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**NEW RESEARCH SHOWS MID-TIER CARRIERS LOOKING FOR AN  
END-TO-END UNDERWRITING SOLUTION;  
BUT FEEL TECHNOLOGY GAP EXISTS**

**Carriers Want Robust Open Systems Tools and Capability,  
With Rich Insurance Specific Content**

*Las Vegas, NV – May 23, 2006* – A gap exists today between what mid-tier carriers want in terms of underwriting capability and the technology available to deliver it to them. According to findings of the second annual property and casualty report commissioned by Riskclick and released today by TowerGroup at the ACORD LOMA Insurance Systems Forum, what is emerging is a new end-to-end space that covers much bigger pieces of the underwriting process, from submission to policy issuance. As one industry CIO put it, “if someone gets this figured out, it will be a gold mine for them.”

“We commissioned this annual study with TowerGroup as part of Riskclick’s ongoing commitment to help carriers better understand the state of the market and identify technologies and business practices that can bring tangible results,” said Riskclick COO Adam Sandler. “Working and meeting with insurance carriers as part of our everyday activity, we see the insurance industry’s growing demand for consistent, profitable underwriting. This year, our study examined the level of satisfaction by carriers with the solutions currently offered in the market or built in-house, as well as an understanding for what they really want.”

Based on the interviews conducted with mid-tier companies, the top IT and C-level executives questioned are looking for a solution that utilizes powerful open systems easy-to-use toolkits, front end underwriting capabilities, and most importantly, embedded and robust insurance industry content. “They are looking for specific solutions from vendors whose architecture addresses the end-to-end (horizontal) underwriting process,” Sandler added.

“Mid-tier carriers are driven to invest in underwriting process improvements to stay competitive with large carriers to avoid loss of future business,” said Deborah Smallwood, Managing Director,

TowerGroup Insurance Practice. “They know they must improve the underwriter’s ability to make the best decision possible for all transaction business, which are by nature case-by-case exceptions to the normal flow of underwriting. The desired solution would be the implementation of an Underwriting Workstation that gives underwriters easy access in a single user interface to all of the data and information they need to make the underwriting decision quickly, consistently and accurately.”

“A new generation of systems is required to address the end-to-end market need,” said Mark Gorman, Strategic Advisor, Insurance at TowerGroup, who co-authored this research with Deb Smallwood. “The essentials are component-based open systems with enough insurance industry content so that they can be efficiently interfaced with existing applications ... providing the required incremental capabilities and improvements.”

The benefits of newer technologies that integrate horizontally are:

- Improved upload/download processes for agent interfaces, using ACORD standards...
  - Automating the validation of data at point of entry for accuracy and completeness.
  - Immediately applying red flags that define risks the carrier will not write, prior to submission.
  - Automating the request for additional information prior to final submission.
  - Allowing for version control and maintenance of quotes.
  - Automating population of electronic application fields prior to final submission to reduce duplicate data entry.
- Business Transaction Workflow Engines to automate the handling of new business, policy change, out-of-sequence endorsement, cancel/re-writes and renewal transactions.
  - The goal is to automate pass-through, and where needed, route work to underwriters, or underwriting assistants. Most important are the capabilities of these solutions to identify and automatically manage transactions where there is an interruption in the processing, while the system waits for more information, for example an underwriting decision.
  - Secondly the ability to route referrals to different groups of underwriters or supervisors based on their decision making authority or expertise.
  - The desire is for pre-configured content by line of business, in order to streamline the integration effort and decrease resource and transfer costs.
- User Interface Workflow Engines trigger the presentation of information to an underwriter only as the information is required—bypassing non-essential information.
  - These engines automatically provide information in a unified presentation to the underwriter—without having the underwriter access other systems.
  - They also manage the role and responsibility levels of the underwriters, underwriter decision authority and override authority.
  - The goal is to provide pre-configured, pre-loaded information based on industry standards and policy forms, in order to streamline integration and reduce cost.

- Robust Rules Engines embedded within BPM applications—including central repository of rules, multiple rules metaphors, pre-configured rule wizards and templates, and user-based access to rule configuration capabilities. The desire is for the solution to contain line of business content, if not industry standard policy and product content.
- Companies are able to increase their capacity by handling more business with fewer underwriters and raters. Agent and policyholder satisfaction is higher due to the faster and more accurate processing of applications. This results in carriers receiving a higher volume of workable quotes.

According to the TowerGroup research, it appears the technology vendors themselves hold the key to whether carriers will aggressively invest in newly-architected solutions or not. There is clearly pent-up demand from the mid-tier carriers for new pre-built solutions. The smaller mid-tier carriers are dependent upon them. The upper mid-tier carriers would likely opt for them, rather than build new, if they existed.

Insurance industry solution vendors like Riskclick will move to support seamless end-to-end underwriting processes in an open environment by combining extensive insurance industry content with robust functional capability. Some specialized vendors will offer components with industry-specific content in a Web Services environment that allows easy integration, regardless of the underlying systems architecture.

### **About Riskclick**

Riskclick, founded by senior insurance executives in 2000, provides products for P&C insurers to improve their key underwriting performance and growth metrics; and a product for insurance brokers that provides a front office suite and cutting-edge service. Headquartered in New York, Riskclick focuses exclusively on P&C insurance solutions. For additional information, visit the company Web site at [www.riskclick.com](http://www.riskclick.com).

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