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Columbia Insurance Group Partners with Convr to Deliver Underwriting Excellence to Agents

COLUMBIA
INSURANCE GROUP
We insure peace of mind.®

CASE STUDY

Learn how Columbia:

- Enabled straight-through processing on 28% of SMB policies within 3 months

- Increased company search hit rate by 88%

- Saved underwriters more than 2500 hours per year in reviewing submissions

- Advanced its vision of becoming a technologically-driven insurer

Started in 1874 in Columbia, Missouri, Columbia Insurance Group operates in 14 states and its independent agency channel runs through four branch offices. It has seen times of tremendous change, both prosperous and disruptive, and through it all has built enduring customer relationships by focusing on service and value. With a rich history spanning over 140 years, Columbia recognized it needed to invest in digital capabilities to continue to thrive.

66 I'm sorry, we do not have time to quote.

For Scott Mackey, Chief Underwriting Officer at Columbia, that statement is burned into his memory. A business submission came in that looked extremely profitable. The problem? His underwriting team did not have the time to investigate.

"Our team just didn't have the capacity. Besides letting down our agency partner, we shut the door on an opportunity that could have been good, for them and for us."

Manual underwriting processes did not just limit how much business Columbia could quote. Inefficient processes resulted in slow quotes, which made it hard for agents to do business with the carrier. Manual processes also made it challenging for underwriters to focus on high-value business and cultivate customer relationships.

Columbia also found it hard to achieve underwriting consistency. Quotes could vary in quality and accuracy depending on the sources that underwriters were searching through to determine a business's digital footprint, or the complete track record of information available on the business from third-party data sources. At a portfolio level, this was not optimal for a strong book of business. And it presented significant challenges for Columbia when it came to scaling its commercial business.

Meanwhile, agents, underwriters and insureds were ramping up their expectations for frictionless, quick experiences. Agents wanted an easier way to quote that did not involve answering endless questions. Underwriters wanted greater capacity, fewer lost opportunities, and better information to make more informed decisions. And insureds wanted quotes faster—the longer they waited, the more they were likely to shop around.

Digital transformation—without losing the human touch

Scott and the Columbia team recognized that investing in digital transformation would help them become more agile, adaptable, and responsive. They wanted better, more accurate information that would allow them to improve services and speed up turnaround times. They recognized that if they could develop the capabilities for straight-through processing, they could free up underwriting capacity—and that would mean being able to process more quotes without adding headcount, while simultaneously providing underwriters with more time to build relationships with agents and insureds.

Historically though, Columbia had not been a technology-driven operation. "Our emphasis is on relationships," said Scott. "We wanted to modernize our technology without losing the human quality of our relationships." Together with the Columbia leadership team, they needed to identify the right technology to address their challenges and a clear vision that would help them drive change throughout the organization.

Our emphasis is on relationships

Scott Mackey
Chief Underwriting Officer at Columbia Insurance Group

AI-driven decision science—and a strategic partnership

Initially, Columbia started discussions with Convr with the goal of finding a technology solution that could create more efficiency in their agent portal and allow their underwriters to quote more business with the same amount of time. It did not take long for them to realize that Convr could be a strategic partner that could significantly help expand Columbia's vision.

The Convr team listened to what Columbia wanted—and needed. Together, they identified the solutions that would be able to address Columbia's challenges of productivity, efficiency, and agent and underwriter expectations. Importantly, Convr helped Columbia define a shared vision of what underwriting excellence could look like—a shared vision that could enable Columbia to inspire and lead people toward a more technology-driven future.

Columbia integrated two Convr solutions:

d3 Answers™
d3 Risk 360™

d3 Answers™ makes it easier for agents to place business with Columbia

Challenge

Underwriters have to answer a set of complex questions every time they receive small and midsized business submissions (SMB), which help determine if a business should receive a quote. This process is time-consuming and further threatens the agent and insured experience as they may look at other carriers that offer a response faster.

Solution

d3 Answers™, which applies decision science to automatically provide answers to complex underwriting questions, is implemented within Columbia's agent portal to drastically reduce friction for agents to obtain a quote and to facilitate discussions among agents and underwriters. Data validation ensures high accuracy in the answers to the underwriting questions, and it enables Straight-Through Processing (STP) for select classes of business that Columbia provides policies for.

Results

Prior to launching d3 Answers™ in July 2020, Columbia did not have any STP capabilities. By the end of September 2020, 28% of their SMB policies were issued via STP. And d3 Answers™ is such an integral part of the Columbia submission toolkit that it is now demoed to prospective agents as a way of marketing the company's ease of doing business.

> " Agents look to us to improve the efficiency of the entire quote-bind-issue process. By pre-filling underwriting risk characteristics, it is far easier for underwriters to identify risk and discuss with the agents. This is a fundamental shift in the ease of use and agent experience that makes Columbia the path of least resistance for placing business.

Doug Duncan
Chief Information Officer,
Columbia Insurance Group

d3 Risk 360™ empowers underwriters to make more informed decisions on referral business while focusing on building stronger relationships

Challenge

Columbia's traditional processes meant that underwriters spent a lot of time manually reviewing referral business (i.e., quotes that could not be processed via STP). That made it hard for them to identify and focus on the best risks or invest in customer relationships. It also prevented them from creating more efficiency in their underwriting processes to quote more business, faster.

Solution

Through d3 Risk 360™, Columbia's underwriters can view all the available information needed to quote a given business within Convr's underwriting desktop. That means that they won't have to spend long periods of time looking through different websites and validating the accuracy of the information they encounter. With this solution, Columbia is able to optimize this part of the underwriting process leading to better risk selection and a stronger book of business.

Results

Since launching in January 2020, d3 Risk 360™ continues to supercharge Columbia's underwriting team with improved productivity and effectiveness:

- Underwriters save 20 minutes per submission—a total of over 2500 hours in the past year.
- Company searches get a hit rate of more than 88%, which is 5% better than what a leading data and business credit bureau offered.

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> **d3 Risk 360™ is more than just another tool for underwriters. It has become an integral part of the underwriting process for Columbia.**
>
> **Doug Duncan**
> Chief Information Officer,
> Columbia Insurance Group

Implementation? No problem.

- **Reliability.** 100% system availability and zero unplanned downtime.

- **Effective training for an easy-to-use product.** Halved the number of help desk tickets between implementation months 1 and 2—and since July 2020, zero help desk tickets have been logged.

- **Responsive customer service.** Product enhancements configured for Columbia's needs, including UI and data set improvements, and detailed release notes to support change management.

Underwriting excellence powered by decision science

Using Convr's AI-driven decision science solutions, Columbia has transformed its underwriting processes. The carrier can now respond to quotes faster and offer a better agent and insured experience that mitigates lost business due to customers shopping around. Its underwriters can make better-informed decisions by accessing more of a business's digital footprint, which means improved profitability and fewer losses.

Key point

This is much more than just automation. This is AI as augmentation—supporting people to work with tools that help them be more effective, make their day-to-day work more meaningful, and contribute to one of Columbia's core values: to create enduring customer relationships.

The strategic partnership with Convr has enabled Columbia to advance its vision of becoming a more technologically driven, super insurer. It is a partnership and an investment that will help Columbia develop underwriting excellence, reduce friction, and achieve a competitive advantage on an ongoing basis.

From skeptic to convert

"All I knew about AI was what I read in the headlines and that was a bit ominous. So, I did what any good underwriter would do: I did some research." Scott is not alone in his skepticism about AI and what it could do for Columbia. How would it fit with the carrier's focus on the human touch? Could it really help Columbia be more responsive, efficient, and profitable?

In a word: yes.

Columbia now sees how AI-driven decision science can take underwriting to the next level. "Convr's commitment to continually enhancing the platform is really inspiring. We want to continue to evolve with the platform and continue automating and augmenting as much as possible," says Scott.

The future of underwriting with AI

These days, things change fast. During the pandemic, we have seen companies pivot on a dime, with restaurants shifting to takeout, apparel companies selling face masks and auto makers producing ventilators. That kind of agility is both inspiring and necessary in a fast-moving world—and also indicative of the constant, shifting risk exposures that commercial P&C carriers must be aware of.

Effective risk management means keeping up with these detailed changes. But done manually, it is labor-intensive and difficult to scale. It is messy.

66 And messy is bad for business.

That is where AI comes in. Convr helps carriers streamline every step of the underwriting process with d3 Underwriting™, a suite of AI products that take the friction out of the underwriting process:

d3 Intake™ automatically digitizes and analyzes insurance submissions, virtually eliminating manual data entry

d3 Risk 360™ provides a holistic view of risk in one place, enabling underwriters to make more informed decisions

d3 Answers™ applies decision science to answer complex underwriting questions, improving the agent experience and enabling straight-through processing

d3 Risk Score™ automatically optimizes and prioritizes risks for evaluation, configured to each carrier's unique risk appetite

Products work individually and as a suite, and they're all available via Convr's underwriting desktop - an intuitive, easy-to-use user interface - or API connectors.

Our vision is to empower commercial P&C insurers to underwrite with as little friction as possible—so that they can make better decisions, attract and develop talent, and scale their book of business.

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