

THE ULTIMATE GUIDE TO RENEWALS: Leave Your Spreadsheets Behind

The screenshot displays a software interface for managing renewals. It features a table with the following columns: Budget, ID, Project Name, Address, and several financial columns including Total Cost, Contract Price, Salary, and others. The table contains several rows of data, with a 'TOTAL' row at the bottom. The interface also includes navigation options like 'BACK TO MENU', 'REASON FOR', and 'CONTACT US'.

Budget	ID	Project Name	Address	Total Cost	Contract Price	Salary	...
100000	100001	Project A	123 Main St	100000	100000	100000	...
200000	100002	Project B	456 Main St	200000	200000	200000	...
300000	100003	Project C	789 Main St	300000	300000	300000	...
400000	100004	Project D	101 Main St	400000	400000	400000	...
TOTAL				1000000	1000000	1000000	...

Ventiv helps answer your risk management questions.

- Capture all your risk and exposure information in one place.
- Manage your data with automated workflows.
- Analyze your information with a range of in-built reporting tools.



Incident Reporting



Claims Management



AI-Powered Analytics



Renewal Data Collection

INTRODUCTION



NEED A RENEWAL SOLUTION?

What is the best time to consider a risk management software for renewal? The best time is straight after a renewal is finished. This will give time to conduct an evaluation of providers, get approval for the project and get the solution implemented before you need to start the renewal planning for next year.

In our experience, clients using spreadsheets for the renewal data collection process will spend 75 days collecting data and producing charts and reports. This time also includes checking and formatting / reformatting data.

The knock-on effect is that insurance brokers receive client's data later into the renewal process. This means brokers have less time to thoroughly analyze the data and prepare a high-quality submission that will enable them to;

- Clearly explain a client's risk to the underwriters.
- Negotiate the best premiums and policies.
- Evaluate the best program design considering coverage and total costs.

Today, effective risk/insurance managers, are using software solutions to help them reduce the time taken to collect data and produce reports. Furthermore, they are using these systems to improve data accuracy and, help ensure up-to-date and complete sets of data are collected and disclosed to brokers and underwriters.

By providing high-quality renewal data and claims records, risk/insurance managers are able to help safeguard against excessive premiums, under-insurance and voided policies, when claims are made.

If you are looking to optimize your organization's insurance renewal, this is the right eBook for you. In this eBook we walk through a timetable for your insurance renewal, highlight what information is required and how the renewal data is used. We'll also discuss the main challenges risk/insurance managers face during renewal and how a technology can help, as well as sharing best practices and success stories.

Typically, commercial renewal submissions only use 50% of an underwriter's pricing model.

ARE YOU CONCERNED OVER THE QUALITY OF YOUR SUBMISSION DATA?

Answer the questions below, to see if you should be investing in risk management software for your annual renewal process.

1. Do you find yourself trawling through data and spreadsheet after spreadsheet, rather than managing risks? YES NO

2. Are you unsure of all your company's exposures from across your operations? YES NO

3. Do you find the insurance team's time being squeezed during the renewal process – time spent collecting, checking and formatting data as well as the normal day-to-day tasks? YES NO

4. Do you put the burden of renewal onto your broker or pass the problem onto the underwriter? YES NO

5. Is it difficult to get hold of previous year's renewal data? YES NO

6. Are there gaps in the data you're submitting to your brokers, eg missing values or business units not supplying data? YES NO

7. Is there a lot of toing and froing between business units to check data is correct? YES NO

8. Is your renewal being tied up at the last minute/day? YES NO

9. Do you suffer from a poor submission and minimal time for your broker to place your risks in the market? YES NO

10. Are you being asked more questions after you've submitted your presentation to the underwriters? YES NO

If you answered 'yes' to most of the questions, carry on reading as Ventiv can help you.

WHAT INFORMATION DO BROKERS NEED?

Typically, underwriters receive less than 50% of the data they need to price a risk and exposure. What's more, if the data is not provided then the likely outcome will be a higher premium.

So, what data is required? This table outlines the main information that a broker and underwriter will need to assess and price your risks.

Ventiv's renewal questionnaire can be customized to address your specific exposures and any emerging needs of the market. In addition, specific workflow rules, validations and notifications can be built into your process to ensure data quality and transparency.

Fact: Did you know that an underwriter can use up to 56 separate data elements to price an individual property exposure?

Commercial line of business	Property	Casualty	Financial
Data requirements	<ul style="list-style-type: none"> • Location. • Construction, ie frame, cladding, no. of stories, roof coverage and geometry, door and window design. • Occupancy, ie how the building is being used. • Protection, ie sprinklers, distance to nearest fire station, contingency plans. • Exposure, ie loss posed by neighboring properties and surrounding areas. • Values, ie building and stock values. • Limits. • Deductible. <p>For aviation, motor and marine risks the underwriter will be looking for information about the fleet, volumes, activities, what's being transported and by which means, values, routes and cargo storage locations.</p>	<ul style="list-style-type: none"> • No. of employees. • Employee activities. • Turnover. • Product types. • Potential long-tail exposure. • Likelihood of claims. • Types of business. • Floor space. 	<ul style="list-style-type: none"> • Information about the management teams. • Employee travel engagements. • Locations of business units. • Information about the employees providing advice. • Controls, protocols and processes.
Risk mitigation information	<p>For property damage and business interruption (PD/BI), underwriters will also be looking to see how many of their recommendations have been completed and which recommendations are outstanding.</p> <p>For other lines of business, underwriters will be looking for information about the different risk mitigation strategies that have been adopted and the outcomes.</p>	<p>Accident-reduction and risk mitigation strategies that have been adopted and the outcomes.</p>	<p>Training and process updates including all loss prevention measures and mitigation strategies.</p>
Claims record	<p>Complete records/details that show the frequency and severity of claims for the last 5 yrs and beyond.</p>	<p>Complete records/details that show the frequency and severity of claims for the last 5 yrs and beyond.</p>	<p>Complete records/details that show the frequency and severity of claims for the last 5 yrs and beyond.</p>

HOW DATA CAN MAKE A REAL DIFFERENCE TO PREMIUMS

In this example, we show how more data made a significant difference for a US property located in a coastal area which was a high risk for windstorms.

The left box shows the initial data that was provided and the resulting premium and the middle box shows a revised premium once additional information was submitted.



WHO'S INVOLVED IN A RENEWAL AND HOW DO THEY USE YOUR DATA

Okay, so you understand the type of information that needs to be provided during a renewal, but now what? Who's using the data and for what purpose? Here's a look at the key roles and responsibilities:



1. The Risk/Insurance Manager will:

- Supply the broker with up-to-date information and analysis about their risks and exposures
- Potentially present to the underwriters with the broker
- Justify premium spend internally, and update the organization's CFO and other stakeholders on the insurance renewal



3. The Actuary will:

- Run predictive and capital modeling on the values supplied for property renewals, and on claims for casualty and motor renewals
- Use the data for claims reserving and setting premium provisions

Note: where data is missing, actuaries will take the worst case scenario



2. The Broker will:

- Analyze data and compile the renewal submission
- Offer advice to the client before, during and after the renewal
- 'Tell the story' about the client's risks and exposures to the insurance market
- Negotiate the best possible premiums and conditions for the client's risks and exposures



4. The underwriter will:

- Price the risks and set the policy terms and conditions
- Manage their systemic risks
- Analyze the data to spot trends and correlations, which will help them to develop pricing models so they can accurately price risks in the future

To optimize the renewal process, it is important that there is clear and ongoing communication between all parties.

WHY SHOULD YOU USE TECHNOLOGY FOR YOUR RENEWAL?

We've already shared with you some of the main factors for a successful market submission and how your data will be used. Clearly, the volume of data required for a successful submission can very quickly mount up. For risk/insurance departments using spreadsheets and paper-based records, this can present a significant challenge and drain on resource.

In this section, we will address the key challenges clients face when collecting renewal data, and focus on how a Ventiv can address these issues.

1. [Integrating data into one central system](#)
2. [Saving time](#)
3. [Increasing data submissions](#)
4. [Improving data quality](#)
5. [Auditability](#)
6. [Achieving better communication and sharing information](#)

INTEGRATING DATA INTO ONE CENTRAL SYSTEM

One of the key challenges for the risk/insurance team during a renewal is manually trawling through data and copying information from spreadsheet to spreadsheet.

Risk/insurance managers want to be able to consolidate data from other channels and internal systems. For example, they may want to import employee data from payroll systems or fleet information from vehicle databases.

Rather than having to re-key this information, most vendors will be able to offer integration options that will automatically upload the data.

Furthermore, a renewal technology solution should offer a number of additional methods for collecting data, these include:

- Keyed entry
- Self-service imports and/or updates from spreadsheets, and
- Bespoke data loads

SAVING TIME

Achieving time savings is another challenge facing risk/insurance professionals during renewals.

From workflows that automate processes to existing questionnaire templates, you can save considerable time in the following areas:

- **Creating the renewal questionnaire:** A risk management focused solution should come with a standard questionnaire template. You will also have the ability to quickly update your questionnaire and add in instructions and help files.
- **Distributing questionnaires:** Rather than having to send emails to different business units, workflows can be set up that automatically notify users about the renewal questionnaire and send reminders.
- **Checking data:** Business rules can be set up to automatically check data for variances. Any potential errors will be notified to the user and risk/insurance teams.
- **Tracking questionnaire statuses:** Dashboards will show which business units have completed, partially completed or yet to start completing their renewal questionnaires.
- **Producing charts and reports:** Standard, interactive charts and reports will be provided within the solution that can be produced at the click of a button, and allow for easy manipulation of your renewal data.

INCREASING DATA SUBMISSIONS

One of the key success factors of any commercial insurance renewal is that each business unit submits their data. After all, one late submission from a territory can hold up the whole process.

While technology can make the questionnaire easier to access and complete, in our experience, getting your staff ready for using the system is just as crucial.

- **Align staff:** Bring representatives from your risk/insurance team and business units together, to agree upon your ideal renewal process and set KPIs and timescales.
- **Run webinars and workshops:** Prior to the renewal questionnaire being sent, hold events to walk users through the process and point out any updated or important areas.
- **Evolve the questionnaires:** Use the software to identify where users had difficulty answering questions and then update/ change them for the next year's renewal.
- **Communicate the result and highlight successes:** Showcase how a proactive approach to risk management has delivered value, such as premium allocation savings, throughout the organization.

IMPROVING DATA QUALITY

Studies have shown that one of the most effective ways to reduce data inaccuracies is through good questionnaire design.

Here's a list of five best practices and recommendations you'll want to consider when preparing your questionnaire:

- **Set up a logical flow:** As well as stating upfront the objectives and value of completing the questionnaire, start with easier questions first, eg address information, before continuing with more specific questions, eg building cladding and roof geometry. Most modern systems will also enable questionnaires to dynamically adapt based on the users' answers.
- **Use non-insurance terminology:** Wherever possible keep questions clear, concise and specific so they are easy for users to understand and enter the correct data and values. Most systems will support multiple languages, enabling questionnaires to be created in the local language for your business units.
- **Ask closed-ended questions:** By giving users specific choices, ie yes or no, you will help improve data accuracy and make it easier to analyze the renewal data.
- **Add context help and tool tips:** This will help prime users, highlight the reason you've asked the question and show the format and type of data you're looking for in the response.
- **Test your questionnaire:** Once the questionnaire has been produced, ensure everything works correctly and test it with a few of the people who will be completing it. This will enable you to adjust questions that have been misinterpreted and fix any errors.

AUDITABILITY

Nearly all clients say that an accurate audit trail for their information is important. A key drawback of using spreadsheets is being able to quickly show that the correct protocols and controls are in place to prove that information is valid and reliable.

Rather than manually putting together audit trails, a risk management focused solution will enable reports to be produced that show how a company's risks and exposures have changed over time and evidence decisions about risk transfer, risk retention and loss prevention.

The report also highlights what information has been added or changed within the system, when, how, and by whom.

ACHIEVING BETTER COMMUNICATION & SHARING INFORMATION

Another serious challenge in respect of renewal data collection, is effectively communicating and sharing information with everyone involved in your company's renewal.

Technology answers these challenges in a number of ways:

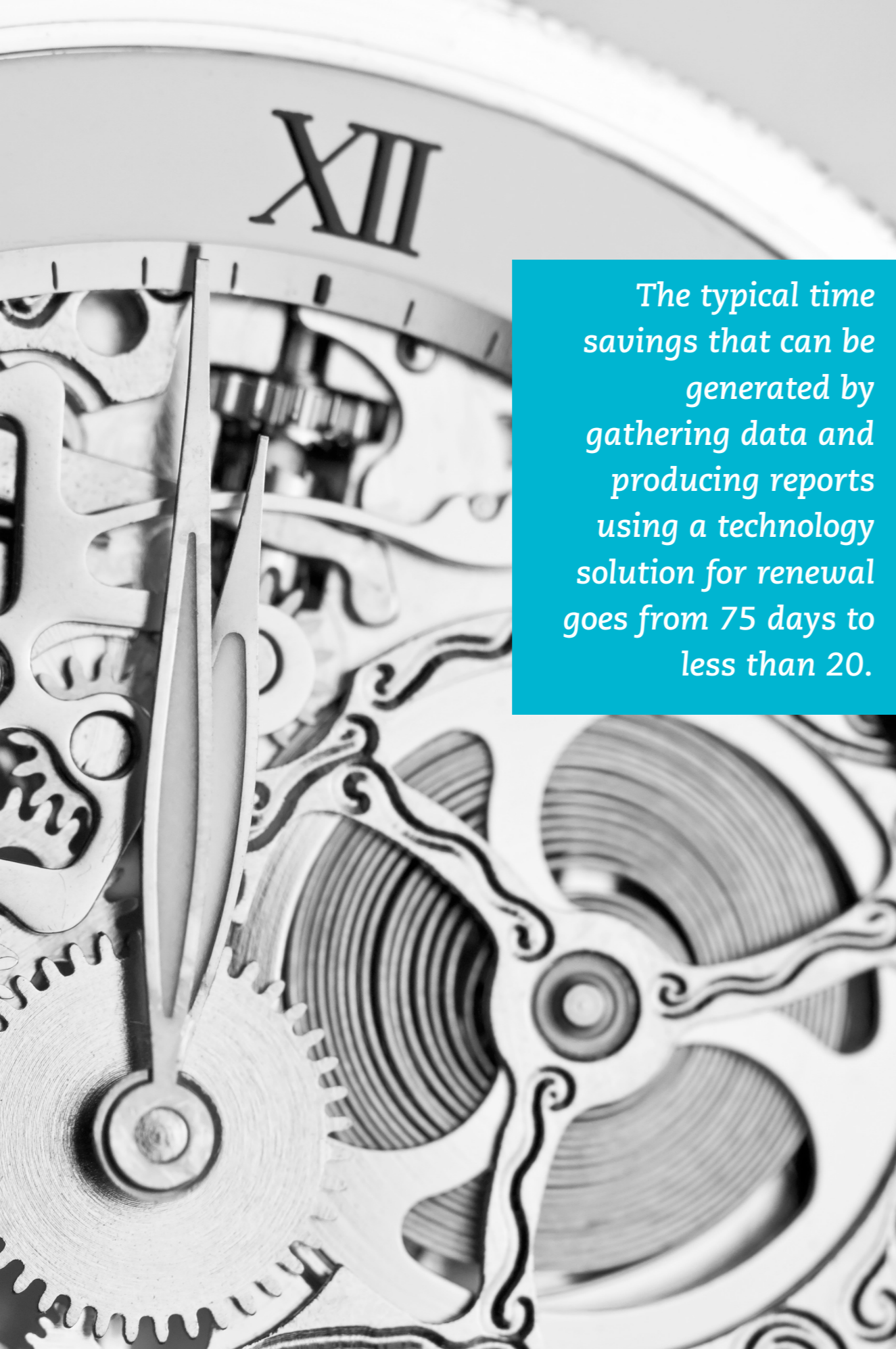
- **Email workflows:** To effectively communicate with brokers and internal staff, predefined emails can be triggered, containing renewal information, when a specific event happens or an action is completed.
- **Standardized questions and processes:** By housing renewal data and questionnaires in one central system, any changes to questions or processes can be quickly and effectively communicated from within the system.
- **Flexible data outputs and reports:** It's important that data can be outputted quickly and easily into a number of different formats. For example data exported to spreadsheets will be necessary for many underwriters' pricing models, whereas charts and reports will be needed for the broker and the market submission. Most systems will provide a full range of in-built reporting options as well as multiple output formats, including pdf, excel and xml.

GETTING APPROVAL FOR A SOFTWARE INVESTMENT

So, you've found the system you know will help you improve insurance renewal, but now you need the capital necessary to invest in a system.

Over the next few pages, we'll look at some of the ways you can demonstrate the business value of implementing a risk management software solution for your next insurance renewal.

1. [Time savings and efficiencies](#)
2. [Achieving ROI and protecting the company's P&L](#)
3. [Reduced premium spend](#)
4. [Helps avoid policies being voided](#)
5. [Improved conditions of insurance policies](#)



The typical time savings that can be generated by gathering data and producing reports using a technology solution for renewal goes from 75 days to less than 20.

TIME SAVINGS AND EFFICIENCIES

The time savings offer the following benefits to different members of staff:

System users from the risk/insurance team and business units

- Makes my job more enjoyable and easier.
- Shifts my job from 'data entry' to 'data analyst' and 'risk management', which is a better use of my skills and experience.

Risk/insurance manager

- Motivates staff.
- Improves visibility of enterprise-wide exposures.
- Improves accuracy and timeliness of data for market submissions.
- Enables compliance with laws and regulations, such as Uberrima fides (utmost good faith).
- Ensures the terms of insurance cover are as good as possible for the quality of cover, insurance and advice.

CFO and C-suite

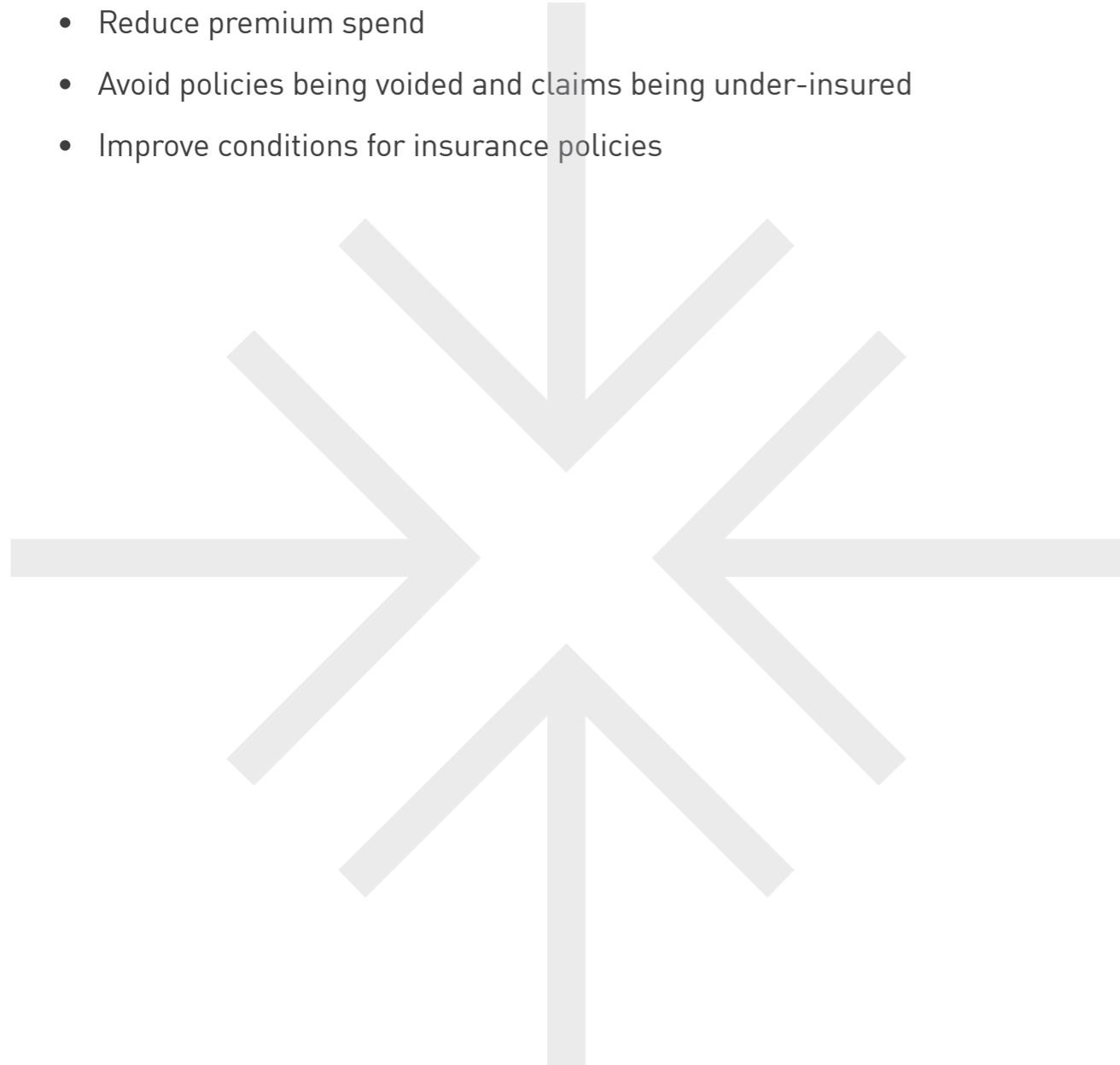
- Improves visibility of all risks and exposures across the business.
- Helps boost morale and retain staff.
- Boosts efficiencies and reduces operation cost.
- Manages expectations and impact on the P&L, by ensuring that reserves and premiums are correct, reflective of the company's risks and accurate for the year.
- Ensures the company passes audits and complies with laws affecting our operations.

ACHIEVING ROI AND PROTECTING YOUR P&L

Risk management software enables the risk/insurance manager to effectively collect a wealth of data, and thereby ensure that all the facts about their company's risks and exposures can be disclosed to the insurer.

This helps:

- Reduce premium spend
- Avoid policies being voided and claims being under-insured
- Improve conditions for insurance policies



REDUCED PREMIUM SPEND

In our latest survey, over 60% of the 400 risk/insurance professionals surveyed said they'd seen a reduction in risk transfer costs from using risk technology tools. Furthermore, almost 20% said they'd achieved a 10% reduction in premiums.

Qualitative research with our clients also follows these findings, with many showing a positive impact of premium spend, and some reducing premiums by more than 10% for specific lines of business.

These savings are typically derived from:

- Up-to-date and accurate information about all the company's risk and exposures. This in turn ensures actuaries set appropriate reserves and provisions, and ensures underwriter's pricing models are used to their full extent
- More focused insurance purchasing, which helps prevent over/under insuring
- Providing a clear picture of the loss prevention strategies and results

HELPS AVOID POLICIES BEING VOIDED & CLAIMS BEING UNDER-INSURED

Naturally, it would be remiss to say that by using a risk management information system all companies will achieve a reduction in premium. In fact, by providing more information, companies may see the opposite, and an increase in premiums.

However, by providing high-quality data, risk/insurance managers are able to meet their duty of disclosure, which in turn means that when a claim happens, policies won't run the risk of being voided and claims only being partially paid.

The knock on effect would be that claims would then need to be paid by the company, rather than the insurer, and so impact the company's P&L.

IMPROVED CONDITIONS OF INSURANCE POLICIES

Another vital component of the insurance renewal is the conditions of the policies. By providing a comprehensive picture of all your risk and exposures, many insurers will provide more favorable conditions. For example, better deals on retrospective dates, increases in limits, wider terms on the way claims are reported and less stringency on timescales.

The result is that it is easier for the risk/insurance manager to meet the conditions of the policy, and so avoid insurers denying the claims on grounds that the conditions weren't met. Again, any denied claims would have an impact on the company's P&L

DETERMINE WHO NEEDS TO BE INVOLVED


~~Appointing~~ **Appointing** a new system will involve many stakeholders and parties. It's important to speak with these parties to ensure they support your decision, and that their needs and concerns have been considered.

When you're determining who needs to be involved in the decision-making process, consider the following:

- **System price:** this will greatly influence the review process and paperwork involved and also who will be required to sign off.
- **Users:** who will be using the system and how will they be using it, eg data entry, analysis, report building, administration? Involve a few of the different groups of people in the decision process and project rollout. This will help ensure the system is fully backed and used after implementation.
- **Budget:** where will funding for the system come from? Can capital funds or insurance bursaries be used to supplement the budget?
- **Procurement:** ensure you speak with the procurement department and understand the rules and protocols involved in purchasing new systems.
- **IT:** IT will play an important role in any new system implementation. Ensure the vendor you select can address their concerns and, demonstrate how the system will be deployed and supported.



CONCLUSION



Risk Management software can be powerful for helping make your commercial insurance renewal successful. Effective risk/insurance managers are harnessing the power of these systems, to deliver efficiencies, compile accurate information and optimize their market submissions.

We hope this eBook has helped with your evaluation and outlined the reasons for implementing a risk management software solution.



NEXT STEPS

LET US SHOW YOU HOW WE'RE DIFFERENT

Ventiv Technology is a global leader in technology that transforms how organizations manage risk, insurance, claims, and safety. Ventiv strives always to put our clients at the center of everything we do.

www.ventivtech.com/renewal