How to **Boost Your Quotable Business** with Improved Submit to Quote

ReSourcePro

Overcome Your Underwriting Issues

Carriers and MGAs face several challenges that make things especially difficult for underwriting staff, which can adversely impact premium flow and retention.

A hard market means an influx of submissions. As experienced underwriters retire and newer talent struggles to keep the operations running, the organizational focus shifts from being a great risk selector to achieving acceptable, if not outstanding, performance. Further, many companies still plod along with insufficient technology. An unstructured approach can overtax underwriters and underwriting assistants and lead to delayed quotes, loss of good quality business, staff fatigue, and reputational damage among distribution partners.

By developing a standardized approach to clearing and triaging submissions, carriers can ensure that underwriters devote more time to submissions that are in-appetite, while quickly declining or rerouting those that are not. In this guide, we'll look at the challenges facing underwriting organizations and the steps they can take to overcome them.

Challenges

Greater competition. Consolidation is creating an eat-or-be-eaten environment for midsize carriers. Large national and global insurers are combining to increase their product density per customer, further encroaching on the territories of regionals, super-regionals, and specialty carriers. Meanwhile, M&A activity in the distributor space often leads to a strategy of reducing carrier partners to a select few with the goal of receiving preferred terms, pricing, and commissions. As the market consolidates, nimble carriers must have a laser focus on operations to improve customer experience and free resources for innovative products that differentiate them from the competition.

An influx of submissions. Thanks to a hardening market, as well as rising inflation and interest rates, brokers are shopping around for better deals for their customers than they already have. That inflow of business can be a boon for insurers, but it can also strain underwriting staff as they struggle to keep up. Worse, brokers are sending many of these submissions in a scattershot fashion, without worrying if they're in-appetite or not. These submissions represent additional work that is little more than wasted time, putting an additional burden on underwriters to quickly reject or reroute them so they can focus on potentially revenue-generating quotes. What's more, all this extra work can create fatigue and delays, resulting in staff burnout as well as poor customer experience and lost opportunities.

A tight talent market. As experienced insurance professionals age into retirement, carriers are finding it difficult to replace them with talented recruits. The result is a loss of institutional knowledge and experience that could take years to recover— if ever. New talent that does come aboard is likely to do so at higher salaries and have heightened career expectations that will be difficult to meet. They will require costly and time-consuming training, without any guarantee that they will simply leave for greener pastures once they've become more valuable in the labor market, beginning the process all over again.

Aging technology. Insurance carriers are highly dependent on rigid and aging legacy infrastructure that is difficult to bring up to modern standards. This leads to high volumes of paper-based manual processes that can be slow, labor-intensive, and error-prone, not to mention reliant on insecure communication technology, such as faxes and email. More significantly, this outdated tech stack puts them at a disadvantage compared to nimbler competitors and insurtechs. Replacing these systems with modern, cloud-based solutions would require months or even years of disruption, as well as high up-front and ongoing costs. Robotic process automation (RPA), designed to pass data from one system to another along a business workflow, might seem like an obvious solution to this problem but is far more complex than it appears on the surface. Without careful vigilance and human input, RPA can break down when a single change occurs anywhere along the process chain.

Higher customer expectations. Consolidation in the distribution market is exerting downward pressure on pricing, but it is not the only source of change. Increasingly, B2B customers—brokers and agents—expect the same level of service and experience they receive as consumers. This requires a customer-centric approach unfamiliar to many underwriting organizations, which is to help brokers and agencies achieve their strategic goals. To remain successful, the submit-to-quote process must undergo a rigorous practice of continuous improvement. Building an organization that can compete requires building a culture that is receptive and responsive to changing market conditions with innovation and the ability to develop market-leading solutions.

Solution: Focus on Execution

How can an underwriting organization address these challenges? Primarily, by freeing high-value talent (underwriters and underwriting assistants) from low-value but critical work. That is, ensuring distribution and underwriting teams can manage relationships and execute effectively by giving them the bandwidth they need to focus on value-added tasks, such as risk selection.

To make this happen, create clarity around your strategic objectives, execution, and the journey in between. As a provider of risk mitigation, ensure that your entire organization is aligned to the strategy you have developed. Consider the following:

- Define the underwriter role as limited to risk selection, production support, and the much-needed mentoring of junior talent.

- Ensure the distribution role goes beyond relationship management and includes collecting and sharing market intelligence effectively.

- Focus product and service teams on providing the best customer and distributor experience based on the knowledge gathered.

- Create a Lean framework with clear guidelines to determine if a particular submission is in-appetite or not. If a submission falls short, it is rejected even before it reaches an underwriter. If not, it moves through the underwriting process.

From an execution perspective, the goal should be to specialize the talent in the function they perform and provide them with the tools and time to execute. While market-facing teams specialize in market-facing activities, all the critical processing tasks should be moved to a separate tier of functionaries tasked with clearing and "triaging" submissions. These functionaries don't have to make underwriting decisions (and hence needn't be qualified to do so), but they must be skilled and disciplined enough to ensure the process proceeds smoothly and accurately.

Continuous Improvement and Lean Practices

The best approach to process optimization of this sort is Lean management, a system originally adopted by manufacturing companies that focuses on driving continuous improvement from the bottom up, improving the delivery process of the product rather than the product itself.

By empowering team members at every level to embrace the principles and behaviors of the methodology, such as accountability and rewarding thoughtful experimentation, organizations discovered they could better sustain the push for improvement. Here's how to apply Lean methodology to your submit-to-quote process:

1. **Map the end-to-end process** to fully understand your value stream and align it with strategic goals. The value stream is the step-by-step process by which an organization delivers a product or service—in this case, a policy quote. Analyzing the process can reveal a wealth of inefficiencies. For instance, one insurance organization documented their entire renewal-to-bind process and realized it involved 100 key activities and 1,000+ processing steps! The main purpose of mapping the value stream is to create more predictable outcomes by clearly showing how a single step in the process can cause a ripple both upstream and downstream.

2. Focus on customer experience.

Do you know your customers' expectations? Insurance organizations can be so focused on generating new revenue that they can overlook how to effectively capture the voice of the customer. Creating a plan for tracking broker, agent, and even policyholder opinions is an important aspect of Lean because customers often have valuable insight into areas of your organization that need improvement.

3. Collaborate effectively.

With Lean, every employee in the organization is responsible for embracing the methodology. Think of it as creating a culture that naturally fosters improvement rather than a set of steps and rules for achieving it. Lean-oriented leaders celebrate employees who hold themselves accountable, who constantly seek new ways to improve their work, and who are willing to experiment, even if they sometimes fail.

Best Practice: Process Workflow for Submit-to-Quote

After years of working with carriers to help them make their submit-to-quote processes more efficient, accurate, and cost-effective, ReSource Pro has established a framework for best practices that is flexible enough to adapt to a carrier's specific workflow. These best practices are designed to improve underwriters' ability to reach in-appetite businesses more efficiently. Note that none of these practices require underwriting experience to carry out. Any decisions involved follow clear-cut guidelines for inclusion and exclusion. The process begins with a broker's submission and ends when it is either rejected for ineligibility or the verified request is sent to the underwriter. Every carrier will have their own variation of this process, but here are some goals to consider when crafting your own:

- Complete submission review within 24 hours or less, including clearance, declinations, and distribution to the correct underwriting team.

- Improve underwriting efficiency by diverting out-of-appetite submissions with tailored rules and defined appetite criteria to better meet the client's unique business needs.

- Enable underwriters to focus on nearly 100% in-appetite business.

- Ensure timely response to the distributors and rapid follow-ups on profitable business. Distributors also appreciate a timely declination.

In effect, the solution divides the submit-to-quote process in two: "submit-to-triage" and "triage-to-quote." Here's a brief overview of the submissions and "triage" process that should take place before a submission ever reaches an underwriter's inbox.

1. **Review the submission.** In this initial stage, the operating team receives requests from multiple sources—phone, email, web form submission, etc.—prioritizes rush requests, and checks them to ensure they include all the information required for submission clearance. This includes

insured name, mailing address, broker information, effective and expiration dates, and information required for certain lines of business (LOBs). If there is missing information, the reviewer requests it from the broker. It is also returned if it was submitted too early before the proposed effective date according to the underwriter's guidelines.

2. **Qualify the broker.** The next step is to look at the broker: Is it ineligible to submit due to competitive conflicts or a reputation risk? Is the broker properly licensed and appointed by the underwriter?

3. **Review the insured.** Next, check to see if the insured is, in fact, eligible for the program in question. Using NAIC/SIC code, is the nature of the business and primary operations eligible? What about the exposures and LOBs?

4. **Review any prior or ongoing relationships.** At this point, it is important to determine if the carrier has any current relationship with the insured, if this is a duplicate of a submission already in process, and/or if the submitting broker is the broker of record (BOR). This will determine next steps, such as re-routing as a renewal, resolving BOR conflicts, rejecting, or passing along to the underwriter. Questions to ask at this stage include:

- Has the existing new business been declined recently?

- Is coverage already in force?

- Has existing new business been received recently (is this a duplicate?)

- Is existing new business from other business unit/product with same or similar LOBs?

Only once, and if, the submission clears all these hurdles will the reviewer clear it to proceed to underwriting. By following these best practices to integrate people, process, technology, and data across their underwriting and policy servicing department, carriers can follow up on profitable business quickly and effectively, ensure timely response to the distributors, and maintain a work environment in line with their culture.

Case Study:
Taming a Deluge of Submissions

CHALLENGE

Amid a hardening market, a leading A.M. Best A-rated (excellent) excess and surplus lines carrier found itself facing a flurry of submissions. With no standardized approach to clearing and triaging them, the carrier struggled to keep pace and faced challenges prioritizing and quoting in-appetite business in a timely fashion.

THE SOLUTION

Submission triaging. Realizing the importance of the matter, the carrier engaged with ReSource Pro to support its submission clearance and triage process. A dedicated ReSource Pro team assumed responsibility for submission clearance, working with the carrier to develop a triage process and rules to auto-decline submissions that did not meet the established criteria, including underwriter instructions, distribution channel, geography, lines of business, and industry.

IMPACT

More quotable business. After implementing the necessary changes, the carrier soon saw submission review time drop from days to 24 hours, including clearance, declinations, and distribution to the correct underwriting team. Approximately 35% of submissions were declined or triaged to different teams. Consequently, nearly 100% of the business that underwriters did see was quotable.

Solving the Talent Problem

A talent crunch like the one that carriers are experiencing now can lead to a cascade of serious issues: loss of institutional knowledge, staff burnout, slower and less efficient processes, and less time to devote to revenue-producing tasks. As more knowledgeable and experienced practitioners reach retirement age, incoming talent will need training and mentoring to get up to speed—a process that itself takes time away from experienced underwriters. As we've shown above, carriers can and should address this problem by separating the low-value but important submit-to-triage work from high-value underwriting, and further refine these workflows with continuous improvement and Lean methodology.

That can take more time and resources than most midsize carriers are willing to devote. One solution is to delegate the "submit-to-triage" process to a trusted business process management (BPM) partner. A best-in-class BPM provider leverages scale, experience,
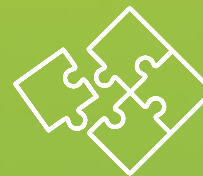
BEST PRACTICES, IMPRESSIVE RESULTS

98%+ processing quality level
to ensure business opportunities are captured accurately on time.

40+ business units/ programs
with different types of market segmentations, such as middle market, small business, etc.

25+ industry verticals,
including real estate, business services, healthcare, professional services, manufacturing, technology, etc.

25+ lines of business,
including property, general liability, auto, inland marine, workers' comp, homeowners, E&S, etc.

standardization, automation, and continuous process optimization to make your underwriting team more efficient, accurate, and responsive to client needs. Consider these benefits of outsourced BPM:

Increased profitability: Your valuable underwriting talent will spend less time on rote submission qualification and more time providing customers with timely quotes and winning business.

Improved employee engagement: An underwriter who can spend more time on in-appetite, quotable business will inevitably find their job more satisfying and engaging, which can help increase retention. Similarly, experienced practitioners will be able to train and mentor junior staff, providing the career support that today's worker demands.

Improved broker relationships: Best-in-class BPM providers aren't merely substitutes for internal staff. They leverage Lean management principles and continuous improvement strategies to elevate service, which strengthens your relationship with brokers.

When a carrier can align its book of business with company strategy, its underwriters become more effective, and that creates greater satisfaction among its broker partners. ReSource Pro offers submissions processing that takes care of all the details so that your underwriting team can get back to high-value activities while providing brokers and policyholders excellent service.

To learn more about the services ReSource Pro provides to carriers and MGAs, visit resourcepro.com/services/carrier-mga-solutions.

ABOUT RESOURCE PRO

ReSource Pro is an insurance-focused business solutions company that integrates people, process, technology, and data analytics. Over 1,000 carriers, brokers, and MGAs rely on ReSource Pro to execute strategies that improve profitability, accelerate growth, deliver improved claim outcomes, and enhance client and employee experience. With more than 7,000 employees globally, ReSource Pro provides business process management, strategic advisory services, management and organic growth consulting, training, and compliance solutions around the clock. ReSource Pro has consistently achieved a +95% client retention rate for over a decade.

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