

Insurance Executives Weigh in on Strategies for Tackling Growth, Underwriting, Agent Service, and Market Changes

BEDFORD, MA, June 9, 2010 – Downward pressure on premiums, fierce competition, non-stop regulatory changes, and the loss of experienced talent signal the perfect storm of challenges facing commercial-lines carriers today. However, with challenges come innovation and opportunity, as revealed at a recent industry executive breakfast hosted by [FirstBest® Systems, Inc.](#), provider of [insurance software](#) solutions that help commercial- and specialty-lines carriers grow market share, increase service levels with agents, and improve underwriting efficiencies and quality. What topped the list of carrier strategies for revenue generation, business agility, agent service, and underwriting? Smart use of collaborative technologies.

At the [2010 NCCI Annual Issues Symposium](#) in Orlando last month, FirstBest gathered executives from some of the industry's most forward-thinking companies. More than 45 insurance executives, customers and partners broke into roundtables and voted to determine key topics for discussion. The resulting four groups dove into lively debates about best practices for driving market expansion, boosting underwriting productivity and quality and improving service levels with agents and brokers. FirstBest captured the banter and summarized common sentiments:

Priorities: Focus on Cost-Cutting, Revenue Growth – or both? How?

The economy continues to weigh heavily on carriers. Executives identified top-line growth as a key strategy to improve profitability. Some are focusing on relationships with fewer agencies and/or working with agencies as partners. To offset the impact of hurting industries, many are further diversifying across markets. Unanimously, the group agreed that technology is a great way to cut costs and drive growth.

Underwriting: Art vs. Science, or Both?

Carriers agreed that while science (e.g. predictive modeling, automation, etc.) is critical to improving quality of underwriting decisions, the art of human experience and intuition is equally important. The group was skeptical that systems, such as predictive modeling, could replicate expertise and feared a loss of credibility if certain processes were automated. The participants felt that automation is most suited for smaller, more repeatable risks and that “Art,” or a combination of the two, is best for larger, more complex risks – to ensure proper underwriting experience and guidelines are leveraged.

Responding to Market and Talent Changes

The ability to be nimble is critical amid fierce competition. Executives are adamant that underwriting functions need business agility, in order to enable fast response to the market. However, flexibility should be balanced with system and process consistencies. Time to market is critical, so changes to

underwriting systems, rating algorithms and processes must be executed quickly. Systems that automatically (or seamlessly) capture rules and knowledge are key for retaining intelligence, training and sharing best practices.

Improving Agent Service Levels

Hands down, carriers are committed to improving agent service levels to better differentiate themselves. Carrier executives are actively pursuing and increasing agent communication but understand that different strategies are required for different market segments. For example, small business quotes need to be automatic, zero (or near-zero) touch and responsive. For large quotes, agents want self-service portals and policy information and status for claims initiation. Many want more flexible agent tools and processes, like the ability to backdate information.

About FirstBest

[FirstBest® Systems, Inc.](#) delivers [insurance software](#) solutions that help commercial- and specialty-lines carriers write more business and write better business. Companies such as AMERISAFE, Inc., a specialty writer of workers' compensation insurance for hazardous industries, ICW Group Insurance Companies, a multi-line super regional insurance company, and Beacon Mutual Insurance Company, Rhode Island's largest writer of workers' compensation insurance, are leveraging FirstBest solutions to grow market share, improve service levels with agents and improve underwriting efficiencies in tandem with quality. Our solutions include an Underwriting Workstation, [Agent Portal](#) and Agency Connectivity. Our flagship product, FirstBest UMS™, combines a next-generation [underwriting workstation](#) with FirstBest Agent™, a Web 2.0 agent portal.

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