

Leading UK commercial Insurer automates underwriting in SME and low premium classes using Cytora Risk Engine

The Challenge

A leading UK commercial Insurer wanted to increase profitability by reducing underwriting and distribution costs in SME segments.

The Insurer wanted to use a direct distribution strategy coupled with an underwriting engine to reduce underwriting expenses and re-focus underwriter time only on complex referrals in profitable areas.

The Solution

The Cytora Risk Engine gave a technical risk price for every potential customer in the market, augmenting the Insurer's own view of price.

A phased integration equipped the Insurer's systems with the ability to consume technical prices and adaptive rating questions from Cytora APIs. This automated the risk selection and pricing process across a pipeline of live submissions coming in from panels and aggregators.

All available micro-segments were ranked according to loss ratio, enabling the Insurer to continuously assess the portfolio mix against the total population, to ensure they were targeting the most profitable consumers.

This insight was fed back into the marketing and customer acquisition process to focus on bringing in profitable sub-segments of the total population.

Results

- Underwriting expenses were reduced by 60%
- The Insurer was able to shift to a quarterly model validation approach
- Unprofitable sub-segments were excluded and marketing campaigns were refined to ensure they targeted the most profitable segments of the total population

About Cytora

Cytora is the risk targeting, selection and pricing engine for commercial insurance.

With Cytora, commercial insurers can improve loss ratios by up to 18% while growing premium by as much as 10%. The Cytora Risk Engine - powered by artificial intelligence - simultaneously enhances the accuracy and sophistication of risk selection and removes friction associated with the insurance buying process by replacing questions with thousands of data inputs. Today we deliver underwriting advantage to leading insurers across Europe and North America.

Contact

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