

A hand is shown in the lower right portion of the image, pointing towards a white icon of a document with horizontal lines. The background is a blurred image of a person in a suit, and there are several glowing blue circles scattered around the hand and document icon. The overall image has a professional, tech-oriented aesthetic with blue and orange accents.

Streamlining Policy Issuance

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Introduction

Policy Issuance is a critical performance indicator for Managed General Agents, Program Administrators and Insurers. A well-structured issuance process improves the experience of the insured and ensures better relationship between carriers and brokers.

Our client, a leading MGA operated out of multiple locations and most of their standard auto policies were underwritten by Lloyds Syndicates. They leveraged Exdion to help streamline and standardize the policy issuance process, improve the underwriting process, enable better data collection and produce cleaner policies. They needed a solution to better manage the myriad of policies, procedures and carrier specific instructions.

The pre-renewal process, though a simple fix, brought in so much of change in terms of underwriting improvement and policy quality”

– VP Policy Issuance Operations, Client Organization.

Critical Issues

- Keeping up with the intense workflows of renewing and issuing policies
- Almost no standards in data collection and processing – poor document presentation
- Inconsistent branding practices – no stickiness with clients
- Poor quality of issued policies impacting policy holder experience and relationship

Results

- Pre-renewal preparatory phase introduced at 70 days prior
- Synchronized and improved process flows to ensure high policy quality – 98.5%
- More than \$250,000 in annual savings in the first year alone

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About The Client

The Client is one among the Top 50 Insurance Agencies as listed by Insurance Journal 2016.

They are a 500 employee agency with operations in multiple cities across the contiguous and territorial US. Operating both in the retail segment and as a program administrator for some of their markets, their personal lines units hold more than 60% market share in the standard auto business in one of their territories.

They operate 3 branches in the region and as 2 of them were acquired agencies, there were significant variations in process flow.

Knowledge management was a major challenge with each CSR following a different practice. As an example, while in general, a complete policy is required to be issued on renewal with the same carrier once in 3-4 years. There was no process in place to address this compliance requirement – in some cases a complete policy was issued at every renewal and in some cases, not being issued even after 6 years of renewal.

Quick Facts



Client:
East Coast Based Leading Agency



Employees: Over 500



Locations:
14 across the US

They had no measures in place to track policy quality or productivity of staff. Documents were highly unstructured and just could not be located if the policy had to be issued by a new CSR.

The underwriting process was reactive and sometimes vehicle valuations were reduced to accommodate the needs of a customer seeking a lower premium or unspecified discounts were offered to retain business. Such processes posed a major non-compliance risk on the organization as well as made accounts un-profitable due to decreased premiums.

Stream-lined Policy Issuance – “Pre-renewal”

Once Exdion’s process consultants studied the current process and methodology, they narrowed down on data quality as one of the major causes of the current inconsistencies. The poor quality of data was traced to poor processes that did not mandate data collection from the proposer.

- > Stream-lined Policy Issuance – “Pre-renewal”
- > Improved Policy Underwriting

As policies were being renewed, it was important to have this situation fixed. Exdion proposed a “Pre-renewal” process that advanced the renewal initiation to 70 days prior as against the current 60 days prior practice.

Within the first year of the Exdion relationship, the organization is expected to save USD 250,000 in operational expenses alone. The guaranteed policy quality of 98.5% within a 48 hour turn-around is bound to increase customer satisfaction and offer meaningful business value.

Exdion introduced a simple Pre-renewal process – The renewal initiation process began 10 days prior– a thorough check on the policy submission package was done and data validated. Incorrect or pending information was immediately tasked to the CSR’s/producers with a reminder workflow in place to complete before the 60th day prior.

While mandatory information is a must, certain other data elements are left in a “response awaited” state indicating that the data needs to come in as soon as possible.

A standard file naming system was put in place to eliminate the dependency on individual processors. Vehicle valuations were cross checked with available online sources before they were input to the rating engines.

A thorough comparison of current vs. prior term information is completed to check for variations in premium and other factors. Any change is traced to its cause and documented in detail. For example, a premium increase warranted by a loss ratio revision by the carrier is clearly documented as notes enabling the customer service team to handle customer queries better.

The infographic is a vertical blue and yellow graphic. It features three distinct sections. The top section is blue with a yellow ribbon icon containing '98.5%' and the text 'Improved Quality guaranteed'. The middle section is blue with a yellow hourglass icon and the text 'Improved Turn Around Time 48 hours'. The bottom section is yellow with a blue piggy bank icon containing dollar signs and the text 'Cost savings USD 250,000'.

Improved Policy Underwriting

Exdion’s process consultants and solutions brought in a very positive change to the way policies were renewed and issued.

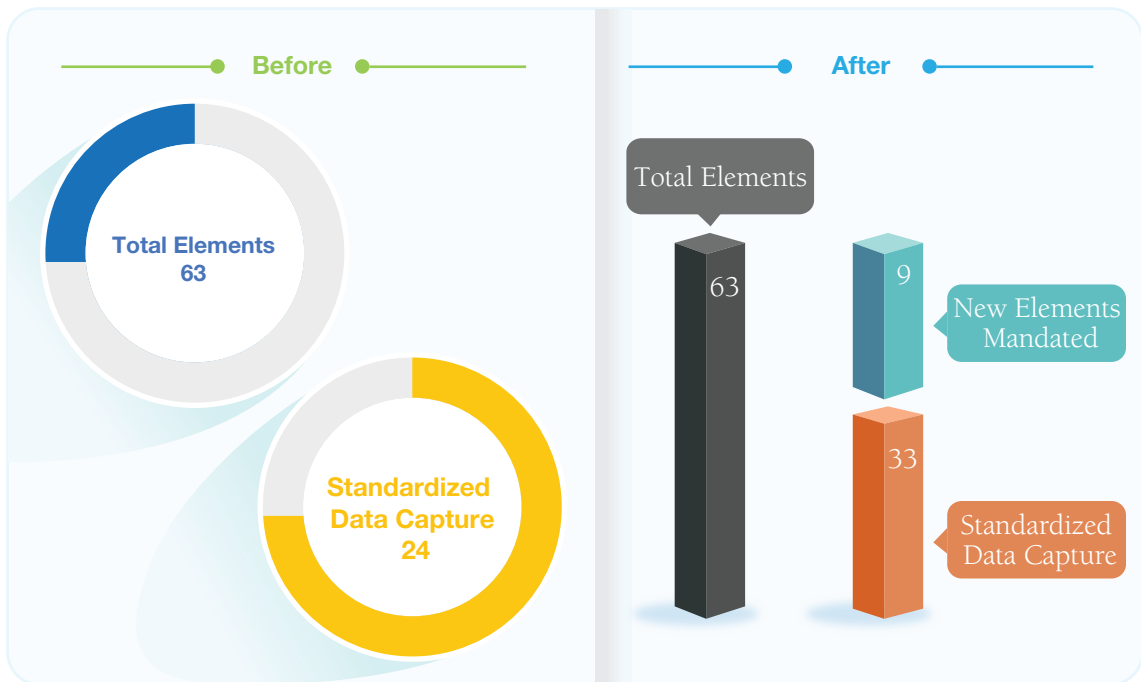
The pre-screening process helped in early determination of insurability of risk. With data being clearly available it helped underwriting teams relook at profitability. They were able to choose the right risks and significantly improve profitability. It also improved their

> Improved Policy Underwriting

appetite as they now had a robust quoting process that incorporated the latest information from both carriers and proposers.

Exdion was able to make significant changes to the data capture process and effectively manage this change for the client. As an example, out of a total of 63 data elements that were required to be collected as part of the submission package, 24 elements were not accurately captured or not a part of standard operating procedure. 9 elements were completely ignored. Exdion introduced the 9 new fields and standardized the rest, many of which were very relevant and failure to capture could have led to serious compliance issues.

Few Examples: Drivers above the age of 70 were required to produce a physician statement – this wasn't followed across all branches. Driver Age was a newly introduced field. Verifying the insured value of a vehicle through the NADA Used Car Guide was mandated across all branches. The earlier process was to consider the same value as in the previous year and offer a 10% discount on premium. Another example was where drivers with more than 1 vehicle weren't identified as multi-car policies, which again was made a mandatory element.



With an improved policy issuance process, the client also was able to benefit with a cost savings of USD 250,000 in payroll costs alone.

Productivity and Quality measures were implemented. Staff across all branches were measured on the same metric and trained to issue policies basis one standard operating procedure. Exdion's Knowledge Cloud had the SOP's hosted on the cloud with real time access to both the client and Exdion. This helped keep the SOP Live on carrier specifics –



loss ratio revisions, accident forgiveness benefits, young driver clauses etc. Exdion helped the organization build in “Professional Standards” into every activity. Exdion’s Business Excellence experts leveraged process automation and existing capabilities within the clients’ systems (Vertafore Solutions’ AMS 360 and Image Right Content Management Suite) in creating standard proposals and policies with unique client branding.

We are excited at the progress we have seen with just 2 of our branches and we are excited to roll this out to 6 other branches in the next 3 months. We also plan to expand our relationship into policy review and certificates for our retail divisions

– COO, Client Organization

About EXDION

Exdion comes with over 15 years of Property and Casualty Insurance expertise.

Exdion services clients ranging from Fortune 500 to small and medium sized carriers and brokers. Exdion is ISO 9001 certified for Quality and ISO 27001 and HIPAA certified for information security.

The company thrives on Business Excellence and leverages models such as Kaizen and Six Sigma along with technology enablers, to continually enhance value to customers. Exdion lays great emphasis on Accountability, Integrity, Innovation, Transparency and most importantly Customer Focus. Exdion continually strives to deliver transformational excellence through technology-centric process optimization and continual knowledge enhancement. Exdion is also closely associated with “The Institutes” and 1 in 8 of its staff today are certified in various US and UK Insurance programs.

Exdion’s solutions include Transformation Consulting, Business Process Management, Analytics and Policy Lifecycle Maturity frameworks that leverage CLOUD FIRST technologies.

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