

Carrier Workflows & ISO's Solutions

ISO MarketStance's support of C/L writers & the road ahead



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Why is it becoming more difficult to manage a C/L book?

Commercial lines marketplace is now characterized by:

- More volatile economy with generally slower growth
- Greater territory to territory differentiation
- More changeable coverage needs
- More complex distribution options

This all contributes to:

- Greater difficulty achieving profitable growth
- Need for more focused growth strategies
- Importance of making fullest use of organic growth in market potential
- Need for more precision in execution at the territory and local levels
- Increased importance of aligning distribution with organic growth potential



Case Study:

Planning for profitable growth

Setting:

- Nationally writing carrier organized by region
- Re-aligning growth strategy to take advantage of organic growth

Tasks for planning:

- Differentiate premium growth targets by regional exposure growth
- Check alignment between U/W appetite and business class-level exposure growth forecast
- Validate class of business plan against carrier and industry recent profitability

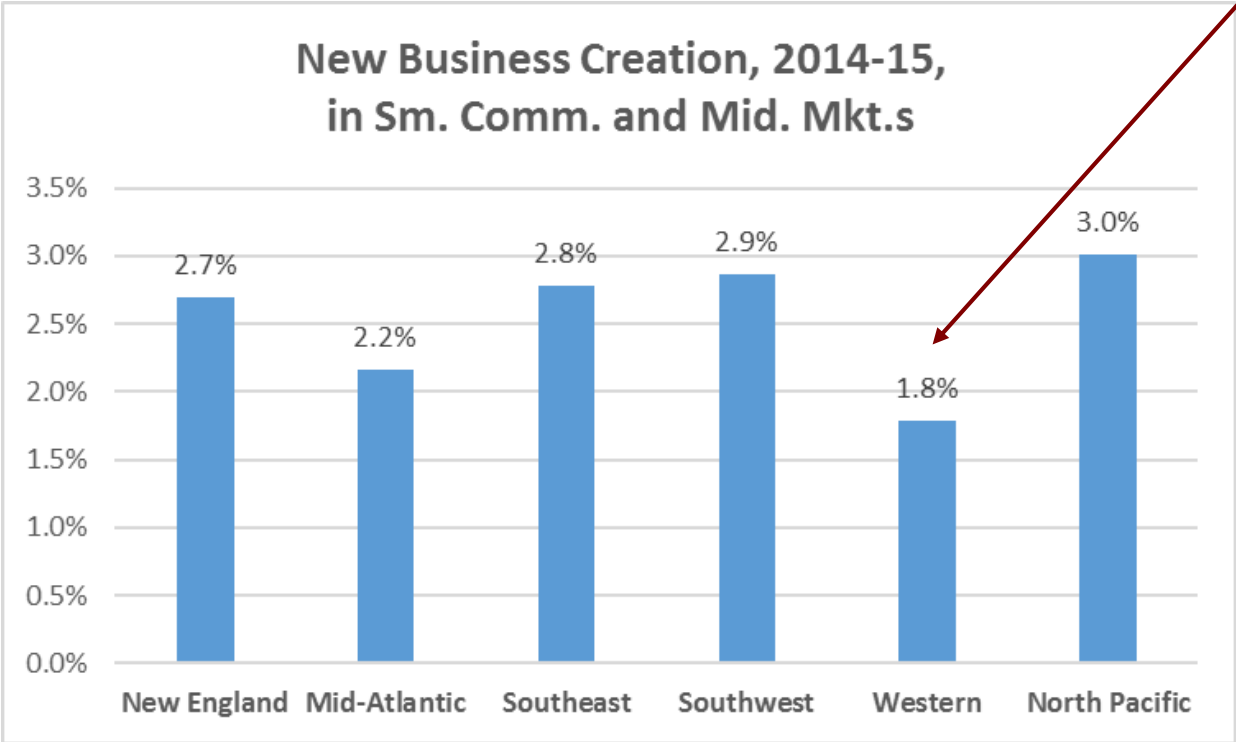
Tasks for implementing

- Identify metro areas with greatest opportunity
- Check distribution force's alignment with high opportunity metro areas



Appreciable differences in the rate of new business creation

- National averages are no longer an acceptable proxy in territory planning.

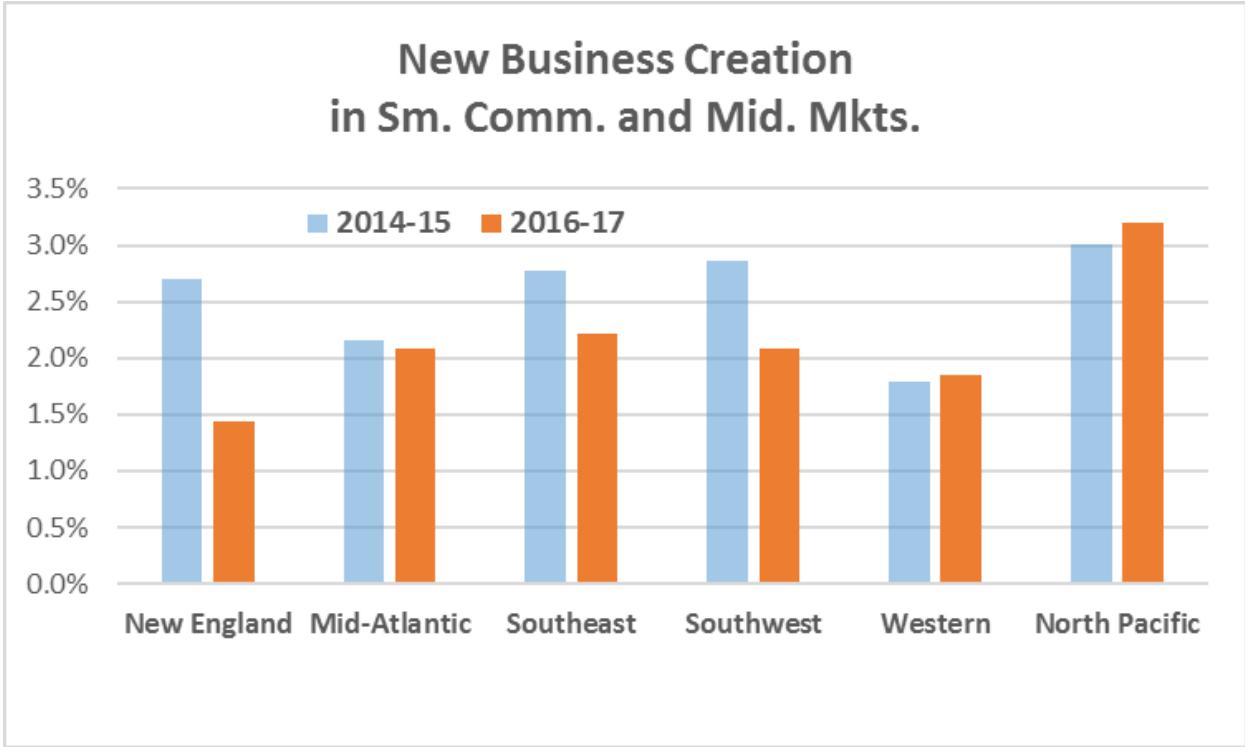


Only the Western region's organic growth in new accounts fell significantly short of the national pace (2.6% per year)



Increased volatility in C/L organic growth

- Historical data is often an inadequate guide to future growth opportunities.

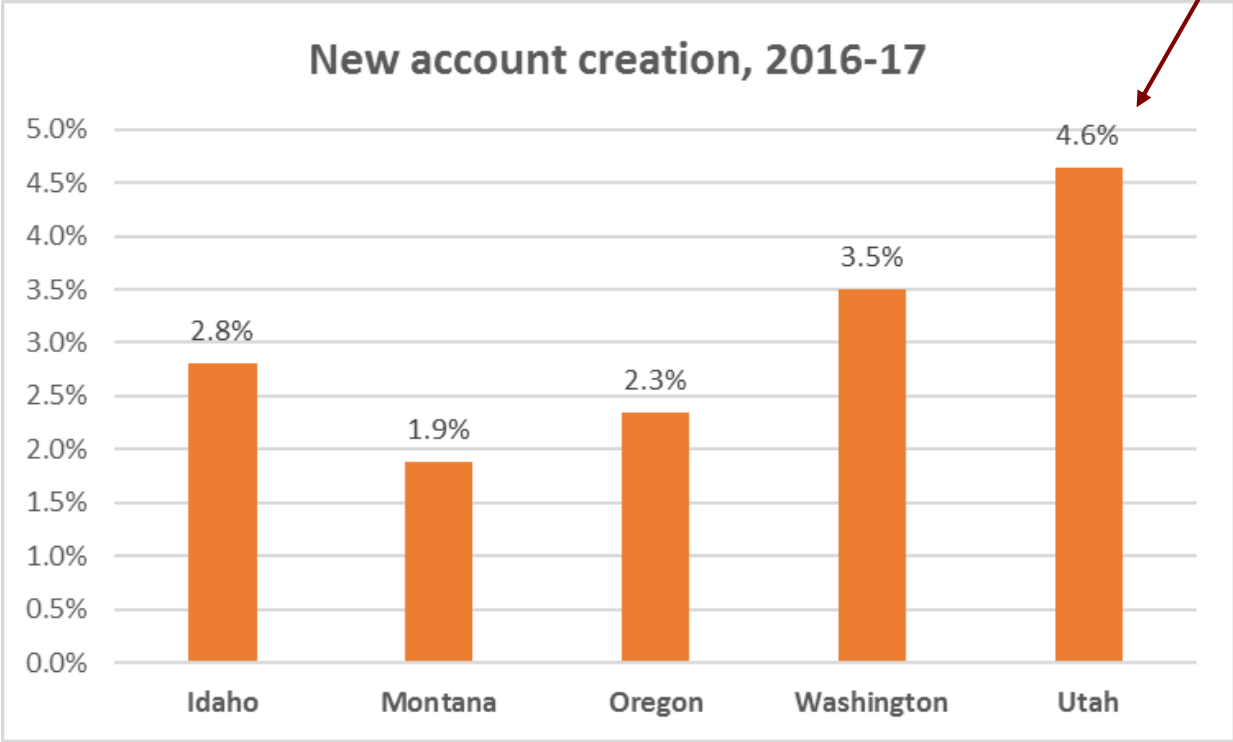


For some territories, current (2016-17) organic growth is significantly slower than in the recent past.



Increased disparity in C/L organic growth

- To be useful, growth forecasts must differentiate states, metro areas and counties.

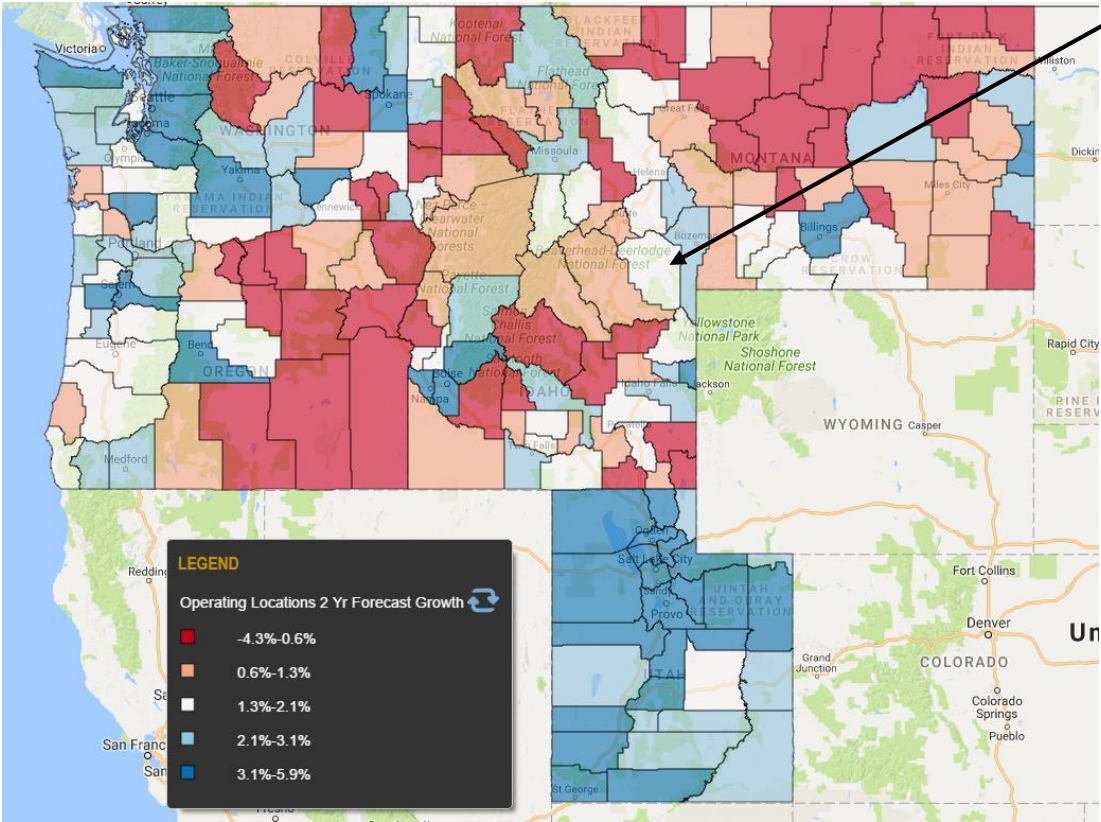


Within the North Pacific region, organic growth currently is much stronger in Utah than in Montana



Only certain metro areas are delivering strong growth

- Current distribution capacity may be poorly situated to tap growth opportunities.



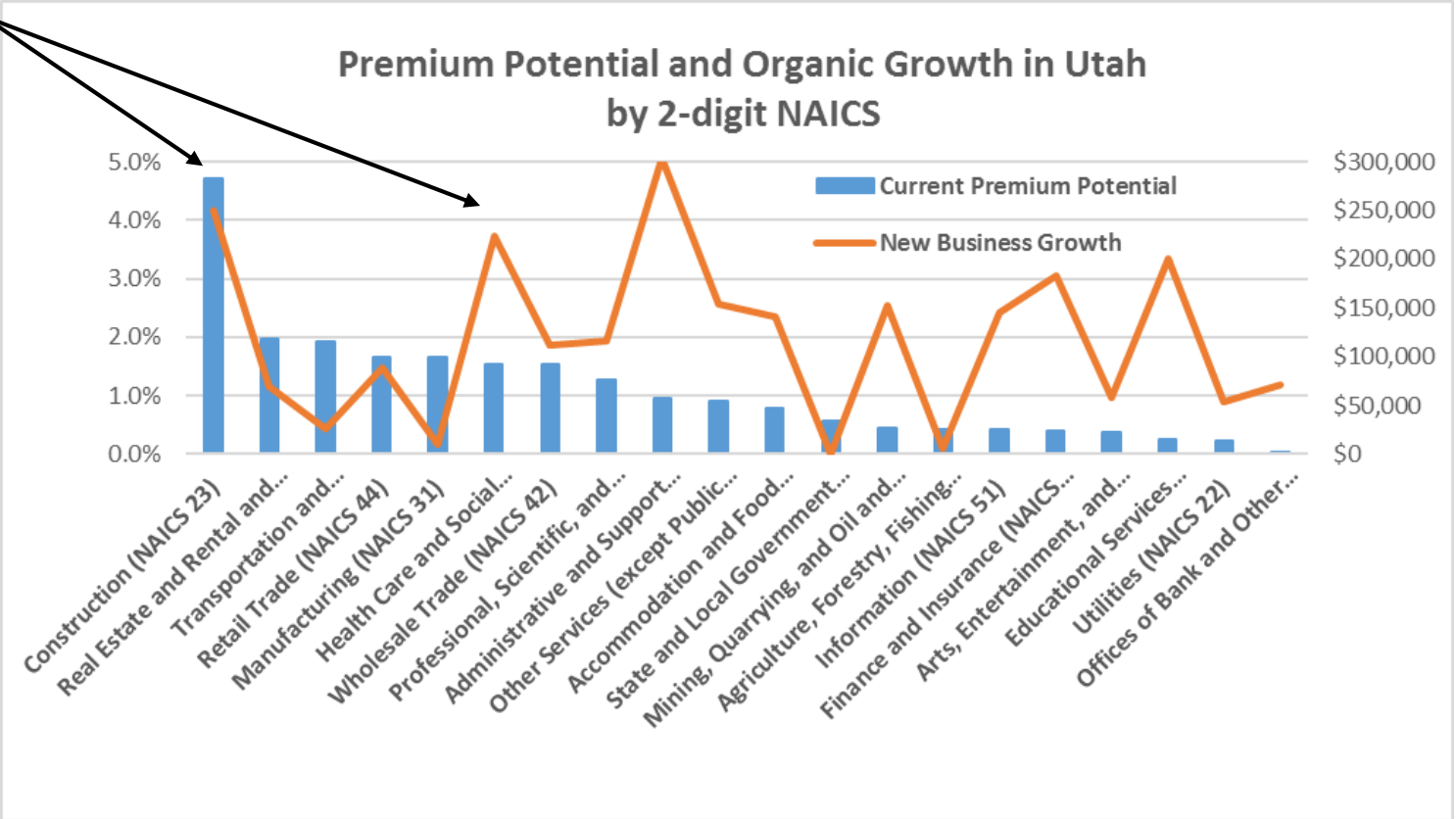
In Utah, the Salt Lake City and Provo areas are only part of the organic growth story.



Exposure growth in each industry can be quite different

- Tapping organic growth in Utah may require broadening U/W appetites.

Among the larger business segments in Utah, only construction and healthcare are experiencing strong creation of new accounts.





Current gaps

Profitability:

- Loss experience measures by line of business and class of business
- Market competition measures

Exposure and premium forecasts:

- Premium growth estimates by specific line of business
- Differentiate organic growth between new accounts and exposure per account
- Classification of business by BOP, GL and WC codes

Solution to specific operational issues

- Alignment of U/W appetite with current territory



ISO's resources will help expand our solutions.

MarketStance Data Availability				
Information type:	Statutory filings (NAIC)	Current Product (MarketStance)	Envisioned Enhancement	
Commercial lines market				
Latency of benchmark data	1 year	1 to 2 years		
County geographic detail		✓		
Class of business - SIC, NAICS		✓		
- GL, BOP, WC	✓		✓	
Specific line of business	P	✓		
Account size segments		✓		
Loss experience		P	✓	
Alternative markets		✓		
Alien E&S writers		✓		
Forecast exposures and premiums		✓		
Risk data		P	✓	
Ancillary data				
Agency data		✓		
Sales leads data		✓		
Utilization				
Bespoke consulting		✓		
Data access		✓		
Transactional		✓	✓	
Data visuation		P	✓	
Programmed solutions		P	✓	
Legend:				
P - partial availability				
✓ - currently available				
✓ - anticipated availability				

For questions or to learn more about any of the
concepts covered in this presentation
please contact:

Client Support: 888-777-2587 or e-mail ms@marketstance.com

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