

CASE STUDY

Markerstudy's underwriting transformed by RDT's Equator

Enhanced pricing, the end of distribution woes, higher profitability and a 60 per cent cut in application fraud lead the insurer towards a better way

THE CHALLENGE: TO REDUCE LEAD TIMES AND TAKE CONTROL OF DISTRIBUTION

Markerstudy is a major player in the motor insurance market. It established itself with targeted products for drivers who traditionally have trouble finding insurance such as the young, those with unusual occupations or accident or conviction records as well as drivers of high performance and high value cars.

Markerstudy's broker-led business was facing increasing competition from the industry's direct writers. A key issue of trading through intermediaries, where rates are distributed by the software houses and data enrichment is limited, was that it could take up to eight weeks to get its prices to market.

In addition, distributing its rates to the software houses was laborious and time-consuming and whenever the price of a product changed, the same information had to be sent to each broker software house individually. To drive profitable growth, the company

knew that it had to find a way of competing more effectively and on a more level footing.

Markerstudy's Group Underwriting Director Gary Humphreys said: "We were looking for the ability to implement weekly pricing updates and to make changes immediately instead of having to wait for long periods. The time-lag was holding back our business, hampering agility, leaving our underwriters frustrated and creating a problem in winning good quality business."

RDT'S SOLUTION: COLLABORATE, INNOVATE AND ACCELERATE

To help address this, the management turned to RDT, one of Markerstudy's long-standing technology partners.

In only five months, working to aggressive deadlines and using Agile Project Methodology, RDT enhanced, configured and implemented Equator in accordance with Markerstudy's requirements.

TANGIBLE RESULTS

A 3.5 per cent reduction in loss ratio

A 60 per cent reduction in the number of fraudulent applications

Made cost savings of 20 per cent in updating rates

Immediate access to enrichment partners, which allows for product differentiation

Visibility of all quote data via intermediary channels, helping inform their product and distribution decisions

More dynamic and accurate pricing across direct and intermediary channels

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— Gary Humphreys,
Group Underwriting Director,
Markerstudy Group

CASE STUDY

Markerstudy Group - Equator

THE RDT SOLUTION: COLLABORATE, INNOVATE AND ACCELERATE

The project was delivered on time, on budget and worked from day one, meeting Markerstudy's key objectives:

- Delivery of competitively priced products to intermediary and direct channels from a single source
- The use of real-time third party data enrichment from companies such as Experian, Synectics, LexisNexis and HPI during the quotation process
- An in-house rating system that keeps Markerstudy's rates confidential and unique to them, providing the ability to better differentiate their products
- The ability to quickly set up and customise connections to new enrichment sources

Today Equator processes more than 18 million quotes a day for Markerstudy (expected to rise to 40 million a day by 2016), using real-time data enrichment, and returns prices sub-second both to brokers and aggregator sites.

THE RESULTS

Markerstudy is now able to perform weekly pricing updates – and immediate updates if required – and get their rates to market when they want, with no lag or product downtime.

Equator also enabled Markerstudy to:

- Cut their loss ratio by 3.5 per cent
- Lower the costs associated with distributing rates to third parties

- React quickly when they see potential rating errors or where conversion is too high in certain segments
- Use real-time third party data enrichment at point of sale to price more accurately
- Significantly reduce application fraud
- Review quote data and conversion rates
- Benefit from a faster rate update cycle
- Rely less on manual processes, leading to greater operational efficiency

Markerstudy has seen a 60 per cent reduction in fraudulent applications being made and estimates it is saving about 20 per cent a year on the cost of updating rates, which previously had to be done across 15 different systems.

Gary Humphreys said: "The ability to control distribution and to update our rates in a day rather than six weeks will leave many of our competitors always playing catch up."

"Equator will play a pivotal role in supporting our continued growth, by putting data to work and delivering accurate pricing at point of quote as well as supporting market segmentation and fraud prevention."

EQUATOR DELIVERS:

Point-of-quote, real-time third party data enrichment from companies such as Experian, SIRA, LexisNexis, Delphi and HPI

Connections to software houses including OGI, BGL and CDL

Scalability for handling tens of millions of quotes per day

New enrichment connections set up in two to three weeks

Web-driven product build and amendments by business users

The ability to provide enrichment feeds to the Polaris RTE

Real-time performance monitoring

"The ability to control distribution and to update our rates in a day rather than six weeks will leave many of our competitors always playing catch up. Equator will play a pivotal role in supporting our continued growth by putting data to work and delivering accurate pricing at point of quote."

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