Newgen's
AI-powered Underwriting Solution for P&C Insurance

Challenges in P&C Underwriting

Underwriting forms the cornerstone of an insurance business, particularly policy issuance. However, being complex and data-intensive, the process faces several challenges that prevent it from achieving the efficiency that insurers would wish for. Errors can lead to substantial losses. Inaccuracies in assessment push costs higher, and delays in closing cases hamper business volumes.

While property and casualty (P&C) insurers have been seeking the latest technologies to reduce the burden on underwriters and elevate the accuracy of straight-through processing, there's an established need to automate the underwriting process across functions.

Submission

- Lack of standardized submission formats leading to incomplete or inaccurate information
- Difficulty in prioritizing submissions based on risk

Verification and Authentication

- Time-consuming and resource-intensive verification of the authenticity of submitted documents for complex or specialized risks
- Difficulty in identifying fraudulent or incomplete submissions
- Issues in compliance with regulatory requirements and internal policies

Data Enrichment & Risk Analysis

- Limited access to external data sources for risk assessment
- Lack of integration with analytical tools for comprehensive risk analysis
- Time-consuming data enrichment process leading to delays in decision-making

Risk Rating & Quote Generation

- Manual calculation of premiums leading to inaccuracies
- Limited flexibility in adjusting rates based on real-time data
- Challenges in offering competitive quotes due to a lack of market insights

Policy Binding

- Ensuring alignment between underwriting guidelines and binding authority limits to prevent instances of overexposure or underpricing of risks during policy issuance
- Coordinating policy issuance across multiple stakeholders, including underwriters, brokers, insureds, and reinsurers, requires efficient communication and workflow management

The Need for Digital Transformation of Underwriting

Value of fixing Underwriting

The profitability of an insurance provider is directly proportional to the effectiveness of its underwriting system. A digital overhaul of underwriting can help attain wide-ranging benefits.

- *Higher profit margins* – The P&C insurance industry faced low underwriting profit margins, with a combined ratio of 97.7% for commercial lines in 2023

- *Accurate risk assessment* – Risk assessment is a crucial function of insurance, so there can be no chances of errors. Assessing complex risks poses a challenge for a vast number of P&C underwriters

- *Unified data management* – Digitization streamlines data handling and analysis, removing data management challenges

- *Reduced turnaround time* – The average time to underwrite a commercial property policy is 12-15 days. As per a study, automation could reduce underwriting expenses by 25-30%

- *Better compliance* – Lapses in compliance can cause legal hassles and added costs for an insurer. Reports say that 63% of insurance CEOs are concerned about over-regulation

Newgen's AI-powered Underwriting Solution for P&C Insurance

Empower Underwriting Excellence with End-to-end Automation

Our P&C Underwriting solution powered by NewgenONE, the low-code platform, packs in several capabilities to meet the diverse requirements of insurers. The solution plugs gaps with end-to-end automation of various underwriting functions and seamless integration. It also offers API integration with Insurance Broker Portals. Newgen's P&C underwriting solution ensures thorough assessments and timely decision-making and uplifts customer engagement with personalized and need-based communication. The underwriting workbench with preconfigured AI-based models covers the comprehensive journey, from initiation to policy binding.

- *Underwriting Appetite Check* – After evaluation of requested coverage and review of risk details, the AI/ML model suggests underwriting appetite score

- *Locational Intelligence* – Risk locations are geocoded to understand the peril exposures at a particular location by automatically fetching the proximity to the nearest fire station, nearest water body, and any vulnerability near the risk location. Risk location inspection is done virtually with mobile apps

- *Peril Damage Assessment* – Based on region-specific exposure data, probabilistic modeling will be done to get the PML, loss cost, and technical cost. Risk Scores will be provided for each peril to assess the Damage Impact Assessment

- *Data Insights* – AI/ML Model for Risk Exposure and Profiling helps underwriters ensure that the premium accurately reflects the risk associated and makes pricing competitive

- *Integrated Rating Engine* – The rule sets provide integrated risk rating that covers ISO rating, loss costs, exposure & hazard data, modifiers (cope evaluation) and risk scores (loading and discount)

- *Quote Sheet Generation* – The automated model suggests coverages, warranties, deductibles, capacity, and conditions and helps the underwriters to finalize wordings and generate quote sheets

- *Smart Policy Binding* – Rule-based merging of various wordings, clauses, and document based on policy inclusions and ISO/AAIS Forms support

Success story

A US-based Annuities Implements Digital Policy Servicing with Newgen

Pain Points

An exceptionally high volume of service requests caused increased turnaround times (TAT). The company faced the absence of multiple channels for customers and agents/producers to initiate requests and receive updates in real time. Migrating content from the legacy content manager system was challenging, thereby increasing the total cost of ownership. Moreover, each additional block acquisition resulted in a linear increase in the cost of operations.

The Transformative Journey

To overcome the challenges and become a market leader, the client onboarded Newgen as its technology partner and implemented an integrated digital policy servicing platform with omnichannel capabilities. This ensured timely customer interactions, quick TAT, and better management of exceptions and escalations.

The platform empowered the users to split-merge documents, thereby quickly and intelligently combining and separating multiple files. One-queue views led to a standardized and role-based user experience. Robust integration facilitated the auto-population of policy details from the core policy admin systems. The built-in document viewer helped to upload, view, download, or delete documents and generate instant response letters to customers. The customer also experienced batch processing automation for scheduled transactions and case classification based on request type.

Other highlights of the implementation were:

- QA process for scoring users from processing team (pre and post facto)
- Seamless management of regulatory compliance (SEC 17a-4)
- Parallel processing of multiple policy requests
- Service-level monitoring and alerting
- Rules management system to manage complex rules with agility

Value Delivered

- Rapid deployment in a groundbreaking 8-month timeframe, facilitated by cloud hosting
- Migration of **200 million documents** within a remarkable 3-month period
- Automation of over 100 business processes and workflows spanning financial, non-financial, claims, and service request contracting
- **Utilization by 400 users** across contact center and back office, with an extended portal catering to policyholders and insurance brokers/agents
- Alignment with the strategic business vision

Why Newgen

Newgen brings over 30+ years of experience, serving customers across industries in 74 countries. Our platform, NewgenONE, is a market-leading Document Management and Workflow Automation suite of products that enable organizations to deliver value by automating, managing, and optimizing their content-heavy and complex business processes. External research also suggests that we have the highest competitive rating (across capability dimensions) and that our customers have achieved significant ROI with Newgen.

We are deep in Insurance, with a portfolio spanning P&C, Life, Specialty, and Health. We have deployed our platform effectively across the Insurance Value Chain and have successfully implemented our horizontal (Enterprise Content Management, Customer Communications Management) and vertical solutions (New Business, Distribution, Underwriting, Policy Servicing/ Administration, and Claims) in the insurance subsectors.

We are also functionally deep (with AI-led vertical solutions) within Underwriting and Claims. The platform comes with pre-built third-party integrations, both horizontal (e.g., Salesforce, Workday, MS Dynamics, SAP, and Oracle, to name a few) and vertical (Guidewire on-premise and cloud PolicyCenter, ClaimCenter, and Duckcreek).

Key Analyst Recognitions:

Recognized in The Forrester P&C Claims Management Systems Landscape, Q1 2024

Recognized as a "Strong Performer" in The Forrester Wave™: Digital Process Automation Software, Q4 2023

Named a "Leader" in the Everest Group Low-code Technology Providers in Insurance – Products PEAK Matrix® Assessment 2023

Recognized as an "Enterprise Innovator" in HFS Horizons: Intelligent Document Processing Products 2023

Featured in the "Leadership Zone" in Zinnov Zones for Low Code Application Development 2023

About Newgen

Newgen is the leading provider of a unified digital
transformation platform with native process automation, content services, communication management, and AI/ML capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries, Newgen unlocks simple with speed and agility.

For Sales Query

AMERICAS: +1 (202) 800 77 83
CANADA: +1 (202) 800 77 83
AUSTRALIA: +61 290 537174
INDIA: +91 11 407 73769
APAC: +65 3157 6189
MEA: +973 1 619 8002, +971 445 41365
EUROPE: +44 (0) 2036 514805

info@newgensoft.com
www.newgensoft.com

newgen