift left** approach also maintains an advantage over alternatives such as, extending the policy administration system to the point of customer decision, providing agent or customer portals, or installing underwriting workbenches, because it takes advantage of the **institutional data** available within the carrier itself. This provides the underwriters with enhanced, real-time guidance that takes into account changes in market conditions and projects the current submission within (or outside) the optimal **strike zone** of the carrier. This approach can be layered on top of existing technology infrastructure while also leveraging the investments in customer engagement made by the carrier.

Since the shift left approach with a **strike zone** view serves as a barometer of market receptivity, it improves the ability of the underwriter to reflect the right message to the broker and work with them to close on the most desirable cases. The

solution helps carriers detect changes in market conditions through leading indicators. Enhancement such as analytics-based monitoring and mobility solutions also enable underwriters the flexibility of responding to the right brokers at the right time. This ability to single mindedly focus on the best business manifests itself in a more customer aware, broker savvy underwriter who can **influence the business** that comes their way and **learn from the business** that they do not write. The added visibility that comes with this approach also enables the carrier to align their underwriting efforts to their desired risk profile. This in turn also helps brokers to get a better sense of a carrier's particular market appetite, and helps them direct more profitable business in the future.

Implementing a change

In order to move toward a **shift left** approach, underwriting teams have to be ready to accept the new paradigm of customer centricity with a relentless focus on high value submissions. While the underwriters are typically glad to avoid the triaging process, it does impose upon them the necessity to recognize the carrier's optimal book of business.

Change becomes easier by implementing mechanisms where underwriters can **quickly realize the positive gains in average premium yield** that are inherent with such an approach. They save time on the submission triaging activity and allow the extended underwriting team, including raters, underwriting assistants and external service providers, to focus on the best business, which improves turnaround time for the brokers. This in turns helps underwriters build strong relationships with brokers eager for more efficient carrier interactions. Underwriters also benefit by having **mobile applications** to look up their assigned submissions real time. This is invaluable when a broker calls in and requests information on current submissions. The combination of these activities delivers **sustainable transformation for the carrier** and leads to a truly **differentiated customer interaction** in the market place.

While transforming the underwriting function to become more customer-centric is not a trivial matter, the benefits of doing so are clear. By shifting the critical risk selection decision point to the left, using the **triage** and **strike zone** approaches,

insurers can improve customer service, create faster turnaround times, and effectively scale their underwriting departments to handle larger volumes of business while also improving the quality of their underwriting business.

About Genpact

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