

WHITE PAPER

CARRIERS:

ARE YOU GETTING THE
MOST OUT OF YOUR
RENEWAL PROCESS?



Imagine being able to improve your retention rate by a couple of points. What impact will that have on your book of business?

Renewals are the lifeblood of a carrier's growth, yet many carriers are plagued with frequent workflow updates, missed endorsements, risk profile changes, delays in information sharing, and other challenges.

These challenges can create a lackluster customer experience, higher errors and omissions (E&O) exposure, and loss of business at worst — all of which have an impact on the bottom line. What carriers need are processes that drive excellence across service standards to maximize renewal opportunities. Establishing a clear and consistent framework to initiate renewals in an efficient and timely manner allows underwriting staff to focus on policyholder needs. This not only ensures they receive adequate coverage, but it also helps increase the number of renewals and their value.

THE CHALLENGES: TIME, ACCURACY, AND COMPLETENESS

The key to success in renewals is getting a complete and accurate quote to the broker in time to be considered alongside competing offers. Let's break down the challenges that often prevent carriers from doing so.

TIMELINESS

It's as true for renewals as it is for new policies: You are competing against other insurers to win the broker's business. Yet the biggest challenge that many companies face is exactly that — responsiveness. If the process is initiated too close to policy expiration, or it's dragged out by repeated requests for information, you're not only creating a poor experience for the broker and policyholder but also risking the possibility that they will take their business elsewhere. In addition, heavy workloads during peak periods can bog down processes. There is also the issue of failing to meet regulatory requirements, such as sending non-renewal notices on time. Best practice is to start the renewal process at least 90 days prior to policy expiration. Taking a proactive approach to renewals, rather than waiting for brokers to initiate the process, is paramount.

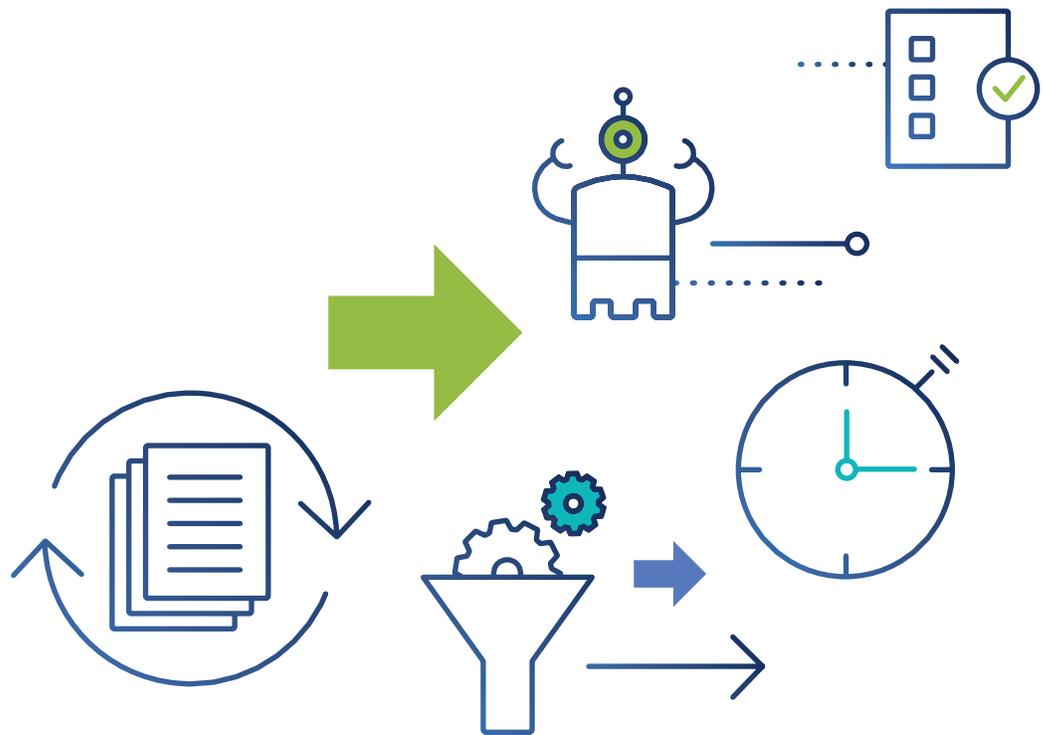
ACCURACY AND COMPLETENESS

It should go without saying that a renewal quote must be accurate. Often, however, underwriting assistants (UAs) pressed for time may overlook errors or omissions — or they may fail to ensure that they have accounted for all the changes that have taken place since the original policy's issuance. In addition, outdated systems can generate errors. Say you're issuing a business policy. Have the company's directors or officers changed? Have you confirmed the spelling of their names? Are there new vehicles in the fleet? New GL exposures? Has the company expanded into additional jurisdictions?

Have they entered new lines of business? How has payroll changed? In short, what does the new risk profile look like? Getting any of these questions wrong not only exposes your organization to E&O risk, but it also means poorly serving policyholders by underinsuring them. Doing so can give the broker a black eye as well, making it less likely they'd return to you for new business.

RESOURCE AND PROCESS OPTIMIZATION

To avoid these pitfalls, insurers need to develop procedures and standards that streamline the renewal process and ensure that it is accurate and complete. For example: Are you taking advantage of technology to automate processes whenever possible? Do you have a continuous improvement program in place? Both approaches can make your renewal process more efficient and your staff more productive. This, however, represents an additional challenge for insurers. Improvement doesn't simply happen. A disciplined approach to continuous improvement — one that encourages feedback and rewards innovation — is necessary to squeeze the most out of your resources. Training should create consistency across any broker-facing staff to ensure a consistent broker experience, no matter which office or division they're working with. However, insurers may have difficulty recruiting and training staff to perform these tasks effectively.



SWEATING THE SMALL STUFF

To understand how to improve your renewal process, it makes sense to look at it in detail. Certainly, underwriting is the most important and impactful step in the process. But the multitude of administrative tasks before and after underwriting can have an outsized impact when performed poorly. These small but crucial tasks can be broken down into five phases:

1. INITIATING THE RENEWAL PROCESS

In this initial phase, your staff reviews the current policy to determine if it still falls under your organization's underwriting guidelines. Next, they must gather all the information and documentation to proceed with the renewal. Accomplishing these tasks prior to underwriting is key to efficiency. The less back-and-forth with the brokers to track down information later in the process, the more smoothly it will proceed. Some tasks at this stage include:

- Ordering and reviewing motor vehicle reports (MVRs)
- Ordering and reviewing loss runs
- Preparing loss summaries
- Pulling risk assessment reports
- Sending renewal letters to brokers

2. SET UP RENEWAL SUBMISSION

Once the information gathering is complete, the next step is to review and update the renewal submission in the policy administration system.

3. PREPARE THE QUOTE

After the renewal has been underwritten, the quote needs to be negotiated and finalized with the broker.

4. BIND THE BUSINESS

Once the broker accepts the quote, your team must check the broker's agreement and licenses, order and review any inspections necessary, review the binding request, and issue the binder.

5. ISSUE AND SEND THE POLICY

Additionally, you should have processes in place for workflow updates — such as EMODs — so that they don't cause disruption or delays, as well as the ability to anticipate peak periods and scale operations appropriately. If underwriting guidelines have changed, your team should also review and update all related activities, such as sending non-renewal or solicitation letters, as well as all related documents (hand-outs, etc.).



OPTIMIZING YOUR TALENT

So far, we've talked a lot about processes. Now, let's discuss people. Many insurers delegate the administrative tasks around renewals to UAs, but it's fair to ask: Is it actually worth their time to undertake them? Does it help junior staff develop into skilled underwriters? Does it keep them engaged? Does starting the career path to underwriter with necessary but rote administrative tasks help you become an employer of choice? Does it help you attract the best talent?

There's a strong case to be made that it accomplishes none of these goals. Administrative tasks, no matter how important they are, require a separate skill set from the one future underwriters must develop. At the same time, these tasks are critical, and doing them well can result in greater customer retention, larger renewals, and increased efficiency.

For those reasons, it makes sense to delegate these tasks down or out of the organization. This liberates junior underwriting staff to focus on higher-value work. It also frees up time and resources for the kind of mentoring and training that will develop the next generation of underwriters.

A best-in-class business process management (BPM) partner leverages scale, experience, 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 team will spend less time and money keeping business, increasing the value of individual broker accounts
- **Higher retention rates:** Establishing a proactive pre-renewal process improves account retention and reduces the burden to replace lost business.
- **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 *improve* service, which strengthens your relationship with brokers.

ReSource Pro offers end-to-end renewal processing that takes care of all the details so that your underwriting team can get back to high-value activities while brokers and policyholders receive excellent service.

To learn more about the services ReSource Pro provides to carriers and MGAs, visit resourcepro.com/underwriting.



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 6,000 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 been listed as one of the Inc. 5000 Fastest Growing Private Companies annually since 2009 and has consistently achieved a +96% client retention rate for over a decade.

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visit us: resourcepro.com/underwriting

email us: more@resourcepro.com

call us: 888.577.7552