THE NEXT WAVE OF P&C INSURANCE SOLUTIONS

SPEAR

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Innovative Solutions to the Challenges of Rising P&C Insurance Premiums

One of the hottest topics surrounding P&C insurance among both insurers and policyholders is the significant increase in premiums. Not only have pricing models become more complex, but there are also numerous factors beyond insurers' control that are driving up costs such as product shortages, rising labor costs, and inflation.

The challenge of delivering accurate pricing looms larger than ever. Insurers need to be able to price effectively to remain profitable while retaining policyholders. Embracing modern technology is one of the most effective strategies for insurers to reduce costs while ensuring accurate pricing in order to be competitive in the market and expand their book of business.

Executive Summary

The significant increase in premium pricing is a hot topic among both insurers and policy holders. While there are numerous factors beyond anyone's control, one of the best strategies for insurers to reduce costs, ensure accurate pricing and deliver a better customer experience is through the use of cutting-edge technology.

➤ Improving Efficiency
➤ Ensure More Accurate Pricing
➤ Better Customer Experience
➤ Lower Cost of Ownership
➤ Reduce Manual Workloads

Improving efficiency is one strategy for achieving significant cost savings. Insurers must address outdated legacy core systems, once cutting-edge but now inefficient and obsolete, necessitating numerous add-ons and plug-ins that may not seamlessly integrate. Modern systems built from the ground up using advanced technologies present a solution, boasting enhanced features, requiring fewer third-party add-ons, and providing superior integration for seamless data sharing.

Take more control of your overall pricing structure to offer more realistic pricing without resorting to discounts through improved initial risk ranking. Offer more competitive pricing on desired business while rejecting unfavorable risks that could result in significant costs long-term. Move away from incentivizing brokers and agents to offer large discounts to meet quotas by using enhanced data to encourage them to pursue more profitable business instead.

In addition to enhancing efficiency and improving pricing, modern technology also

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fosters customer-friendliness. Virtual assistants utilizing conversational business intelligence simplify interactions for potential customers and insureds, aiding them in requesting quotes and submitting information. This approach not only improves customer relations but also boosts retention - a cost-effective strategy compared to acquiring new customers.

Automation of processes reduces manual workloads, empowering teams to concentrate on core business activities rather than routine tasks. Augmenting staff and providing recommendations further aids in workload management. Implementation of risk ranking, scoring, and straight-through processing of policy applications allows for precise pricing for low-risk customers, prompt rejection of unfavorable risks, and targeted scrutiny by experienced underwriters for complex applications. This approach significantly contributes to improving pricing accuracy and operational efficiency.

Considering the cost of ownership, modern policy administration systems often prove more economical to operate and maintain while uncovering additional cost savings. They offer greater agility in responding to evolving business needs, ensuring faster and easier changes while enhancing reliability.

For more information about how your organization could be using Spear's innovative solutions to improve efficiency, improve pricing and provide better customer experiences to mitigate rising premiums, please Contact Us.

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