The underwriter of the future

Tuesday, February 24, 2015
@ 2:00pm EST
Underwriter of the future

Introduction
• Welcome
  • Celeska Fredianelli, VP – eLearning, IASA

• Housekeeping Items
  • Polling Questions
  • Q&A at the end of the session
  • Post Event Survey (last slide and Resource widget)

• Today’s Speakers
  • Gail McGiffin, Principal, Ernst & Young
  • Mary Boyd, Division President, ACE
  • Mike Lex, Senior Vice President, Nationwide
Gail McGiffin, Principal - EY

Gail McGiffin is partner/principal in the Ernst & Young LLP (EY) Insurance practice and leads the Underwriting, Product, Policy and Billing Solutions. Most recently, Gail was the Chief Information Officer at ProSight Specialty Insurance where she led the creation of an innovative, fully outsourced platform for this new insurance company. Prior to her role at ProSight, Gail was a senior executive/managing partner in Accenture’s Insurance practice, leading its Global Underwriting Transformation Offerings. Gail started her insurance career in commercial underwriting at Chubb & Son where she also developed many of Chubb’s industry segment products and solutions.
Mary Boyd was appointed Division President of ACE Private Risk Services in March 2013. She joined ACE Private Risk Services in July 2010 as Senior Vice President, Chief Administrative Officer, and was appointed Chief Operating Officer in January 2012. Based in Basking Ridge, New Jersey, Ms. Boyd is responsible for developing and executing near and long-term strategic plans and managing the day-to-day operations of the organization. She has more than 20 years of experience in the insurance industry, including more than 15 years in the high net worth personal insurance market.
Mike Lex, CPCU, Senior Vice President, Commercial Lines Product - Nationwide

Mike began his career with Allied in 1987 as a commercial underwriter. He has held various underwriting, sales, and regional operations leadership roles in the Lincoln, Des Moines and Central States regional offices during his tenure in the independent channel.

In the fall of 2003 Mike joined the Nationwide Exclusive Channel and assumed the role of Vice President of Regional Operations. He became Senior Vice President of P&C Sales in March of 2006. In August 2010, he accepted the role of President for the Nationwide National Partners organization and developed and launched the NNP strategy. In December 2012, Mike was named Senior Vice President of Commercial Lines Product Management.
Agenda

• Industry Perspective:
  – Current state challenges
  – Future state expectations
  – Underwriter of the Future – Video

• Faces of the Underwriter of the Future

• The Future is now
  – Areas of focus and investment
Industry Perspective
Today’s commercial/specialty underwriter focuses disproportionately on binary transactional processing, leaving insufficient time for higher value activities, analysis and planning.

- Data collection vs. information analysis and insight generation
- Business process vs. business rules
- Technology support vs. technology enablement
- Talent acquisition vs. talent development
- Policy growth vs. solution selling
- Customer acquisition/retention vs. customer experience
- Multi-channel vs. preferred access
- Disjointed vs. embedded regulatory compliance
Polling Question 1:
Does this current state describe your company’s current underwriting environment?
[1 - 5 rating with 5 = strongly agree]
The future value of the underwriting organization will be in their ability to focus on relationships, generating unique insights and solution creation, and less on the linear processing required to quote and issue a policy.

- Infusion of new data sources and technologies
- Borderless insight generation
- Product simplification
- Central account ownership
- Intentions-based interactions
- Virtual knowledge sharing
- Account team advocacy
- Integrated communications
- Information transparency

- Service vs systems
- Variable sourcing
- Direct buyer access
- Multi-access, multi-device
- Decision as science vs. process
- Data “banks”
- Rules “rule”
- Dimensions of specialization
- Configurable product components
- Integrated servicing
UNDERWRITER OF THE FUTURE
We’ve just seen a short video that depicts the transformation of the underwriter of the future. Can you talk about your views of change and how that takes us to some of that future vision? Specifically, what are the dimensions that change will take – incremental, transformative and disruptive?
Faces of the Underwriter of the Future
SALES EXECUTIVE

DECISION SCIENTIST

CUSTOMER ADVOCATE

INNOVATOR
The underwriter as sales executive

- Integrated marketing and sales platform
- Real-time data feeds
- Virtual collaboration
- Web campaigns and analytics

SALES EXECUTIVE

PROACTIVE

NOT REACTIVE
The underwriter as decision scientist

- Real-time data aggregation
- Next generation predictive modeling
- Scenario analytics and benchmarking
- Semantic web and machine learning

DECISION SCIENTIST

ANALYTICS REVOLUTION
CUSTOMER ADVOCATE
INNOVATOR

- Ideation and insight generation
- Reusable product components
- Product configuration solutions
- Servicing innovations
THE UNDERWRITER OF THE FUTURE
Polling Question 2:
How does this vision align with your vision of underwriting in the future?
[1 - 5 rating with 5 = strongly aligned]
Panelist Question 2

There are several technologies suggested in the video and discussed in these slides that will enable the underwriter of the future. Which technologies do you think will most influence your segment of the business?
Panelist Question 3

Data holds the promise of new insights and efficiencies in the future. How will new sources of data (e.g. exposure data, customer data, sensor data, imagery data) influence analytics, decision making and customer service in the future?
Many of us here today joined the industry in the 80’s and 90’s when the underwriting career path seemed to dominate senior leadership roles at most P&C insurers. Today, the C-suite is dominated by financial and actuarial skills. How do underwriters regain their enterprise leadership roles in the future?
Clearly, the importance of underwriting will remain in the future even as the underwriting roles change. With the advent of emerging technologies and new sources of data, the skills and behaviors of the underwriter will undoubtedly change as well and executives today should be concerned about the human resource side of this wave of change. Can you talk about your views on the components of talent development that will address both current underwriting resources as well as the recruiting and development of the next generation of underwriters?
The Future is Now
Underwriters: today and in the future

Submission intake
Tailored products and service innovations
Quote proposal
Customer experience

High technology IQ
Policy issuance
Transactional risk assessment
Solution selling
Order loss control

Information analysis and insight generation
Partner network management
Evangelical thought leadership and publication

Agent visits
The quarterback underwriter – coordinate multi-discipline expertise

Minimal prospecting
The future is now

Market drivers
• Market expansion
• Account growth
• Customer retention
• Sustainable pricing
• Expense reduction

Key initiatives and investments
• Segment expansion (eg., small or middle-market commercial, high net worth personal lines, multi-national)
• Product diversification
• Industry-specific solutions (eg., coverage, pricing, claims, risk engineering)
• Next generation portals
• CRM solutions
• Product configuration
• Underwriting workstation
• Exposure aggregation management solutions
• Replacement policy administration platforms
• Analytics and predictive modeling
• Talent acquisition
Polling Question 3:
Select the top five (5) areas of investment for your underwriting organization:

A. Segment expansion (eg., small or middle market commercial, high net worth personal lines, multi-national)
B. Product diversification
C. Industry-specific solutions (eg., coverage, pricing, claims, risk engineering)
D. Next generation portal
E. CRM solution
F. Product configuration solution
G. Underwriting workstation
H. Exposure aggregation management solution
I. Replacement policy administration platform
J. Analytics and predictive modeling
K. Talent acquisition
Fifty years from now, what will be the elements from today that survive in the future? What elements have vanished? Will there be new players from other industries that enter our insurance market? If so, what will they look like?
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IASA e-learning Webinar Series
• Upcoming Webinars:
  Save the date and watch the IASA web site for registration information and more webinars coming soon.

• March 17\textsuperscript{th}, 2:00pm – Beyond LinkedIn
• April – 2015 Spring NAIC Update (Date TBD)
• May 21, 2:00pm – Economic Update

• CPE is here! Beginning with our April NAIC Update event we WILL be offering CPE credits. Watch the web site for registration information.

• This presentation will be archived on the IASA website at www.iasa.org/e-learning and will be available tomorrow afternoon.
Thank you for joining us!

This presentation will be archived on the IASA website at www.iasa.org. We are interested in your thoughts about this presentation and in topics you may want to see covered in the future.

Please take a few moments to complete the post event survey via the link in the following slide. You will also receive the link in a follow up email shortly after the event.

If you have difficulty viewing the archived presentation, or would like further information about this and future topics to be covered, please contact:
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