

Tower Group Companies

A Client Success Story



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Background

Tower Group Companies, an insurance service organization comprised of its insurance company, Tower Insurance Company of New York, and its managing general underwriter, Tower Risk Management, delivers a broad range of property and casualty insurance products and services through a network of approximately 400 wholesale and retail brokers and agents.

The Challenge

The company was looking to create a competitive advantage with its producers by creating a sophisticated portal to transact new business over the Web. By providing a point of sale/smart underwriting system, Tower wanted to allow its producers the ability to write business easily - in real time - making the company the first choice with which to do business. Tower would also benefit by reducing costly data entry and errors, growing direct written premium without increasing staff and significantly lowering operating costs.

Agency Portal Opportunity

In seeking greater efficiency, Tower recognized an opportunity to deploy a web solution to automate the paper and fax-based workflow conducted with their agents. Tower's primary goals in developing a web-based "agency portal" solution was to:

- *Improve agency responsiveness and employee productivity by removing the phone, paper, fax bottleneck.* However, without high producer adoption, the project would not succeed. Producers had to clearly see how the solution would simplify the rating, quoting and binding process, allow them to quickly determine eligibility, and enable them to book business faster. **Tower was targeting a 90% agency adoption rate.**
- *Improve employee productivity by reducing errors and verifying eligibility before policy processing* by dynamically presenting screens, content and data based upon specific product, underwriting and eligibility business rules. The system needed to be flexible enough and easy to use so that a business analyst could modify the underwriting guidelines to meet changing market conditions and product specifications. **Tower's goal was to be able to scale their underwriting operation without adding commensurate headcount.**
- *Reduce duplicate efforts at the company and producer* by automatically populating electronic ACORD forms, proposals, binders and invoices. **Tower was looking to save \$200,000 in paper and faxing costs in the first year.**
- *Leverage IT investments* by integrating with the existing policy administration system (Phoenix)



Over 71% of the policies that were bound fit Tower's underwriting guidelines and required no underwriter intervention, resulting in significant cost savings.

The Solution

After an extensive analysis of internal capabilities and vendor solutions, Tower selected AgencyPort and its AgencyPortal product to build its agency web system, TowerWebPlus. Michael Lee, President and CEO of Tower Insurance Company:

"Tower selected AgencyPort after the completion of an extensive due diligence process on the AgencyPortal software product and other vendor solutions. We were impressed with the track record of the technology team and the company's domain expertise from within traditional insurance distribution."

AgencyPort's AgencyPortal product presented Tower a solution that:

- Fortified agent relationships by providing an easier way of doing business.
- Migrated Tower's underwriting guidelines directly to the Web so that agents could input data and get an immediate response as to the eligibility of the risk.
- Created high agency adoption by delivering AgencyConnect, a component that allows agents to upload insured data directly from their agency management system.
- Helped automate the underwriting process by applying underwriting rules and creating PDF based ACORD forms, proposals, binders and invoices that tie into standard email packages.
- Enabled smooth processing of new business policies by seamlessly integrating with Tower's policy administration system.

Agency Port's modular, component-based product and approach to rapid implementation, allowed Tower to achieve its business goals of increasing producer responsiveness while reducing policy administration costs.

In one year, Tower's Web Plus system has been used by nearly 300 producers who have submitted over 32,000 new business submissions. Tower's Web Plus system has greatly improved its agency responsiveness, resulting in an increase in its hit rate from 18% to nearly 42%. Over 71% of the policies that were bound fit Tower's underwriting guidelines and required no underwriter intervention, resulting in significant cost savings. Tower also saved well over \$200,000 in reduced paper and fax costs by being able to produce electronic proposals, binders and invoices.

In the last year, Tower has grown direct written premiums over 30% without adding underwriting or administrative staff.

Tower accomplished the web-enablement of its new business initiative on time and under budget, without having to make any changes to in-house systems. Based upon the tremendous initial results, Tower has recently rolled out additional lines to further scale its business.



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Smart Underwriting Functionality

Geocoding

Tower's agency portal utilizes geocoding data from Group1 to precisely pinpoint a buildings proximity to the shoreline or notable landmarks in order to make more informed underwriting decisions. Tower has strengthened their relationships with Reinsurance Companies based on their ability to accurately and quickly provide concentration of risk and exposure information data relative to their book of business.

Business Rules & BPM

Tower's business analysts utilize business rules and business process management technology from Pegasystems to cost effectively and rapidly make changes to underwriting guidelines as market conditions or product specifications change. For instance, as Hurricane Isabella moved up the east coast, Tower was able to change its underwriting criteria to decline all homeowners' submissions that were within one mile of the shore, without touching any code in minutes.

Straight-Thru-Processing

If a policy fits within Tower's underwriting parameters, it gets bound and queued for issuance. AgencyPort successfully integrated with Tower's policy administration system (Allenbrook's Phoenix system) by mapping submitted policy data to the required Phoenix fields. When a policy meets Tower's underwriting parameters, the data is electronically sent downstream, eliminating the need for internal staff to re-key information into the Phoenix system.

Declinations are now automated via an integrated underwriting engine, leaving underwriters to work on more qualified risks. Employee productivity has been greatly enhanced by the automation of easy-to-place policies, allowing underwriters the ability to focus on larger, more complicated risks.

Michael Lee, CEO of Tower:

"AgencyPort successfully implemented a sophisticated agency portal solution that exceeded our expectations."

About AgencyPort

Founded in December of 2000, AgencyPort Insurance Services, Inc is a leading provider of Web-based agency portal and agency interface software for Property and Casualty insurance companies. Our customers create an easy and useful environment for their agents to conduct business.

For more information about AgencyPort please visit our web site or call 1-866 KEY-ONCE.

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