



Case Study

Tokio Marine HCC

Tokio Marine HCC is a leading specialty insurance group with offices in approximately 180 countries, including the United States, the United Kingdom, and continental Europe with more than 100 classes of products and services.

In 2019, Tokio Marine HCC acquired NAS Insurance services, which became Tokio Marine HCC’s Cyber and Professional Lines Group (CPLG).

CPLG offers coverage across a wide range of fields, including cyber liability, technology errors and omissions, employment practice liability, healthcare professional products, miscellaneous professional liability, and turnkey reinsurance and programs.

THE CHALLENGE

To remain competitive and compliant, CPLG must keep up with new rates and rules for many of its insurance products. These updated rules and rates typically stem from policy and pricing adjustments based on incoming claims data, updates to product ratings, new products, and regulatory changes. In fact, cyber insurance uses hundreds of various inputs to determine the rating and underwriting of a policy, and each input adds a layer of complexity.

CPLG’s legacy underwriting platform made an already challenging process even more daunting. Additionally, much of the rating logic sat inside Excel spreadsheets and word documents. As a result, each product modification required manual adjustments and required a tedious and time-consuming process, especially with the introduction of new products.

With a desire to retain a leading position in the market and bring products to market more quickly, CPLG embarked on a digital transformation journey to overhaul its underwriting and policy administration platform.

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PROJECT OVERVIEW

Envisioned from the start as part of a greater digital transformation effort, CPLG intended for a new underwriting and policy administration to replace the legacy platform and no longer rely on Word documents and Excel spreadsheets. Additionally, CPLG desired the upgrade to grow the business while controlling costs and resources.

The team knew they wanted to implement one single platform that could accommodate any product, no matter how complex the rules and product were and scale with additional product lines easily.

With all this in mind, CPLG sought a decision platform that could help enhance auto-rating and underwriting, launch new products, and advance its overall digital transformation efforts.

SOLUTION

After an extensive search evaluating multiple decision platforms, the CPLG team selected InRule Technology® as the foundation for its digital transformation and to revamp its auto-rating and underwriting process. InRule's ability to allow users to write rules with ease and execute decisions at scale were significant factors in the selection.

After working with InRule's professional services consultants, the CPLG team was able to stand up its auto-rating and underwriting for its cyber insurance product. The solution has two cloud-based rule applications, one for auto-rating and one for auto-underwriting.

The auto-rating application of the platform has several components and uses API technology to produce rate or premium for a policy, then a quote.

Similarly, the auto-underwriting side of the platform takes in hundreds of inputs, including application inputs and those related to standards and regulations. The automated rating and underwriting functionality are essential elements to the success of the platform, and both are powered by the InRule® Decision Platform.

Jamie Kinsley, Senior Vice President of Technology and Product Management at CPLG, said, "These are the key pieces of our platform which allow us to make better decisions for our core business and build out complex and dynamic logic with ease."

Updating and creating new logic isn't the only place where CPLG has experienced a significant time savings since deploying InRule; using InRule, it takes underwriters a couple minutes to quote.

"These are significant efficiency gains," notes Kinsley. "And that doesn't only help our bottom line. Being able to get quotes to customers quickly is essential. A lot of times, if you're not the first to quote, you're not the carrier that's going to get the business."

Standing up the new platform only represents the first step in the digital transformation of CPLG's cyber unit. The new platform has the ability to connect to third party data sources and deliver quotes to third party distribution platforms. Kinsley stated, "This is an invaluable piece of intelligence for our auto-rating, and we would not have been able to use such tools in our old platform."

RESULTS

Since launching its InRule-powered platform, CPLG has improved its digital transformation journey. The insurance carrier has shifted away from its old policy administration solution, which relied on hard-coding for the simplest of logic changes, and evolved from using Microsoft Excel and Word to store business rules and guidelines. CPLG can handle greater complexity, adapt more nimbly to changes in the market, free up team members to focus on more strategic projects, and be more responsive to customer applications, all while introducing new products to the portfolio with ease.

The project for the cyber insurance line has been so successful that CPLG has consistently added more and more of its products to the InRule platform. In fact, more than 90% of CPLG now runs on the InRule Decision Platform.

NEXT STEPS

CPLG has successfully implemented the InRule platform and will continue to look for ways to remain a leader in insurance with advancements in technology.

93% of InRule customers would recommend InRule to a colleague.

Learn more about how InRule saves its customers an average of \$869,696 and why 93% would recommend the decision platform to a colleague. Visit <https://www.inrule.com/resource/value-of-inrule>.