

# Tier 1 Global Insurer

## Increasing Efficiency in Global Sanctions Screening, Underwriting, and Reporting Through Integrated Modern Core Systems

### CASE STUDY

- ✔ Global implementation across over 30 countries in 5 continents
- ✔ Standardized data capture, rating, and reporting
- ✔ Automated sanctions screening and compliance implemented across 14 watch lists
- ✔ Rapid implementation in only 6 months

### CHALLENGE

One of Insurity’s existing clients is a Tier 1 global insurer that writes marine business in dozens of countries worldwide across Europe, the Middle East, and Africa (EMEA); Asia Pacific; and Latin America. Their business was growing, but they were plagued by inefficiencies that decreased their operational flexibility, impacted their ability to comply with international sanctions regulations, and inhibited their technical rating, reporting, and analysis capabilities.

Maintaining a book of business over such a broad geographic range necessitates compliance with international sanctions in every transaction in every location. When the Office of Foreign Assets Control (OFAC) in the United States or its foreign counterparts change the sanctions in force, this insurer must be able to pivot and respond in a timely fashion.

The company had been using both the Insurity’s marine and specialty applications to manage different aspects of their marine business in North America, the UK, and select countries in Europe.

### Oceanwide Marine Suite (used in 16 countries)

- ✔ Post-bind client servicing
- ✔ Certificate issuance and sanctions screening of structured data

### Bridge Specialty Suite (used in one country)

- ✔ Policy administration
- ✔ Underwriting workflow management
- ✔ Global rater (replacing Excel spreadsheets)
- ✔ Tracking of sold premium vs. technical premium
- ✔ Portfolio reporting and analysis

### Project Timeline

**April 1, 2015:**  
*initial discovery phase*

**June 15, 2015:**  
*rollout begins*

**Oct 16, 2015:**  
*Rollout completed in 14 EMEA countries*

**Dec 11, 2015:**  
*rollout completed in 7 APAC countries*

**Dec 14, 2015:**  
*rollout completed in remaining 10 additional EMEA countries*

**Dec 16, 2015:**  
*Oceanwide Marine Suite rollout completed in 2 Latin American countries*



The Oceanwide Marine Suite was being used for sanctions screening, while the Bridge Specialty Suite was not activated to support it. Only a limited data set was being screened via current processes, and policy-level data was not being screened in real time. The two systems were not integrated, so policies requiring certificate issuance had to be re-keyed into the Oceanwide Marine Suite.

Underwriting was a series of separate and discrete processes with limited capabilities for straight-through processing (STP). Disparate applications stored different pieces of information, and multiple languages and multiple currencies only compounded the situation. Much of the vital data for portfolio tracking was stored offline in Microsoft Access and Excel, which required manual updating, prevented real-time access, and did not store data securely. Quote letters were offline in Word documents, making them very difficult to track down when they were needed. The insurer had all the information they needed, but it was so widely dispersed and difficult to access that it could not be used to its full potential. They struggled to report on the state of their business in real time, especially for crucial purposes such as portfolio monitoring.

These inefficiencies made it difficult for the company to adopt a strategic approach to their portfolio, because they did not have access to the information they needed for compliance. Their profitability was being impacted by inconsistent underwriting practices and standards.

The lack of a consistent global approach to screening, combined with an absence of real-time screening of policy data, was also leaving the insurer at risk of sanctions exposure in various jurisdictions worldwide.

### Project Goals

- ✓ *Standardize sanctions screening, underwriting processes, and workflow*
- ✓ *Improve transparency and auditability*
- ✓ *Roll out solution in 30+ countries worldwide in 6 months*

## GOAL: ENHANCE SCREENING AND INCREASE EFFICIENCY THROUGH INTEGRATION

The insurer knew that they had the rich functionality within the Insurity solutions that they needed to address these issues. The real leap forward would be to add sanctions screening capability to its use of the Bridge Specialty Suite and integrate these two solutions to centrally track and manage sanctions and underwriting anywhere in the world.

### KEY DRIVERS

The insurance company engaged Insurity for this integration project. The key drivers were twofold: increase the insurer's sanction-screening abilities and standardize their underwriting processes. Both would require standardized workflows leveraging consolidated data that could be used as readily in Spain as in Hong Kong.

### PROCESSES TO BE STANDARDIZED

**1. Sanctions Screening**

**2. Underwriting**

**3. Workflow**



- 1 A standardized **sanctions** process would greatly reduce the manual effort necessary for the insurer to stay in compliance. At the same time, compliance could be better monitored, which would simplify midstream changes and improve auditability. More robust functionality in this area would allow the insurer to scan all relevant risk data, including unstructured data contained in free-text fields. Every certificate of insurance would be screened in real time, not retroactively.
- 2 Standardization in the **underwriting** process was also a critical goal. All the little local applications in multiple languages, recording business in multiple currencies, would be consolidated into a single global rater. The back end would be in one currency of record and in one language, converted and translated to a locally specific front end. Customer-facing staff would be able to offer quotes to Spanish customers in Euros, and to Hong Kong customers in HKD, using the same application.
- 3 Greater efficiency and improved **workflow** would increase the insurer's ability to implement STP. Data would be more secure and more accessible. They would have an unprecedented view into the state of their current business, such as real-time reporting on sold vs. technical premium.

## THE APPROACH

In order to achieve their goals, the insurer and Insurity created an ambitious plan with a tight timeline. Together, they determined that integrating the two applications would give the insurer's Cargo and Marine Liability departments an underwriter workflow management tool with premium calculation, quote issuance, sanctions screening, portfolio management, and certificate issuance. The insurance company would gain significant efficiency, bringing them closer to their goal of becoming a Next-Gen Insurer in the process.

Sanctions screening had to be water-tight, encompassing as much data as the insurer had available and taking place in real time rather than retroactively. Underwriting had to be consolidated, bringing processes and information out of a multitude of local systems in different languages and different currencies. Only then could the insurer standardize their underwriting workflows and put the automation in place that enabled STP. A single integrated system would increase transparency and give the insurer access to the data and analysis they needed for higher-level decision-making.

Insurity integrated the systems and activated the Bridge Specialty Suite's integration with LexisNexis watch list to automate and consolidate the lists that the insurer was already monitoring. The monitoring itself would be simplified by the use of a single solution, which would trigger referrals to the insurer's staff at either a policy or certificate level if any potential issue was detected. These referrals could be tracked, giving upper management a view into compliance efforts and staff allocation.

The insurer was also able to designate what data they needed to screen, alleviating a past pain point. Now data from both the insured and the agent/broker could be matched against the watch list. The Oceanwide Marine Suite system was enhanced to allow for the screening of unstructured data, ensuring that free text fields could also be validated for compliance.

A major improvement in the insurer's information security was the ability to trade locally-based applications and tactical tools from the Microsoft Office suite for a more secure global system designed to improve data accessibility while maintaining the necessary controls. Only users with the proper authority would be able to view and modify certain data. Consolidated in one location, this same data was now ready for more sophisticated reporting and analysis to give upper management the actionable insights they needed to steer their business.

Although the insurer was stretched across a remarkably large geographic area, they were committed to maintaining an aggressive timeline. Insurity's Software-as-a-Service offering was key to that speed and facility.



## MEASURING SUCCESS

This insurer's project with Insurity was a great success, both in terms of project execution and benefits achieved. They met their ambitious timeline: 31 countries went live on the two suites in the six months after the project began in mid-July, 2015. Project planning had started in April, but it was not until July 15, 2015 that implementation and configuration began. An additional two Latin American countries went live on the Oceanwide Marine Suite, with the Bridge Specialty Suite implementation beginning in January 2016.

At the end of that period, the insurer had new underwriter workflow management, clearance, technical rating, sanctions screening, portfolio management, and certificate issuance in place for all of its marine insurance lines. The Oceanwide Marine Suite front end allowed the insurer to process all business in local currencies, while in the Bridge Specialty Suite premiums were converted to USD for standardized, real-time reporting. The improved visibility into their business provided the insurer a key metric for the project's success: their portfolio reporting now allows them to track premium percentage change at renewal across all their policies as well as the variation between calculated technical premium and sold premium worldwide.

Sanctions screening improved significantly: all screening was consolidated into a single system, including quotes and certificates, with standardized global access and referral management rules and authorities. More information could be screened, including unstructured data. Screening now took place early in the process, and the new systems were better able to respond dynamically to sanctions changes.

Underwriting was made much more efficient by consolidating a variety of separate and discrete processes into a single system with a standardized workflow across all users. Standardized workflow enabled standardized reporting, which gave the head office and senior management the transparency they needed to monitor their marine business in real-time. With their data accessible in a central location rather than in separate offline applications, the insurer could now manage their business at a portfolio level more effectively.

Sanctions compliance is an area that is particularly well suited to centralization, and the insurer has reaped the benefits. Their new capacity to handle all certificates and sanctions centrally gives them a considerable advantage in the marketplace. They can now create, generate, and bind quotes via STP without the worry of inadvertent sanctions exposure. Their underwriting and transactional data is both more secure and more accessible, with the ability to restrict access depending on the user's role.

*"This insurer brought phenomenal ambition and focus to this project, and we were proud to have the opportunity to work side by side on an undertaking of this magnitude."*

*Mitchell Wasserman,  
Chief Product Officer*

*Insurity*

## SMA INSIGHTS

Highly manual processes simply cannot meet the demands of today's dynamic market: they are difficult to scale and even harder to alter at speed. Their inefficiency can hold a company back even when all the pieces are in place for success – which was exactly what spurred the insurer to make these improvements.

This insurer's commitment to improving their internal efficiency by standardizing critical processes like underwriting and sanctions screening is noteworthy. It demonstrates an awareness of the state of their own business and operations and how seemingly small issues like quote letters stored offline can compound into significant problems.

SaaS played a considerable role in the insurer's success. With the twin goals of speed and geographic breadth, this project would have proved a logistical nightmare. Instead, the insurer's decision to utilize a SaaS provider with robust modern technology allowed them to coordinate rollout around the globe at an incredible speed. Insurity's



strength as a SaaS provider proved to be a valuable asset, but it was the insurer’s decision to explore different as-a-service options that ultimately resulted in their success.

## ABOUT SMA

Strategy Meets Action (SMA), is a strategic advisory firm delivering advice, consulting services, and published research to insurers, solution providers, and InsurTech startups. We provide insights and guidance to help our clients bridge today’s business strategies, plans, and technology investments to the new world of customer experience, digital transformation, emerging technologies, and InsurTech. Exclusively servicing the insurance industry, our mission is to help our clients excel today and position for tomorrow with the right technology decisions as unprecedented changes take place in our industry.

This Case Study presents a synopsis of information provided by the insurer, which chose to remain anonymous, and Insurity, in conjunction with SMA’s observations, insights, and analysis. Insurity has purchased distribution rights for this SMA Case Study.

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