



## **Guidewire-Commissioned Study Connects Property/Casualty Underwriting Performance to Leading Practices That Drive Profitability, Growth, and Efficiency**

May 23, 2011

SAN DIEGO, Calif., May 23, 2011:

At the ACORD LOMA Insurance Systems Forum, Guidewire Software®, a leading provider of flexible core systems to property/casualty insurers, today announced the results of its underwriting and policy management research study. The Guidewire-commissioned study, conducted by Ward Group, an independent consulting firm specializing in the insurance industry, identifies and compares insurer characteristics and system functionality needs by type of underwriting strategy. The study benchmarks best practices information to help insurers compare their underwriting performance and policy processing operations against those of peers with similar underwriting objectives. Participants included more than 50 property/casualty insurers across North America, and represented a cross section of carriers by size, business type, and distribution channel.

Study highlights include:

- Overall, underwriters reported spending nearly twice as much time on administrative policy processing tasks as they would like. Insurers are striving for a smarter use of time by focusing underwriters on high value tasks, such as those that improve relationships with producers.
- Efficient personal lines insurers focused on streamlining policy processing and improving data quality, with more self-service utilization, resulting in reduced underwriting expenses and a profit ratio two points higher than the overall group. Sixty-three percent of these highly efficient carriers indicated they felt they were outperforming their peers in agent ease of doing business.
- Among commercial insurers, efficiency did not consistently lead to better profit performance. Carriers that emphasized underwriting efficiency and shifted their focus from risk selection to service delivered profit ratios 14 points lower than the average.
- Overall, 60 percent of participants indicated the need for better core system functionality in order to make better underwriting decisions. The high profit performers in both personal and commercial lines had, on average, newer underwriting systems.

"This underwriting and policy management study provides unique insight into how underwriting tactics and strategies correlate to company results and profitability," said Quin Netzel, director, Ward Group. "It is our assertion that benchmarking insurer performance is a valuable tool that can aid insurers in evaluating their underwriting practices and focusing their efforts to align with their strategic objectives."

"The study results highlight the role of technology in helping insurers attain their underwriting objectives," said Neil Betteridge, director, Guidewire Software. "The right underwriting and policy administration system can make all the difference in equipping an insurer to streamline operations and profitably execute their underwriting strategies. This enables underwriters to focus on improving risk analysis and pricing accuracy, supported by better access to customer data, and frees them to interact more with producers and customers."

Download the study results at: <http://success.guidewire.com/UnderwritingSurvey>

### **About Guidewire Software**

Guidewire Software is a provider of core system software to the global Property/Casualty (general) insurance industry. Designed to be flexible and scalable, Guidewire solutions give insurers the capability to deliver excellent service, increase market share and lower operating costs. Guidewire InsuranceSuite™, consisting of Guidewire PolicyCenter®, Guidewire ClaimCenter® and Guidewire BillingCenter® spans the key functional areas in insurance – underwriting and policy administration, claims management, and billing. Guidewire is headquartered in San Mateo, California, with offices in Beijing, Dublin, Hong Kong, London, Munich, Paris, Sydney, Tokyo, and Toronto. For more information, please visit [www.guidewire.com](http://www.guidewire.com).

### **About Ward Group**

Ward Group is the leading provider of benchmarking and best practices research studies for insurance companies. The firm analyzes staff levels, business practices and expenses for all areas of insurance company operations to help companies measure results, optimize performance and be more profitable. For more information about Ward Group, visit [www.wardinc.com](http://www.wardinc.com).