

The Five Star verdict on eTrading: the factors behind success or failure

What are you defining as a Complex product class?

(David Haddock) "Good question! Some insurers would define a risk as easily 'eTradeable' whilst others would refer on simple things like premium. On a general basis though we generally consider non-package products like Commercial Combined and Liability to be complex.

Having reflected on this further after the call, I feel that talking about 'complex' isn't particularly helpful unless we're clear about which products fall under that category (at which point why not just name them?) - I'll certainly be bearing this in mind moving forwards."

(Simon De Ferry) "I think this also just comes down to size/complexity of the individual quote, rather than specific product classes - it is possible to have 'complex' Tradespeople risks and 'simple' Commercial Combined risks. Overall, at Acturis we broadly would consider anything under £10k premium as potentially 'eTradeable'."

Do we think Product question sets and Standards should be evolved and change more quickly than the current time frames we typically see? Do we think that would bring advantages to improving e-trade risk interaction?

(DH) "As a market we should definitely be aiming to adapt more quickly. However, this will require all stakeholders and a change in the approach. Everyone is aware of the disruption that the 2021 PO Question Changes had and in my opinion the market feedback has resulted in much more deliberate approach for the upcoming Fleet Question Changes. We need to strike the right balance though because if we can't adapt to everyone's changing requirements people will consider alternatives to digital trading."

(SDF) "The industry definitely needs to be moving faster, to keep up with regulatory and usability changes, and to allow a wider range of risks to be traded. As David points out though, this will need increased commitment from all parties involved.

At Acturis we are developing tools which should allow us to change questions and answers effectively in real time, so that we can be much quicker at implementing simple changes."

Is there room for e-Trading if half of the quotes end up in referrals?

(DH) "I mentioned on another answer that eTrading can be defined in different ways - on one hand it's full (automatic) quoting without any further intervention, on the other extreme it is sometimes just the start of an inevitable conversation due to the nature of the business (either the class or individual risk features like claims, sums insured etc). If we accept that there will always be a proportion of referrals we need to maintain focus on how to make the referral process as efficient and effortless as possible. Utilising existing and new technology will be critical to this.

Specifically on the current high referral rates though - I agree that some insurers are referring far too often and this puts them at a disadvantage against their competitors. To be fair to insurers they are very aware of this issue and survey results like this emphasise the need for them to act."

(SDF) "Referrals are an important part of the etrading journey when used well, allowing much more complex risks to be processed. As per the discussion during the webinar, I think the key is eliminating the

'unnecessary' referrals so that time and focus can be spent on these value-added interactions. This may be achieved through insurers reviewing their underwriting criteria, but also by SWHs reviewing the quote journey, to simplify data entry etc."

David hit the nail on the head. We have had a shopping lists of 25+ questions from insurers for £3k- £5k risks! yet would answer far less for a £50k+ risk

(DH) "Thanks! I was pleased that we got into service so quickly during the webinar because it is so important - when it is properly resourced with empowered underwriters eTrading is much easier!

On your particular feedback I agree it's very frustrating, especially if the broker has taken the time to 'tell the story' on the referral only for them to get a copy and paste list of UW questions in response..."

(SDF) "As a SWH we can focus on working with insurers to ensure that only the necessary questions are displayed for a given quote. We are also exploring the use of data enrichment sources to help minimise the number of questions, or at least to help with filling out the answers."

Can you please give a brief summary of "extranet"?

(DH) "Apologies - Extranets = Insurer Portals. Basically anything that quotes based on risk information provided by the broker."

Are we classing larger Motor Fleets (15+ vehicles) as complex? Do brokers want to e-trade these risks?

(DH) "I've been surprised by how quickly eTrade Fleet has grown, especially in the last 2 years across premium bands and fleet sizes."

The main reason for my surprise is that eTrade Fleet cannot accommodate declaration policies and I always felt that the move towards as & when would be more gradual. However, I have been seen a significant increase in various types of policies moving to eTrade which strongly suggests that this is less of an obstacle for the broker (or the client for that matter).

You're right though - currently the general cap for fleet size is 15 for New Business. There will always be max vehicle and premium limits (determined mainly by insurers' appetite) however this is being expanded by the leading providers (I can think of at least 2 who write up to 20 vehicles)."

(SDF) "There definitely seems to be a huge broker appetite to trade these risks - Motor Fleet has been one of the fastest growing etrade product lines on Acturis, with an average YoY growth of 28% over the past 3 years, and there is now over £75m GWP etrade processed annually. Although average fleet sizes are around 4-5 vehicles, significantly larger fleets are also supported, and as we add more insurers to the panel, the footprint of risks which can be covered is increasing."

Do you think the industry should put more pressure on the SWHs to make the process easier for brokers and insurers alike? i.e. Acturis integration of their core app into insurers extranets, especially where the extranet is powered by Acturis, or using APIs to gather company info including ERNs from the company registration number?

(DH) "This is a good suggestion and worth exploring further. I feel we were all agreed today that we should strive to simplify all aspects of the market, although I appreciate this is easier said than done!

I'll defer to Acturis on the first suggestion but on the 2nd (and the wider point of third party data integration) I think some kind of central solution would work well in the future, however I am conscious about our current

ability as brokers to utilise such a solution. I say this because Polaris piloted a 3rd party data enrichment source fairly recently and it was shelved due to lack of interest - sometimes good ideas just come out too early though."

(SDF) "We are always keen for broker and insurer feedback on what changes we could implement to improve efficiency for all parties.

Regarding the first point re. extranet integration, although this is technically possible, it loses the benefit of comparative trading, as it would mean you are using one specific insurer's web screens for data input. As such, it is not something we have previously had a great deal of interest in progressing.

On the second point, we already have 3rd party integrations available during the risk capture journey to help gather information, and there is a project underway within Acturis to make this functionality available when adding a client to the system"

Are insurers considering the impact that the decision of an eTrade system either SWH or Extranet could have on winning business offline? i.e. Can the insurers internal systems talk to each other if an offline team could consider a risk that a system cannot underwrite?

(DH) "I agree there's definitely more that insurers should be doing here. I know a lot are looking to invest in this area and some have already made good progress with innovative solutions.

On a related point I think one of the historical obstacles to this is down to insurers splitting their manual and digital P&Ls. This effectively means they are run as separate business and discourages collaboration, innovation etc. Breaking down these barriers are surely in the insurers interest?"

(SDF) "This is a great question and one that we consider a key topic for the expansion and progression of eTrade over the coming years. Systems need to be able to fluidly cope with a client's changing needs, and this may well mean seamlessly shifting from what was traditionally seen as one area of an insurer's organisation to another.

This clearly cannot be supported by having multiple, independent systems, and we are working with a number of insurers to see how we can help integrate platforms to improve e.g. data transfer, continuity of processes, single-instance platforms for underwriters etc, to try tackle this problem. This will only become more important as we move beyond traditional SME in to more complex insurance lines."

Brokers preferred method is live chat however often this is used to chase up referrals where submissions to insurers have just been sent. There is an onus on broker partners to allow insurers time to allow answering referral submissions. This would then help reduce time waiting and allow for those brokers who genuinely need live chat assistance to get the support they need

(DH) "Another good suggestion! I appreciate that this scenario is a challenge for insurers, especially because of the additional resource demands it creates.

However, we should recognise that a key driver for this behaviour is that broker's services demands are sporadically met. We went through on the call that these expectations are surprisingly modest but often brokers have to wait much longer."

(SDF) "One area which I think would help here is if we as a SWH could make it clearer for the broker as to where in the referral journey a particular quote is at. At the moment, once referred to an UW, a broker will not hear anything further until the final response comes through. We could potentially enhance the solution to give interim updates as to when an underwriter has picked the quote up for instance, which would hopefully give a bit more clarity around what is going on with the quote."

Simon, what are typical barriers that you face with insurers with regards to getting their product live on Acturis other than cost? Is question mapping still an issue as it is with certain insurers?

(SDF) "Getting new insurers to be able to fit to the shared question set, and mapping to their specific product requirements, is definitely a major component of the specification and product build process. Another key focus is trying to get standardisation of insurer outputs, to appear neatly on our comparison screens - as mentioned during the webinar, there is often variation in how insurers want this to appear, which has led to a mixture of content structure, and so the screens are not as useful as they could be."

A number of daily enquiries from brokers to UW's via both phones and webchat can be about SWH platform functionality. Queries around insurer's direct extranet platform seem fair enough but could more be done to train end users at brokers or direct application queries to the SWH rather than to the insurer?

(DH) "Further good (and specific) feedback on the point I was making about broker's responsibility in this process. I appreciate that it would be frustrating for insurers to be asked platform questions when the phones and live chat are geared up for underwriting queries. From a personal perspective I'm always keen to hear specific feedback from insurers to incorporate into our staff training and comms so if you have any common areas that you can share please engage directly with me and we'll work on this with you."

I suspect Simon might well have comments on this as well - I know Acturis also invest time and effort on training and help guides etc so we're all trying to remove unnecessary queries."

(SDF) "As David mentions, we constantly monitor the queries/feedback which is raised to our helpdesk to try identify any common themes where we could e.g. amend a question to improve clarity or change the flow of a process. This also then does directly feed in to the regular training sessions we run."

In respect of the 'platform' specific questions, the question around 'Quality & number of questions asked' is this question relevant, given that the questions asked, are set as standard for all Insurers on the platform? Do we know what the driving differentiator is between the ratings for this particular service factor?

(DH) "I had a similar thought when reviewing the results. The best answer I could think of for the different scores was around the 'total number of questions' - e.g., whilst you would answer the same number of questions on the original submission to the market the 'total number' is down to how often you generate a referral, and how many additional questions that referral generates."

(SDF) "Agreed, I think this is useful feedback to take in to consideration for future iterations of the survey. Some insurers will set a slightly larger/smaller number of the questions as mandatory, so there is a degree of variation, but ultimately it is all based around the one shared superset of questions."