

## The Strategic Engine Review – from SelectX

### Not just an audit – a root and branch review

Most insurers have an audit program in place to check the performance of their human underwriters. Some go further and have regular independent audits and even call in specialists to check their processes to ensure they are up to date and fit for purpose.

Increasingly underwriting is automated, using an engine to triage and make decisions on the more straightforward cases that form the bulk of applications. The result is more efficient underwriting, shorter time to issue and, importantly, the generation of valuable data.

Some insurers believe that the implementation of an engine is a 'one and done' project; others, driven by a culture of continuous improvement, have an organizational structure that is aligned to the system, and are constantly reviewing performance. Whichever of these descriptions applies to you, SelectX can help you improve the management and the performance of your engine and maximize the return on your investment.

### Unparalleled experience

SelectX is an international risk management consultancy with unparalleled knowledge in this arena. We have worked with underwriting rules engines and their users for 15 years in many different mature insurance markets, including North America, the UK, Asia and South Africa.

We have worked with vendors, reinsurers, carriers and distributors – not as technology partners but as risk management and underwriting experts who create and manage the 'intelligence inside' – that is, the knowledge base which drives decision-making.

We know what works... and what doesn't. We can see scope for improvement where maybe you can't.

### Practical advice

SelectX can take an objective view of your engine, looking at how it is managed and how it is performing. We have a tried and tested methodology for reviewing an engine and the processes that surround it. Our Strategic Engine Review covers:

- Your underwriting philosophy
- Your application form and the customer journey
- The rules and their wording
- How the rules are performing; are they making the right decisions on the right cases?
- Use of management information; is it telling you what you need to know and are you doing enough with it?
- How the engine is managed including organizational structure, testing protocols, version controls, etc.

We look closely at a selection of reflexive rules and how they are performing. We review not only how the rules are worded and structured but also how they work in practice using a series of case scenarios. We also check decision outcomes against documented philosophy.

One of the key benefits of any engine is the data that is captured and analyzed. A key element of our reviews is a penetrating look at the management information in a number of areas including engine performance, decision outcomes and scope of outputs (including use made of them by all stakeholders).

## STP rates

Many firms focus on straight-through processing (STP) rates and how to drive these up. We understand the significance of these headline metrics but believe they are not the only benchmark. We help firms look at their STP rates and understand whether there is room for improvement, whether that means a liberalization of rules or the reinforcement of good risk management practice.

While we have a tried and tested methodology, we tailor each review to an individual company's requirements drawing on our long experience in this area. We can even build the engine review into a wider-ranging independent review of your new business and underwriting process.

Don't risk punching below your weight.

SelectX can use long experience and deep subject matter knowledge to identify the key issues and help get the most out of your underwriting engine. Maybe the technology can do more than you think.

Get in touch to find out more.

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