Underwriting Company Achieves New Success with Consolidated System and Rating Engine

Customer: Towergate Partnership
Web Site: www.towergatepartnership.co.uk
Customer Size: 3,500
Country or Region: United Kingdom
Industry: Financial Services
Partner: RDT

Customer Profile
Towergate Partnership controls more than £1.5 billion of gross written premium. A primary division within the company—Towergate Underwriting—is one of the United Kingdom's leading providers of specialist insurance products.

Software and Services
- Microsoft Server Product Portfolio
  - Microsoft SQL Server 2005
  - Windows Server 2003 Enterprise Edition
- Microsoft Office
  - Microsoft Office Access
- Technologies
  - Microsoft Visual Basic .NET 2003

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Jon Mitchell, Senior Project Manager, Towergate Underwriting

Towergate Underwriting wanted to design, build, and market competitive insurance policies faster and more efficiently. To do this, it needed to consolidate its existing systems onto one standardised system. The company purchased Landscape.NET, an insurance administration system based on Windows Server® 2003 Enterprise Edition that includes a powerful rating engine.

Business Needs

Controlling more than £1.5 billion (U.S.$3 billion) of gross written premium, Towergate Partnership is Europe's largest independently owned insurance intermediary. The company comprises two primary divisions: insurance broking and insurance underwriting. Towergate Underwriting is one of the United Kingdom's leading providers of specialist insurance products, where underwriters and insurance specialists create customised products for insurance brokers.

Towergate Underwriting wanted to enhance its market potential and competitive advantage. To do this, it looked to improve time to market on products and process workflows. Growing by acquisition for more than a decade, 30 disparate insurance administration systems were accumulated within the underwriting division. Not all of these systems were able to cope with continued business growth, so some areas of the company were struggling to cope with demand.

Jon Mitchell, Senior Project Manager at Towergate Underwriting, says: "When there are lots of small systems struggling to cope with large volumes of business and new channels to market, they just fall in a pile and hold the business back. Towergate has the ability to dramatically increase the volumes of business each underwriting division processes, but this is hard to do under these circumstances."

New starters found the existing systems

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difficult to use, so the company spent a great deal of time and money training them. Several agencies were surviving on Microsoft® Office Access™ databases or older proprietary technology. This made it difficult to create new products quickly, put them on the Web, or trade electronically through Electronic Data Interchange (EDI)—an electronic messaging tool that automatically receives and validates information.

Solution

Towergate Underwriting looked to consolidate its numerous systems onto one standardised environment. This was so that staff had better access to real-time information, and underwriters were able to see their products built or amended faster.

In September 2006, Towergate Underwriting approached Microsoft Gold Certified Partner RDT to find a new solution. Together, they evaluated the requirements for Towergate and, based on feedback received by the agencies, produced a specification for the enhancement of Landscape.NET. From these requirements, RDT then delivered a proof-of-concept based on Landscape.NET, which was signed off by Towergate Underwriting.

In October 2006, RDT developers working with Towergate business analysts enhanced its Landscape.NET environment to meet the documented requirements.

The solution is built on:

- Microsoft SQL Server™ 2005 for a central database management system.
- Microsoft Visual Basic® .NET 2003 for system integration and integrating software, including broker management software and document management software.
- Windows Server® 2003 Enterprise Edition for the operating system.

Insurance products can be quickly configured and deployed due to the highly configurable rating engine, which is fundamental to the solution. It also delivers:

- Full accounting functions.
- Workflow events and business documents.
- Broker administration.
- Full policy production and administration.
- Claims handling.
- Business intelligence.
- Full cycle EDI.

The solution went live in March 2007. The new system electronically exchanges information between Towergate Underwriting and its large base of brokers, and the rating engine automatically performs the validation of the data to generate the right premium amount or a referral. Mitchell says: “For example, if someone is trying to buy home insurance and has claimed for a flood in the past, we are able to evaluate the severity of their claim and find the best possible product for their needs. The ability to validate business data in this way is critical in a successful underwriting operation because it generates good business.”

Benefits

With Landscape.NET based on Windows Server 2003 Enterprise Edition, Towergate Underwriting has been able to start consolidating its 30 underwriting systems into one standardised system. Underwriters can change the loadings with the rating engine, so the insurance proposition can be cheaper. They can now offer the best rates based on intricate details. For example, when configuring a specific type of house insurance, the rating engine can determine details such as how many houses are insured in a single street. The underwriters can now determine their total exposure in the event of a catastrophe. Mitchell says: “The greatest advantage is that we are in control of our own destiny. Building insurance products can be a complicated business, and the ability to do this ourselves quickly and with flexibility is enormously attractive.”

- Staff can access and manage information better and collaborate more efficiently because all agencies have consolidated their systems to create one standardised environment.
- Data warehousing interprets in real time.
- Employees can configure detailed data to build products and generate rates quickly and efficiently with the rating engine.
- Towergate Underwriting has increased its competitive advantage and market potential by being one of the first biggest adopters of the solution in a .NET environment.
- Staff can generate results faster in-house, improving customer response times.
- Employees have more control over rates and processing times because they can change the loadings in the rating engine to calculate best prices.
- Staff find the system easy to use, helping to keep training costs down.
- The system is powerful enough to handle future acquisitions and manage increasing business needs.
- Employees can deal with incoming data faster because the system can electronically exchange information through EDI, which automatically receives and validates the data.
- The blend of technology employed by the system means that pursuing new channels to market is faster and less expensive.

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