



Powering the Modern Insurance Lifecycle



As the excess and surplus (E&S) lines market continues to grow, the work and responsibility for pricing and placing quality business is felt across the entire insurance value chain. Much of that work is getting pushed down to distribution partners, including MGA's, retail brokers and those who manage business in a delegated authority model.

For those distribution partners, as submission volumes increase not only does the work increase, but the old methods of managing risk appetite and underwriting requirements across multiple capacity providers have become almost unmanageable. Gone are the days where one person could be the knowledge center and ensure that the correct business was being placed with the correct capacity provider.

But many organizations are still managing these business-critical tasks using paper, handwritten notes, and the memory of a few key individuals – which is not a scalable solution. The old ways of managing the business just don't work anymore, and risk leaving their carrier feeling uncomfortable.

In addition to the work managing risk appetite, underwriting rules and risk selection criteria, these distribution partners need to keep track of the ever-changing rules, rates, and risk appetite requirements of the multiple capacity providers they deal with which is no small feat.

While some distribution partners have invested in advanced technology solutions, many are still relying on manual processes and outdated, legacy technology which can often be error-prone, leaving opportunity for mistakes related to critical business information.

Besides the work, there is also significant expense associated with those activities and the processing of that business. While insurers do reimburse their partners for some of that work, it doesn't necessarily cover all their expenses or compensate them for the responsibility they are taking on.

Now think about all these concerns together. It's a lot for your distribution partners to take on. Are you using the tools that will set your distribution partners up for success?



What About Producers

Let's also think about these processes from the producer perspective. Producers are responsible for finding quality risks, matching them to an appropriate insurer, and ensuring that the insurer's risk appetite aligns to a particular account.

Then they analyze and price the risk, negotiate the risk with their client and the underwriter, and finally process the transaction delivering the policy and binding document to the client. But the work is not done.

All that data then must be transmitted to their insurer partner. But some of those trading partners are still using excel or more antiquated methods of transacting business. That puts additional effort and cost on to the back of the MGA.



Modernizing the Distribution Process with Zywave

It's time for insurers and their partners to step into the future, and work to modernize the distribution process. That begins with digital platforms which can help extend their reach into the marketplace and automate the first steps in the submission ingestion process.

Here are the tools from Zywave that both insurers and their distribution partners need to know about:

MGA Hub

Thanks to powerful APIs, insurers and their distribution partners can transfer client data back and forth through the MGA Hub. This eliminates entering the data multiple times in the submission lifecycle both for quoting and policy submission, saving time and reducing expensive data errors.

For insurers with a more modern rating engine, capable of handling API integration, the MGA Hub becomes the facilitation layer transmitting the data via API, to the rating engine, replying back with the pricing indications with bindable quotes on the horizon.

ClarionDoor

For insurers working with legacy rating tools, MGA Hub can be paired with the ClarionDoor rating engine. This combination allows for greater penetration into the market and provides a rating engine that boasts flexible APIs, and modern agility, allowing insurers to deploy new products effortlessly and make changes to existing products quickly so you never miss a market cycle.

The ClarionDoor rating engine also allows insurers to extend the life of old Policy Administration System (PAS) and allows their partners to extend the life of their AMS systems, thus helping avoid a complete system upgrade, which is often costly and more disruptive to the business.

Cyber Quoting

The newest of Zywave's comparative rating solutions, Cyber Quoting brings together global cyber insurers and U.S. distributors, connecting them through a simplified, transparent data collection process. In-app quoting and bindable quotes help streamline the complex cyber insurance process for both insurers and distributors.

Carrier-direct pricing provided via API allows insurers to accurately present quotes faster and distributors to provide more personalized services and options to their clients. It also streamlines the tedious, time-consuming data collection process with a straightforward and standardized questionnaire.

Loss Insight

Many organizations rely on their own data to understand a new market, and they often fall short because they're limited by their own claims experience. Missing a loss exposure can lead to a dramatic error when promulgating rates. It can bankrupt an insurer and add additional stress to an already-stressed market.

While insurers already have their own internal dataset of claims, Zywave augments an insurer's own data with Loss Insight, the industry's leading dataset for boosting your risk assessment initiatives. With over a million loss records across all lines of business, industries, and company sizes, and representing over \$10 trillion in loss value, Loss Insight helps insurers feed underwriting and actuarial models and expand premium opportunities without blindly assuming risk.

Going Beyond Rating & Submission

Besides the rating and submission process, insurers need to ensure that the business their distribution partners are writing aligns with their risk appetite.

Risk appetite varies and it is not static. For many distributors, it's not hard having to imagine keeping track of multiple binding authorities and rules that vary for every line of business - and change multiple times a year. Now add to the equation that those authority guidelines aren't always distributed to every relevant party. Often, they're delivered sent as a PDF to a single point of contact – skipping essential contacts who should have been kept in the loop.

Rules like these apply across every account a distribution partner handles, representing thousands, or even tens of thousands, of submissions each year. If an organization doesn't have a rating tool to effectively manage these rules, they limit their ability to grow the business or worse, they leave themselves open to E&O lawsuits, uncovered losses, and reputational risk.

Distributors are also often responsible for binding and issuing policy documents. Many organizations in the E&S and specialty lines space still manage policy fulfillment using word documents or other tools that are not fit for purpose. Once again, this often requires duplicate entry of information and can lead to significant data entry errors. Besides the inefficiency of duplicate entry, an error on a policy can lead to an uncovered loss and negatively impact the client. For the distribution partner an uncovered loss or coverage for an exposure not originally intended by the insurer puts E&O coverage and reputation at risk.

That's why having the right tools in place is so essential.

Zywave: Powering Modern MGA & Insurer Organizations

By partnering with Zywave, insurers and their distribution partners can limit their exposure to uncovered losses and more effectively manage the multiple sets of rules they deal with daily.

They can issue binders and policies more accurately using sophisticated forms attachment logic.

For those working within the admitted market, cyber and the E&S segments, our solutions can support both industry segments within one tool, eliminating the need for separate rating engines for the various segments of the market.

And with a toolset that extends further than technology, **Zywave is the partner you need to power more efficient capital utilization, and help insurers manage their expense ratios down.**

Connect with a Zywave product expert today to learn more.



For more information about Zywave's solutions,
reach out to marketing@zywave.com.

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