



## Customer-Centric Web System Makes Specialty Insurers, Agents More Efficient

By Susanne Sclafane

The chances that specialty insurers or producers would ask staff members to spend time keying information into their computers for accounts they've lost are slim and none. But imagine if such information could be captured with no extra effort?

"There's a wealth of information contained in applications on policies they don't write," according to Taylor Smith, director of sales for ePolicy Solutions, a provider of Web-based technology for insurance carriers and producers based in Torrance, Calif.

During a demonstration of a generic version of one of ePolicy Solutions' Web-based rate-quote-bind-and-issue systems (RQBI) for *National Underwriter*, he pointed out the "customer-centric" nature of the process, explaining how it captures information that's usually discarded.

Unlike traditional systems, which are organized around policy numbers, ePolicy Solutions' customized RQBI systems, known as "RightRisk" systems, are organized around the customer, Mr. Smith explained. Clicking onto the MGA home page of the three-tiered demo system linking insurers, managing general agents and retail sub-producers, he created an account for a new customer.

After the MGA creates the account profile, the system generates an account page. Once created, any subsequent application for insurance and any policy written for this new customer could be accessed from the same page, along with profile information, Mr. Smith said.

"You can see how multiple policies and multiple applications can be involved in a given timeframe, including those applications that have been denied," Mr. Smith observed. "That's a very important data-mining feature for users of the system, who may or may not have a record of whether they worked with that customer, and if so, what happened to the last application. It simply gives a better view of the customer and what they're buying," he added.

Last year, ePolicy Solutions (then known as Insurance Technology Solutions) announced that it had developed a customized system for Interstate Insurance Group's physicians liability business. Mr. Smith and Rick Ulmer, senior vice president of sales, explained that a central component of the system is a "private-label Web site" that ePolicy System's created for Interstate based on its RightRisk technology.

Mr. Ulmer explained that the term "private label" means that ePolicy Solutions "creates a site for the carrier, for the MGA, [or] for the broker--and we brand it" for them. In other words, Interstate's private label site--

iProNet--has Interstate's "look and feel," he said. Although only Interstate underwriters and its MGAs can get into Interstate's site, Mr. Ulmer said that ePolicy Solutions' can also create sites that give selected sub-producers access to customized carrier systems.

While an Interstate representative declined to take part in an interview about its system as a matter of company policy, Mr. Ulmer said that Interstate (ePolicy Solutions' largest client with roughly \$800 million business) sought to lower its operating costs by Web-enabling its MGA plants. In particular, it removed the frictional costs involved in re-keying application and client information, he said, noting there's a complimentary reduced cost benefit for the MGAs as well.

In a statement, ePolicy Solutions and Interstate also said the site could potentially improve loss ratios by standardizing underwriting. This could increase growth opportunities because of the speed it brings to quoting and issuing processes.

Although the buyer of RQBI solution, in this case, was a specialty insurer, insurers aren't ePolicy Solutions' only potential clients, Mr. Ulmer made clear. In November, ePolicy Solutions' acquired Star Solutions, a provider of desktop software solutions for MGAs. As a result of the acquisition, ePolicy Solutions is developing a Web-based version of a Star product that would allow an MGA to get multiple physician or dental quotes "in real-time from one application," he told *NU*.

Typically, Mr. Ulmer noted, ePolicy Solutions sets up Web sites for carriers and provides a monthly subscription service to the MGA. But "we really do have two separate client bases. We could work with an MGA that has the pen on a program. We could just automate that program, or automate all their programs and then provide data feedback to the carrier," he said.

If it sounds like ePolicy Solutions is still searching for where its systems fit in, the firms' history reveals several years of experimentation.

"We really started as a retail insurance brokerage operation, online, in 31 jurisdictions, selling mainly professional liability" directly to potential insureds three years ago, Mr. Ulmer said, referring to the technology firm's parent company, ePolicy.com. "Then we expanded into the property-casualty commercial space," but still as an online retailer, he said.

Working with over a dozen carrier partners, ePolicy.com allowed users to come to the retail site, fill out applications, get rates, manipulate deductibles, and ultimately view, bind and receive policies, Mr. Ulmer explained. But, he said, "the underwriters we were talking to from a retail perspective kept asking, 'Why don't you talk to us about selling us the technology?'"

So after Web-enabling over 300 products on the ePolicy.com site—"practicing on ourselves"--the firm launched a subsidiary, Insurance Technology Solutions, a non-licensed purely insurance technology company, Mr. Ulmer said.

Recently, ePolicy.com stopped accepting new applications for insurance and ITS was renamed ePolicy Solutions.

"Selling online is a slow build. The technology's there. The capability's there. The buyers aren't," Mr. Ulmer said.

On the other hand, there's a real need for the technology in agents' offices, the two men said. In some cases, MGA policy processing has become "dramatically inefficient," Mr. Smith said. He related a story about an MGA using four RQBI systems that it accumulated over the years. Because the operating systems were incompatible (some were DOS-based and others operated on Windows 95), and because of their size, the agency was in the process of putting two computer terminals on every desk to access the different systems, he said.

"There's something somewhat perverse about technology taking over like that," Mr. Smith observed. "And the goal, of course, is to allow technology to make things easier, not harder."

MGAs and carriers "share one common goal--customer service," Mr. Smith continued. "Both recognize that speed and efficiency make for better customer service," he said.

He demonstrated the efficiency of the current RQBI system by pulling information from an application and from the carrier directly into a quote letter going to a sub-producer.

Without the system, people would "take the information out of the system, print it off, walk over to the word processor, type it all in again, print that again, and then they'd go mail it or fax it," Mr. Smith said.

Additional features allow the MGA to make online referrals to the carrier during the application process and to create mid-term policy endorsements.

"This really creates one-stop processing. And that's really the ultimate goal no matter where you sit in the food chain," Mr. Smith said.

Another feature of the system is that it keeps track of policies coming up for renewal (perhaps in a 30 to 120-day timeframe), based either on rules identified by the carrier, the MGA, or statutory regulations in a certain state, Mr. Smith said. With "potentially hundreds of policies" to keep track of, agents can sort policies in multiple ways, he said, noting that they can be managed by business line, renewal date or status of referral.

Mr. Ulmer added that ePolicy Solutions' RQBI systems "are real time, on time, live. We're seeing lots of people talk about that. But in reality, [in their systems, the user has] to go offline to finish a transaction. They can do rate and quote, but they can't issue. Or they can rate and quote, but they can't 'quick quote,'" he said.

Mr. Smith demonstrated the "quick-quote" feature, which allows an MGA to "get a real good solid number based on filling out fewer data fields" on an application. In a physicians' liability demo, only 12 questions had to

be answered.

"MGAs don't want to fill out a complete application just to see if they're in the carrier's ballpark on price," Mr. Smith noted.

Mr. Ulmer said that while MGAs will be filling out the online applications initially, he believes that sub-producers will eventually do some of that work.

"We think there's going to be a migration over the next three-to-five years, as MGAs get comfortable being back in the business of managing producers and sub-producers, and being content and product experts rather than process experts," said Mr. Ulmer, adding that MGA shops are probably too focused on manual processes of "getting the right forms."

While competitors offer RQBI systems, Mr. Smith noted that some alternative systems are completely internal rather than Web-enabled. ePolicy Solutions' Web-enabled systems, he said, are "accessible to multiple users at the same time" and are "scalable." In other words, they can be sized so that multiple users don't create "horrible processing slowdowns or a complete inability to get on" them, Mr. Smith said.

An ePolicy Solutions' system can be up and running in 90 to 120 days, once the firm gets the go-ahead to create one, Mr. Ulmer said. He added that the company is "within days" of announcing that it will be setting up a private label Web site for another insurer with a \$2 billion book of business.

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