P&C UNDERWRITING LANDSCAPE

THE CONVERGENCE OF INSURTECH & INCUMBENT SOLUTIONS

A ReSource Pro Research Report

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ReSource Pro
INSIGHTS

ReSource Pro Insights offers a broad range of research and observations on the insurance industry. We provide substantial studies, analysis, and perspectives on business and technology strategies and plans across the P&C ecosystem, covering retail agencies and brokers, MGA/wholesalers, carriers, and tech vendors. Our coverage includes distribution, underwriting, policy servicing, billing/payments, and claims business areas, as well as cross-enterprise areas such as strategic initiatives, digital transformation, innovation, customer experience, and talent.

INSURTECHS AND INCUMBENTS CONVERGE

Rooted at the intersection of technology and insurance, insurtech has revolutionized the industry since it emerged as an offshoot of fintech around 2010 with the goal of improving the end-to-end insurance value chain. By leveraging big data, artificial intelligence (AI), wearables, drones, and other advanced capabilities, insurtech has created value across multiple dimensions, including creating operational efficiency, modernizing customer experience, enabling more accurate risk assessments, improving pricing, and identifying fraud.

The insurtech landscape has changed vastly since the launch of the earliest innovators that focused heavily on digital platforms for distribution. Now, insurtech solutions expand to the entire insurance value chain and ecosystem, including carriers, agents, and MGAs.

Some insurtech technology solutions are broad, spanning the end-to-end insurance journey. Others are highly specialized insurtechs striving to optimize one key area, like machine learning-based document extraction and validation for quote submissions or external data sourcing and analysis for individual risk and portfolio management. There are also insurtechs that concentrate on one operational area, with underwriting being one function many vendors and solutions focus on, including offering solutions tailored to underwriting a specific line of business.

INSURTECHS ARE NO LONGER STARTUPS ONLY

Often, the term "insurtech" is viewed synonymously with "startup." However, some incumbent tech providers are also incorporating the same advanced technologies and approaches as insurtechs, including AI-powered automation, self-service experiences, low code/no code capabilities, and ready-to-integrate API architectures. In essence, incumbents are evolving into insurtechs as they modernize their platforms.

At the same time, incumbent carriers are also investing in insurtechs. According to CB Insights, 22 of the top 25 US carriers were investing in startups in 2020. Additionally, the Zurich Innovation Championship is an accelerator program that provides financial and mentoring support to the winners of the carrier's annual startup competition. Carriers are also entering the insurtech realm by creating their own full-stack startups that embrace digital-first principles from the ground up. Examples include Berxi (Berkshire Hathaway Specialty Insurance), iPTIQ (Swiss Re), and Mobilitas (CSAA).

THE POWER OF PARTNERSHIPS

The early core insurance platforms were self-contained, focusing on internally facing capabilities. Today, core system vendors offer robust solution partner ecosystems, enabling carriers and MGAs to pick and choose from a growing array of best-of-breed incumbent and insurtechs solutions. This enables each carrier to tailor their platform to the specific needs of their products, distribution partners, and customers. As new technologies continue to emerge, these partnerships can offer carriers speed-to-value to enhance their digital capabilities.

MEETING CARRIERS' EVOLVING NEEDS

Over the past few years, insurance carriers have encountered a multitude of challenges, from economic uncertainty to catastrophic weather events, along with a growing talent crisis. ReSource Pro's recent research on carriers' 2024 strategic priorities reveals a significant shift in carriers' priorities, with almost all reporting business optimization as their leading driver for technology investment. Growth within existing lines, markets, and geography is also a key driver of investments, but cost containment is becoming more influential in driving carriers' technology decisions.

Underwriting is a large contributor to addressing a carrier's shifting imperatives. Leaders told us they are driving transformation by reducing manual handoffs and rekeying, automating submissions intake, and finding high-value uses for AI. Both small commercial and personal lines carriers have elevated the importance of pricing precision. The good news is there is a range of technologies, including generative AI (GenAI), along with a growing availability of data for underwriting to leverage. Each carrier needs to first identify the changes that will have the most measurable impact and then make the strongest match of each problem to a process and technology solution.

In the past, when a carrier implemented a new policy administration system (PAS), they may have had to customize it or create separate tools to satisfy their unique underwriting requirements. This could result in manual handoffs and make future vendor PAS upgrades a complex and expensive undertaking.

Insurers have long sought a companion system for underwriters to manage the decisioning process. While the terms underwriter workbench, underwriter toolkit, etc., have been debated and have various connotations, the intent is the same – help the underwriting organization manage workflow, make decisions on individual risks, and enable portfolio analysis.

Policy administration systems have, over time, become increasingly configurable, enabling carriers to incorporate their submission criteria and underwriting referral rules. Underwriting solutions leveraging additional third-party data sources coupled with AI have given carriers the ability to bring more automation and precision into their underwriting process. Personal and small commercial lines carriers can expand or enhance their use of straight-through processing (STP) without having to compromise their underwriting guidelines, also incorporating a portfolio view. Today, mid-to-large carriers have access to more automated decision support, where GenAI can complete a comprehensive risk assessment and offer recommendations to the underwriter.

THE UNDERWRITING VALUE CHAIN

There are seven key steps in underwriting, as featured in Figure 1 below, each comprising of multiple activities therein.

Figure 1. The Underwriting Value Chain

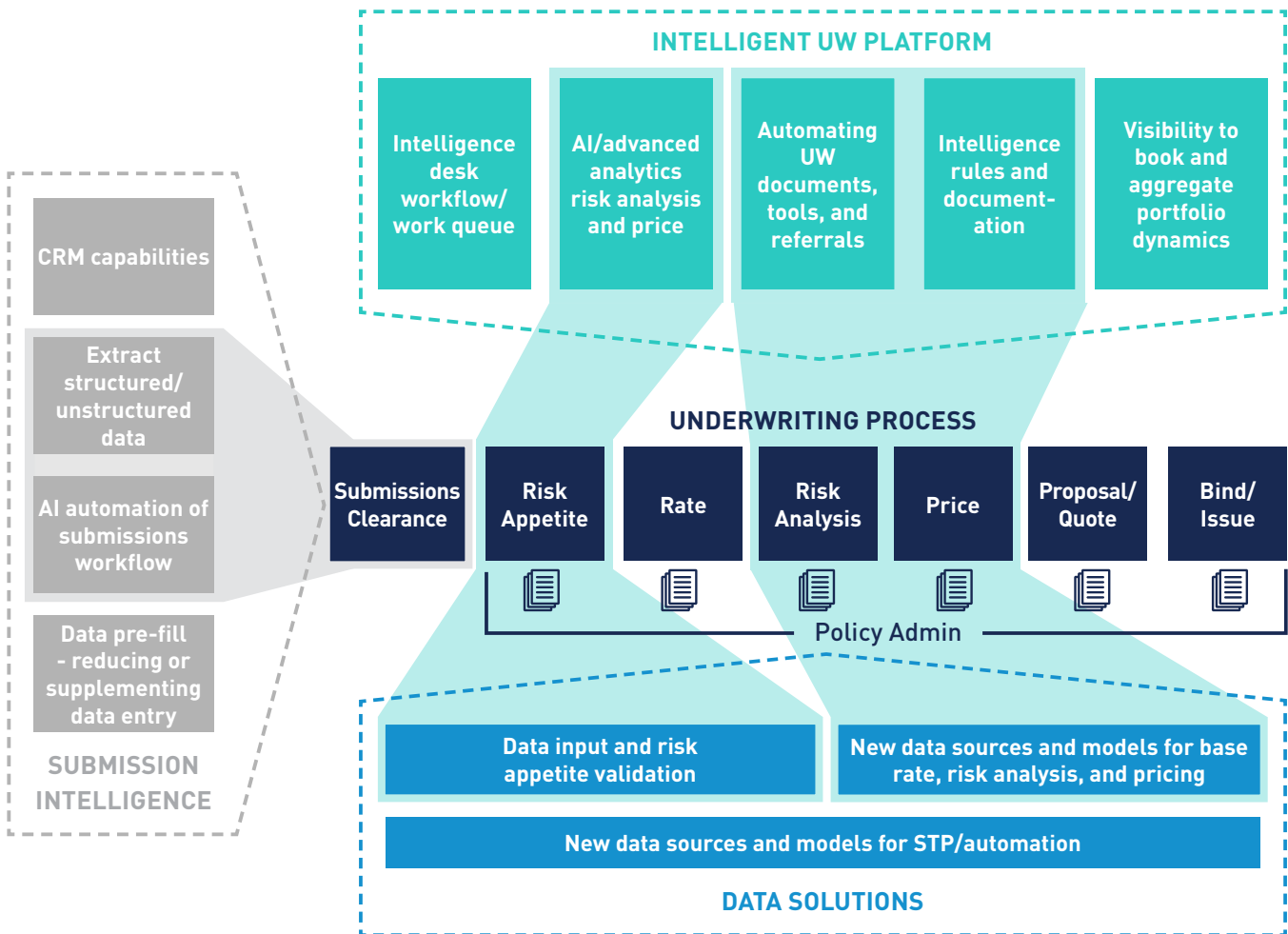| Submissions Clearance | Risk Appetite | Rate | Risk Analysis | Price | Proposal/ Quote | Bind/ Issue |

In this report, we organize the capabilities that enable the modern underwriting process into distinct functional groups. For each functional group, we offer both the "what" (scope) and the "why" (value). Carriers can use this information to compare their current state and learn about the solutions available to further support their underwriting objectives. Additionally, we include a vendor landscape spanning different areas of underwriting technologies (submission intelligence, submission clearance/triage, intelligent underwriting, and data solutions) so carriers have a path to discover more about the specific solutions available. We explore these areas further in the following section.

It is important to note that this report and vendor landscape focus on prebuilt underwriting solutions, from end-to-end workbenches to data and analytics providers and submission automation tools. In addition to these ready-to-configure options, there are low-code/no-code development platforms that carriers can use to design and create a ground-up custom underwriting system. While these development platforms are not the focus of this report, we do include specific underwriting products that some custom platform providers also offer.

VENDORS IN P&C INSURANCE UNDERWRITING

With many vendors in the P&C underwriting environment, it is important to have a schema to categorize the vendors and their solutions. ReSource Pro's framework of the technologies that support the end-to-end underwriting process is illustrated in Figure 2.

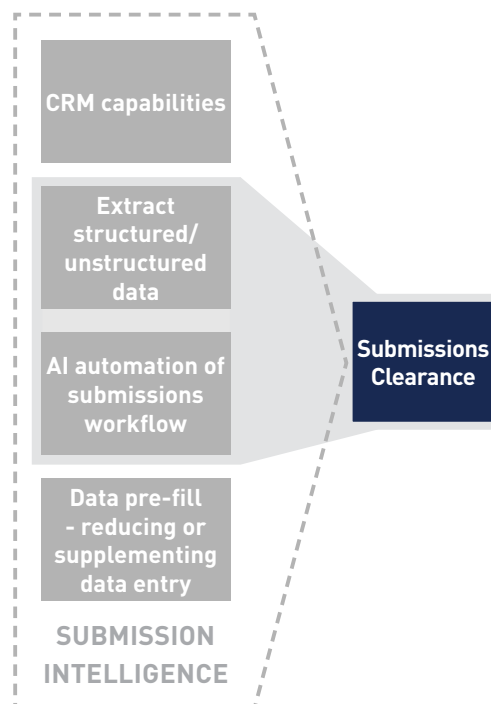Figure 2. Technology Framework for Insurance Underwriting

INTELLIGENT UW PLATFORM

Intelligence desk workflow/ work queue	AI/advanced analytics risk analysis and price	Automating UW documents, tools, and referrals	Intelligence rules and document- ation	Visibility to book and aggregate portfolio dynamics

CRM capabilities

Extract structured/ unstructured data

AI automation of submissions workflow

Data pre-fill - reducing or supplementing data entry

SUBMISSION INTELLIGENCE

UNDERWRITING PROCESS

Submissions Clearance	Risk Appetite	Rate	Risk Analysis	Price	Proposal/ Quote	Bind/ Issue

Policy Admin

Data input and risk appetite validation	New data sources and models for base rate, risk analysis, and pricing

New data sources and models for STP/automation

DATA SOLUTIONS

Underwriting transformation does not de facto require an all-at-once replacement of everything. Carriers need to identify and measure the gaps between their current and target state. Only then can they identify, compare, and contrast their options to address their needs. A solid foundation may already exist, but there may be specific capability gaps that can be solved through components. Conversely, based on its built-in capabilities, a core system replacement may offer a better speed to value.

SUBMISSION INTELLIGENCE

The underwriting process begins with submission, where the first step is data collection. The data desired, if not required, across the underwriting journey has increased as carriers have developed more sophisticated pricing models. (We will dive deeper into that topic in the Data Solutions section below.)

As it pertains to the submission process, the growth in data sources available to underwriters has improved the submission experience for distribution partners and businesses. Agents and buyers want "kick-out" questions to be asked early in the process so they don't waste time entering information to then hit a "showstopper" deeper into the application. Modern solutions are striving to offer a dynamic and intelligent conversation compared to a static (even if digital) form. Carriers need quality data to drive profitability and speed.

- **CRM capabilities:** Associate policies, contacts, and distribution partners use the data for effective outreach to customers, agents, and brokers, including cross-sell/upsell offers.
- **Extract structured/unstructured data, including intelligent document processing (IDP):** Identify, extract, and interface relevant data from emails, documents, forms, and images, including photos.
- **AI automation of submissions workflow:** Intelligent product offerings and data-gathering process.
- **Data pre-fill:** Actual data input is limited to information that cannot be sourced, extrapolated, or rolled over from other policies. Third-party data, such as credit information, is automatically imported once basic clearance and desirability criteria have been met.

CRM capabilities

Extract structured/ unstructured data

AI automation of submissions workflow

Submissions Clearance

Data pre-fill – reducing or supplementing data entry

SUBMISSION INTELLIGENCE

CORE POLICY ADMINISTRATION SYSTEM

The policy administration system (PAS) is the foundation for the underwriting process post-submission, supported by an intelligent underwriting platform and data solutions. It focuses on processing quotes and policy transactions and also serves as the system of record.

- **Risk Appetite:** Submissions are vetted carefully against carrier-configured underwriting rules to confirm which should move forward. The importance of precise data, from industry (SIC/NAICS) to location (geocode), cannot be understated. The latter, for example, is critical in managing the portfolio for catastrophe exposures, such as wind, earthquake, flood, etc.

- **Rate:** Each submission is rated using either an embedded or componentized rating engine. Some rating solutions enable the maintenance of the rules and algorithms via a file import process. There are vendor solutions that reduce the carrier's effort to maintain bureau (ISO, AAIS, NCCI) rates.

- **Risk Analysis:** This is another important intersection with an intelligent underwriting platform, leveraging robust data and AI models to set the stage for pricing. Generative AI can provide a specific risk summary and even recommend the next steps.

- **Price:** The base rate, risk analysis, and underwriting guidelines combine to determine what factors should be applied. This may be automated when a submission is approved for straight-through processing or handled by an underwriter. Generative AI can again step in to offer underwriter guidance based on the details of each risk.

- **Proposal/Quote:** A built-in or standalone content management component can generate a comprehensive presentation of the proposed products, services, and the corresponding price. Digital formats with a secure delivery process are key, and some carriers may offer a customer, agent, or broker portal.

- **Bind/Issue:** The customer, agent, or broker experience should mimic the quote/proposal process. Multiple recipients should be supported, along with the ability for a customer to download their policy documents later.

UNDERWRITING PROCESS

Risk Appetite	Rate	Risk Analysis	Price	Proposal/ Quote	Bind/ Issue

Policy Admin

Policy administration systems can be purchased as standalone solutions, paired with a billing core system, or as part of a policy-billing-claims core suite or end-to-end core application. Core policy administration vendors for commercial lines include BriteCore, Duck Creek, Guidewire, Insuresoft, Insurity, Majesco, Origami Risk, and One Shield.

When it comes to rating and pricing solutions, carriers have a growing array of options. Core policy administration systems traditionally include rating capabilities, and some also support pricing. There are also standalone engines – some focus on rating, others on pricing, and some address both. These engines vary in the segment(s) they support, i.e. commercial and/or personal lines of business. There are also functional differences, from integration with bureau rating feeds (ISO, AAIS, NCCI) to AI-powered pricing models. Examples of rating and/or pricing products include CGI Ratabase, Duck Creek Rating, Earnix, and Majesco DRC RS X Rating. Some policy administration system rating capabilities are modular by design, allowing carriers to swap out the vendor's built-in rating solution to integrate an existing rating engine instead.

This report is focused on the underwriting vendor landscape and does not include policy administration core systems. Rating engines, either standalone or built into a PAS, are a component of the policy administration process and are not part of this underwriting vendor landscape. Note that some core PAS vendors also offer separate underwriting solutions, which may be included in this report.

INTELLIGENT UNDERWRITING PLATFORM

Carriers use various tools in the insurance journey, from submission to evaluation, quote, issue, endorsement, and renewal. Underwriting platforms function adjacent to the policy administration system that applies product rules, calculates rates, and produces the policy document. The underwriting platform is the workspace for underwriters that includes a range of capabilities. Modern solutions strive to automate whenever possible and maximize underwriter availability to apply their expertise when discretion is needed to make product, pricing, and placement decisions.

- **Intelligence desk workflow/work queue:** Automated, rules-based processing and assignment of actions to an underwriter.

- **AI & advanced analytics risk analysis and price:** Data-driven assessment of each risk, including pricing decisions or recommendations, based on underwriting guidelines.

- **Automating underwriting documents, tools, and referrals:** Data is extracted from submitted documentation and mapped to the corresponding system or tool. Underwriting guidelines automate underwriter referrals.

- **Intelligence rules and documentation:** Underwriting rules that the system applies are visible and easy to understand.

- **Visibility to book and aggregate portfolio dynamics:** Underwriters have access to their book of business information within the same platform where they are making individual risk decisions.

INTELLIGENT UW PLATFORM

Intelligence desk workflow/ work queue	AI/advanced analytics risk analysis and price	Automating UW documents, tools, and referrals	Intelligence rules and document-ation	Visibility to book and aggregate portfolio dynamics
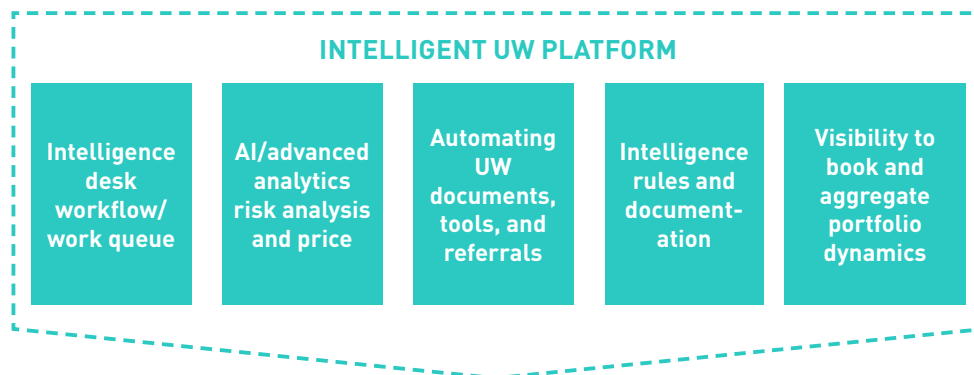
DATA SOLUTIONS

Data scientists continue to analyze risks and claims to identify discrete pieces of information that, in combination, can predict the likelihood and severity of loss or reveal an indicator of fraud. The effectiveness of this predictive modeling is dependent on precise data. Leveraging a third-party data source can augment submission data to reduce the quantity required from the agent or business owner, improving their experience while increasing the data available for the initial pass at underwriting rules.

Sources for real-time data are growing rapidly, from tapping into motor vehicle records to obtaining geospatial data for property risks. Carriers have the option of sourcing raw data that they can structure, index, and catalog for use or obtaining already curated information to incorporate into their own models. There are also vendor solutions that analyze the data and provide scores, helping to identify the submissions that are more likely to bind and prioritizing them for straight-through processing or underwriting referrals. In addition to listing solutions across several underwriting technology categories, the appendix in this report also highlights prominent vendors providing data, analytics, and scores for insurance underwriting.

- **Data input and risk appetite validation:** Data entered plus data sourced can be run against risk appetite rules to make early declines prior to completing the submission – a preferred experience to a delayed or surprise rejection.
- **New data sources and models for base rate, risk analysis, and pricing:** Broader data sets enable carriers to benchmark more accurately and apply more granular rules for rating, analysis, and pricing.
- **New data sources and models for STP/automation:** More data can lead to more precise, automated decisions for submissions that either do or do not warrant underwriting review, with clear guidance to the underwriter on the referral reason(s).

Data input and risk appetite validation	New data sources and models for base rate, risk analysis, and pricing
New data sources and models for STP/automation	
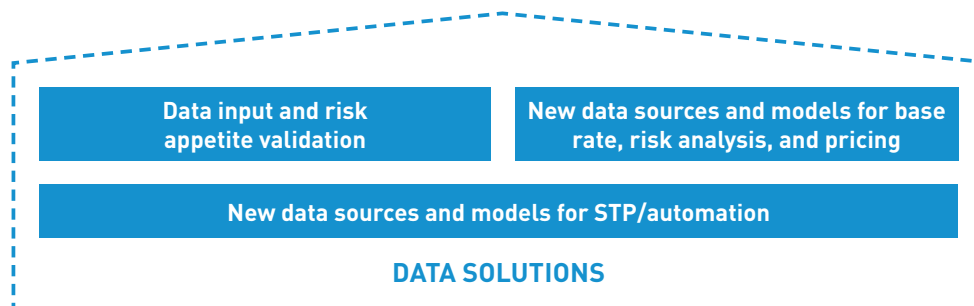
DATA SOLUTIONS

CALL TO ACTION

Underwriting transformation does not require the replacement of a core system. In fact, the increasing array of specialized point solutions offers viable solutions for specific problems and bridges gaps while not disrupting the foundation. This presents carriers with both opportunities and challenges to identify the combination of horizontal and vertical solutions that will best support their underwriting objectives, including assessing the components of a carrier's current state that also fit into its future state.

ReSource Pro encourages carriers to consider the following influencers when making underwriting technology decisions:

- **GENERATIVE AI**

  While we are still in the early stages of the GenAI era, it is moving at a pace that warrants carriers to lean in to gain experience with its capabilities and contemplate a framework for governance and compliance. We are seeing copilot solutions emerge that offer underwriters detailed risk assessments and underwriting recommendations. We recommend carriers begin with existing tech partners but also carefully evaluate new options, watching out for "faux" GenAI solutions.

- **DATA**

  With the growing assortment of third-party data sources available, a carrier's pursuit needs to begin with internal due diligence. Different goals will point to different vendor offerings, from looking to reduce agent input by maximizing accurate pre-fills to validating submitted information or augmenting internal data. Some data providers include models. A carrier may need multiple solutions to realize its target state, perhaps by type of data or line of business. A multi-vendor approach needs to be reconciled with a carrier's vendor strategy.

- **AGILITY**

  With the availability of focused vendor solutions coupled with the speed of GenAI, it has never been more important for carriers to think strategically but change incrementally. A "crawl, walk, run" approach should include experimentation to learn and course-correct before widescale deployments. Avoid the temptation to sequentially pursue change based on the business process when the highest-value modifications exist further downstream.

- **MERGERS, ACQUISITIONS, AND PARTNERSHIPS**

  From core system vendor partner ecosystems to vendors acquiring their competitors or forging strategic alliances, carriers should anticipate shifts in the vendor landscape. Consistent with our guidance on GenAI, carriers should look at their PAS vendor's partner ecosystem once they know the scope of solutions needed. Prebuilt use case templates may be available to offer carriers a jumpstart on automating a specific underwriting process.

APPENDIX: VENDORS IN UNDERWRITING

In the pages to follow, we provide an appendix of potential underwriting solutions that cover the technology framework illustrated in Figure 2. The first table focuses on solutions that span Submission Intelligence, Submission Clearance/Triage, and Intelligent Underwriting. A separate appendix follows for Data Solutions.

This appendix includes a list of available underwriting solutions as of March 1, 2024. While we strived to identify the major players, this is not a comprehensive list.

- The vendor solutions are listed in alphabetical order, based on vendor name.
- Highlighting indicates the scope of the vendor solution's underwriting capabilities.
- Note that some solutions span all lines of business, while others may be specific to one or a subset.

UNDERWRITING SOLUTION PROVIDERS

VENDOR	SPECIFIC PRODUCT NAME	SUBMISSION INTELLIGENCE	SUBMISSION CLEARANCE/ TRIAGE	INTELLIGENT UNDERWRITING
actico	Platform			✓
Advantage Go	Underwriting Workbench	✓	✓	✓
appian	Connected Underwriting Workbench	✓	✓	✓
Cogitate	Digital Edge	✓		✓
CogniSure		✓		
CONTEMI	Seamless Insure	✓		✓
convr	Answers AI / Intake AI	✓	✓	
CoreLogic				✓
CrowdAI				✓
Cytora		✓	✓	✓

VENDOR	SPECIFIC PRODUCT NAME	SUBMISSION INTELLIGENCE	SUBMISSION CLEARANCE/ TRIAGE	INTELLIGENT UNDERWRITING
earnix	Underwrite-It / Price-It			✓
EasySend		✓	✓	
edgeverve	XtractEdge Commercial	✓	✓	✓
expert.ai		✓	✓	
Federato	RiskOps		✓	✓
GRADIENT AI	Underwriting Risk Ranking			✓
hyperexponential	hx Renew	✓		✓
INDICO DATA	DocumentDNA	✓	✓	✓
INSTABASE		✓		
IQ Insurance Quantified	Groundspeed / SubmissionQ	✓	✓	✓
insurity	Sure Underwriting		✓	✓
intellectAI	Magic Submission / Xponent 3.0	✓	✓	✓
Kalepa		✓	✓	✓
känverse.ai		✓		
majesco	Digital Underwriter360	✓	✓	✓
NeuralMetrics		✓	✓	

VENDOR	SPECIFIC PRODUCT NAME	SUBMISSION INTELLIGENCE	SUBMISSION CLEARANCE/ TRIAGE	INTELLIGENT UNDERWRITING
newgen	NewgenOne Platform		●	●
PLANCK		●	●	●
quantiphi	Insurance 2.0: Low Touch Underwriting	●		●
Roots Automation		●		●
salesforce		●	●	●
Seenity		●	●	●
SEND Underwriting Workbench		●	●	●
Sixfold		●	●	●
SortSpoke		●		
unqork	ROB and Underwriting Workbench	●	●	●
Verisk	OneXperience for Commercial Property			●
WorkFusion		●	●	

DATA SOLUTION PROVIDERS

This is a list of providers of data solutions. Some products include scores for risk analysis.

VENDOR	RISK DATA	RISK DATA/ANALYTICS/SCORES
ARTURO		
Betterview by Nearmap		
CAPE ANALYTICS		
CARPE DATA		
convr		
CoreLogic		
Cytora		
E ESTATED		
FAIRFLEET		
fenris digital		
GEOSPATIAL INSIGHT		
GIC GEOSPATIAL INSURANCE CONSORTIUM		
GUIDEWIRE HazardHub Predict		
ICEYE		

VENDOR	RISK DATA	RISK DATA/ANALYTICS/SCORES
iQ Insurance Quantified | Groundspeed		
LexisNexis RISK SOLUTIONS	●	●
LOVELAND INNOVATIONS	●	
nearmap	●	
NeuralMetrics™	●	●
PLANCK		●
Quantemplate		●
tensorflight		●
Urbanico		●
urbanstat		●
Verisk™	●	●
zeitview		●
zesty AI		●

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